


COMMENTARY

The implementation of basic income: A mental health approach

Bhindai Mahabir^{1*} , Joel Hernandez¹, Sonal Swain², Vania Sih³, and Bhumika Devkota¹

¹University at Albany, State University of New York, ²Stony Brook University, State University of New York and ³Vanderbilt University

*Corresponding author. Email: kmahabir@albany.edu

The majority of Americans rely on their jobs for financial security, emphasizing salary when selecting occupations (Iacovou et al., 2004). Because money is a powerful external motivator of behavior (Stajkovic & Luthans, 2001), job seekers may choose careers, occupations, and college majors based on their financial security (Wiswall & Zafar, 2015) rather than their fulfillment (e.g., careers that bring them excitement). The mental health of employees can be adversely affected when their financial well-being is dependent on their current job salary, but this issue can be resolved with a federal basic income (BI). In our commentary, we expand upon the benefits of BI that Hüffmeier and Zacher (2021) express in the focal article and suggest possible ways in which BI can contribute to positive mental health. In particular, we discuss mental health in the workplace as well as factors contributing to poor mental health, such as financial insecurities. Using self-determination theory (SDT) as a basis for our recommendations, we discuss how financial insecurity negatively affects mental health and why BI can be beneficial. Finally, we discuss how organizations can use BI to support employees' mental health.

The Center for Disease Control and Prevention (2018) defines mental well-being as the presence of positive thoughts and moods. In recent years, mental well-being has become a topic of great interest in industrial and organizational psychology, with numerous meta-analyses that have examined how work factors influence mental well-being (e.g., Tan et al., 2014). As a large percentage of the US adult population shows signs of a mental illness each year (20.6%; National Institute of Health, 2021), it is not surprising that this topic is at the forefront of research. Depression and anxiety are two common mental health outcomes of interest, both of which are affected by work factors like high workload and low autonomy (Enns et al., 2015; Paterniti et al., 2002). This indicates that job conditions can affect an individual's mental health, but given the importance of salary, employees may be reluctant to leave their positions because it makes them financially insecure.

Effects of financial insecurity on mental health

It is critical to consider how financial strain and dependency on a salary affect mental health. As job salaries are the primary source of income for most Americans, job seekers place a great deal of importance on finding a job that allows them to pay their household bills and any lingering debts (Ackerman et al., 2012). With greater stress-induced debt, the motivation for job selection becomes primarily based on salary rather than pursuing a fulfilling career (Ng & McGinnis Johnson, 2020). The pressure of repaying credit card debt or unpaid bills can make one feel like they are losing control over one's life, resulting in increased levels of anxiety and stress (Grable & Joo, 2006). Mental well-being and financial insecurity are linked to one another such that loss of

control due to debt makes individuals three to four times more likely to suffer from mental or neurotic disorders (Reading & Reynolds, 2001; Richardson et al., 2013; Selenko & Batinic, 2011).

Having debt is mentally and economically draining, and it can affect one's ability to make smart decisions (Ong et al., 2019). Stress-induced debt leads to greater emotional decision making than practical decision making (Caplan & Schooler, 2007). Rather than managing their debt with effective financial strategies, debtors under stress are more likely to turn to unhealthy behavior that provides them with emotional relief (e.g., smoking and drinking), compromising their physical and mental health (Grafova, 2011). One may also use spending as a coping mechanism to manage their mental health, propelling them further into debt (Rice et al., 2020). Furthermore, financial hardship may deter one from seeking treatment due to the high cost of health care, which leaves financially strained individuals unable to access the care that is necessary to treat the symptoms of anxiety, stress, and depression that adversely affect their mental health (Rowan et al., 2013). Thus, to better understand employee mental health, we need to look at the root cause of financial stress: income.

Application of self-determination theory to basic income

Due to the negative effects that financial insecurity and debt can have on an individual's mental health, the importance of an individual's income cannot be understated. Stress and financial instability can negatively affect an individual's health and well-being (Weida et al., 2020). A framework for studying the effects of income on mental health is the self-determination theory. SDT posits that an individual reaches the highest level of intrinsic motivation and better well-being when the needs for autonomy, competence, and relatedness are met (Ryan & Deci, 2014). We focus specifically on autonomy and competency because we expect these components to be the most relevant to BI's influence on employees' mental health.

Autonomy is the perception of free will in one's actions (Ng et al., 2012). High autonomy can be achieved when one is given the opportunity to set one's own schedule. Autonomy can be used to explain the beneficial outcomes of BI, such as work-related motivation, commitment, and overall well-being (Rosso et al., 2010). By implementing BI, people would have greater flexibility in choosing between education, leisure, employment, community support, and childcare (Reed & Lansley, 2016). When employees are autonomously able to choose their tasks and jobs, they will see them as more meaningful (McGregor & Little, 1998; Ryff, 1989). Therefore, implementing a BI system may improve the meaning of work and improve the well-being of individuals because they will have more autonomy in selecting their jobs.

Competence is the sense of self-efficacy in one's actions (Ng et al., 2012). To accomplish high competence, employees can choose tasks that match their skill set. If one feels inept, incompetent, and incapable of accomplishing work tasks, the job can feel meaningless (Baumeister, 1991; Steger et al., 2008). With the extra financial security provided by BI, individuals may choose to pursue a career that aligns better with their skill set than to seek positions that offer a higher salary. It is common for employees to bypass positions at which they can excel because the pay is mediocre and not enough to be sustainable. A skilled artist, for example, may not choose this career path considering the uncertainty of its financial future (Collins, 2012). Given the connection between BI and SDT, it is understandable why BI pilot projects show that regular access to more financial resources greatly improves mental health (Witte, 2019). With the implementation of BI, employees can have more autonomy and competence over their jobs, thereby leading healthier lives. Meaningfulness can be an abstract concept to put into practice; however, by creating policies and practices, such as a BI, the government may be able to better support employees' mental health and overall well-being.

The benefits of BI go beyond improving people's mental health; it can also contribute to better organizational outcomes. One outcome of interest for employers is job performance, which are

scalable actions, outcomes, and behaviors performed by employees that contribute to the achievement of organizational goals (Viswesvaran & Ones, 2000). Previous evidence supports the connection between mental well-being and job performance (Cotton & Hart, 2003). Another outcome of interest that BI can improve is employee motivation, which is the direction, intensity, and persistence of behavior (Kanfer, 1990). Motivation on the job increases when people perceive more work autonomy (Eitam *et al.*, 2013). As supported by SDT, if an employee's basic needs are being met, they will be more motivated to perform well on the job (Oswald *et al.*, 2015). In addition, strong work motivation is linked to important work outcomes such as reduced turnover intention (Dysvik & Kuvaas, 2010). Considering how costly turnover is to an organization (Waldman *et al.*, 2004), any method to keep employees at the organization should be welcomed.

Conclusion

Based on the arguments that were presented by Hüffmeier and Zacher (2021), we argue that BI could contribute to a work environment that is based on self-determination rather than a primary focus on salaries. Employees will be able to pursue careers that fulfill their interests rather than seeking higher-paying positions. Additionally, implementing a BI would alleviate employees' financial stress, improving their mental health and positively affecting organizational outcomes such as job performance and employee motivation. As a result, both individuals and organizations can benefit from BI.

References

- Ackerman, R. A., Fries, G., & Windle, R. A. (2012). Changes in US family finances from 2007 to 2010: Evidence from the Survey of Consumer Finances. *Federal Reserve Bulletin*, *100*(4), 1–80.
- Baumeister, R. F. (1991). *Meanings of life*. Guilford Press.
- Caplan, L. J., & Schooler, C. (2007). Socioeconomic status and financial coping strategies: The mediating role of perceived control. *Social Psychology Quarterly*, *70*(1), 43–58.
- Center for Disease Control and Prevention. (2018, October 31). *Well-being concepts*. <https://www.cdc.gov/hrqol/wellbeing.htm>
- Collins, L. (2012, July 30). The Question Artist. *The New Yorker*.
- Cotton, P., & Hart, P. M. (2003). Occupational wellbeing and performance: A review of organisational health research. *Australian Psychologist*, *38*(2), 118–127.
- Dysvik, A., & Kuvaas, B. (2010). Exploring the relative and combined influence of mastery-approach goals and work intrinsic motivation on employee turnover intention. *Personnel Review*, *39*(5), 622–638.
- Eitam, B., Kennedy, P. M., & Tory Higgins, E. (2013). Motivation from control. *Experimental Brain Research*, *229*(3), 475–484.
- Enns, V., Currie, S., & Wang, J. (2015). Professional autonomy and work setting as contributing factors to depression and absenteeism in Canadian nurses. *Nursing Outlook*, *63*(3), 269–277.
- Gable, J. E., & Joo, S. H. (2006). Student racial differences in credit card debt and financial behaviors and stress. *College Student Journal*, *40*(2), 400–409.
- Grafova, I. B. (2011). Financial strain and smoking. *Journal of Family and Economic Issues*, *32*(2), 327–340.
- Hüffmeier, J. & Zacher, H. (2021). The basic income: Initiating the needed discussion in industrial, work, and organizational psychology. *Industrial and Organizational Psychology: Perspectives on Science and Practice*, *14*(4), 531–562.
- Iacovou, C. L., Shirland, L., & Thompson, R. L. (2004). Job selection preferences of business students. *Journal of Applied Business Research (JABR)*, *20*(1), 87–98.
- Kanfer, R. (1990). Motivation theory and industrial and organizational psychology. *Handbook of Industrial and Organizational Psychology*, *1*(2), 75–130.
- McGregor, I., & Little, B. R. (1998). Personal projects, happiness, and meaning: On doing well and being yourself. *Journal of Personality and Social Psychology*, *74*(2), 494–512.
- National Institute of Health. (2021, January). *Mental Illness*. <https://www.nimh.nih.gov/health/statistics/mental-illness>.
- Ng, E. S., & McGinnis Johnson, J. (2020). Game of loans: The relationship between education debt, social responsibility concerns, and making a career choice in the public, private, and nonprofit sectors. *Nonprofit and Voluntary Sector Quarterly*, *49*(2), 292–315.

- Ng, J. Y., Ntoumanis, N., Thøgersen-Ntoumani, C., Deci, E. L., Ryan, R. M., Duda, J. L., & Williams, G. C. (2012). Self-determination theory applied to health contexts: A meta-analysis. *Perspectives on Psychological Science*, 7(4), 325–340.
- Ong, Q., Theseira, W., & Ng, I. Y. H. (2019). Reducing debt improves psychological functioning and changes decision-making in the poor. *Proceedings of the National Academy of Sciences*, 116(15), 7244–7249.
- Oswald, A. J., Proto, E., & Sgroi, D. (2015). Happiness and Productivity. *Journal of Labor Economics*, 33(4), 789–822.
- Paterniti, S., Niedhammer, I., Lang, T., & Consoli, S. M. (2002). Psychosocial factors at work, personality traits and depressive symptoms: Longitudinal results from the GAZEL study. *The British Journal of Psychiatry*, 181(2), 111–117.
- Reading, R., & Reynolds, S. (2001). Debt, social disadvantage and maternal depression. *Social Science & Medicine*, 53(4), 441–453.
- Reed, H., & Lansley, S. (2016). *Universal basic income: An idea whose time has come?* Compass.
- Rice, A., Garrison, Y. L., & Liu, W. M. (2020). Spending as social and affective coping (SSAC): Measure development and initial validation. *The Counseling Psychologist*, 48(1), 78–105.
- Richardson, T., Elliott, P., & Roberts, R. (2013). The relationship between personal unsecured debt and mental and physical health: A systematic review and meta-analysis. *Clinical Psychology Review*, 33(8), 1148–1162.
- Rosso, B. D., Dekas, K. H., & Wrzesniewski, A. (2010). On the meaning of work: A theoretical integration and review. *Research in Organizational Behavior*, 30, 91–127.
- Rowan, K., McAlpine, D. D., & Blewett, L. A. (2013). Access and cost barriers to mental health care, by insurance status, 1999–2010. *Health Affairs*, 32(10), 1723–1730.
- Ryan, R. M., & Deci, E. L. (2014). Self-determination theory. In Alex C. Michalos (Ed.), *Encyclopedia of Quality of Life and Well-Being Research* (pp. 5755–5760). Springer
- Ryff, C. D. (1989). Happiness is everything, or is it? Explorations on the meaning of psychological well-being. *Journal of Personality and Social Psychology*, 57(6), 1069–1081.
- Selenko, E., & Batinic, B. (2011). Beyond debt. A moderator analysis of the relationship between perceived financial strain and mental health. *Social Science & Medicine*, 73(12), 1725–1732.
- Stajkovic, A. D., & Luthans, F. (2001). Differential effects of incentive motivators on work performance. *Academy of Management Journal*, 44(3), 580–590.
- Steger, M. F., Kashdan, T. B., Sullivan, B. A., & Lorentz, D. (2008). Understanding the search for meaning in life: Personality, cognitive style, and the dynamic between seeking and experiencing meaning. *Journal of Personality*, 76(2), 199–228.
- Tan, L., Wang, M. J., Modini, M., Joyce, S., Mykletun, A., Christensen, H., & Harvey, S. B. (2014). Preventing the development of depression at work: A systematic review and meta-analysis of universal interventions in the workplace. *BMC Medicine*, 12(1), 1–11.
- Viswesvaran, C., & Ones, D. S. (2000). Perspectives on models of job performance. *International Journal of Selection and Assessment*, 8(4), 216–226.
- Waldman, J. D., Kelly, F., Aurora, S., & Smith, H. L. (2004). The shocking cost of turnover in health care. *Health Care Management Review*, 29(1), 2–7.
- Weida, E. B., Phojanakong, P., Patel, F., & Chilton, M. (2020). Financial health as a measurable social determinant of health. *PloS One*, 15(5), Article e0233359.
- Wiswall, M., & Zafar, B. (2015). How do college students respond to public information about earnings? *Journal of Human Capital*, 9(2), 117–169.
- Witte, K. (2019, July 28). *The effects of automation on unemployment and mental health: Is universal basic income the ultimate cure*. DOC Research Institute. <https://doc-research.org/2019/07/automation-unemployment-mental-health-ubi/>