

REVISITING *MINCOME*

What happens when you
guarantee an entire town a basic
income?

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An intervention study with twists:

- No control over the design of the intervention
- No access to data collected by original researchers
- Limitations imposed by ethics board on our ability to contact original subjects
- Original study was thirty years old

We wanted to know:

- What happens when a guaranteed income is offered to an entire community?
- In particular:
 - Does population health improve?

WHO WOULD FUND THAT?!

MINCOME (1974 – 1978)

- In 1974, the governments of Canada and Manitoba implemented a large field experiment to assess the impact of a Guaranteed Income
- One of 5 North American GAI experiments
- Part of a general reform of social safety net

MINCOME

- 2 sites
 - A dispersed sample in Winnipeg
 - A saturation site in Dauphin, MB
- The Dauphin site was the only saturation site in any of the 5 experiments: every family was eligible to participate

MINCOME

- Was designed to find out what effects a Guaranteed Income would have on the labour market

Labour market results on Winnipeg sample:

- Almost identical outcomes to US experiments
- GI was constructed as a Negative Income Tax (refundable tax credit)
- At a base rate of 60% of LICO with a 50% tax-back rate, the number of hours worked fell by about 13%

Labour market results on Winnipeg sample:

- Virtually no effect on primary earners
- Significant effects on secondary and tertiary earners
 - Married women returned to work less quickly after childbirth
 - Adolescent children entered the workforce later and reduced their hours of work significantly

Health and Social Effects?

- Research funding for analysis ran out midway through the experiment
 - Families were paid
 - Research concentrated on labour market
- Social issues were not a primary research question
 - Data collected (by questionnaire)
 - No database constructed for social issues
 - No analysis of social issues

Health and Social Effects?

- 1800 boxes of “data”:
 - paper copies of administrative records,
 - questionnaires,
 - reports of embedded anthropologists and sociologists who lived in the communities
 - Interviews with subjects on social and family interactions, labour market activity, decision-making etc.
- Limitations on our ability to contact participants

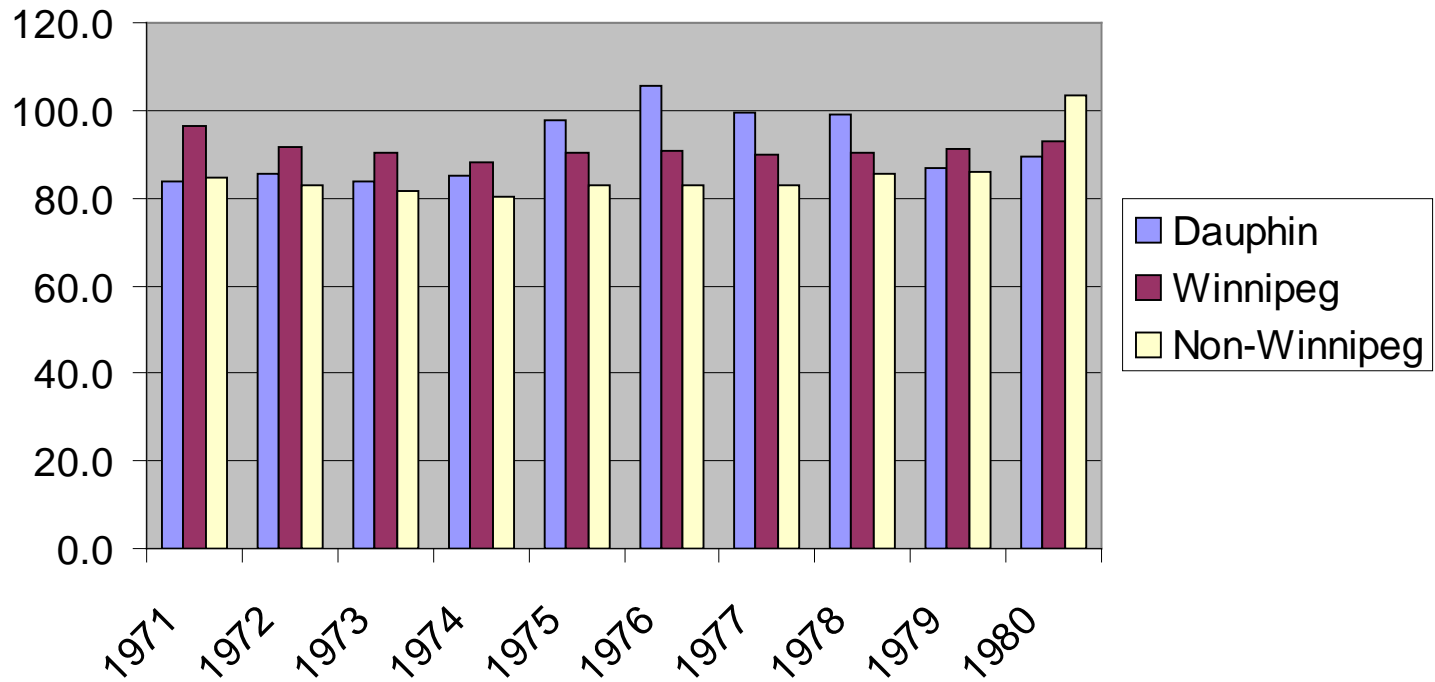
Is there another way to get at
the impact in Dauphin?

No analysis on Dauphin sample
had ever been conducted

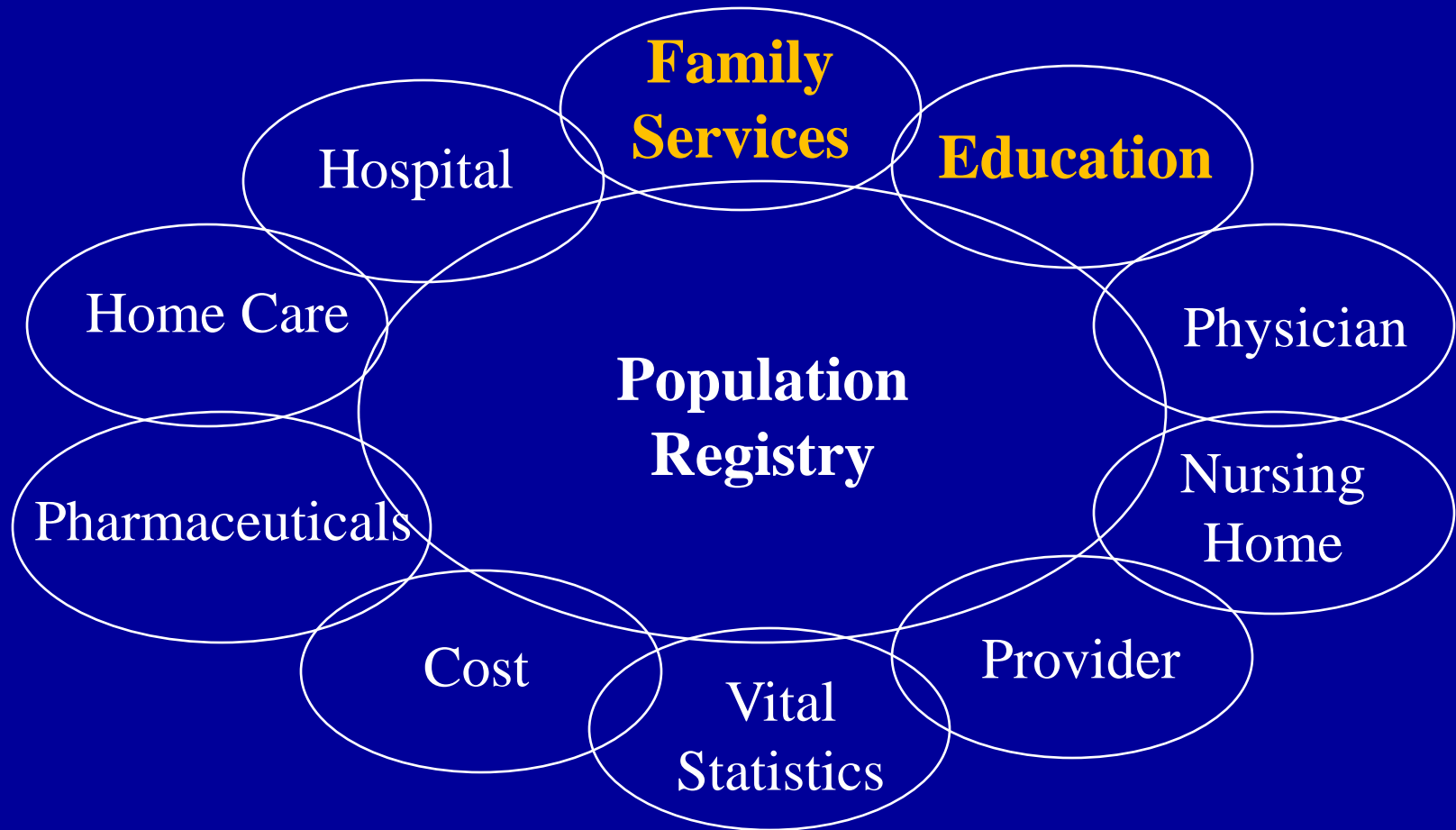
The money flowed from 1974
to 1978

EDUCATION?

Grade 12 Enrolment as % Previous Year Grade 11 Enrolment



MCHP Information-Rich Environment: Using Administrative Data



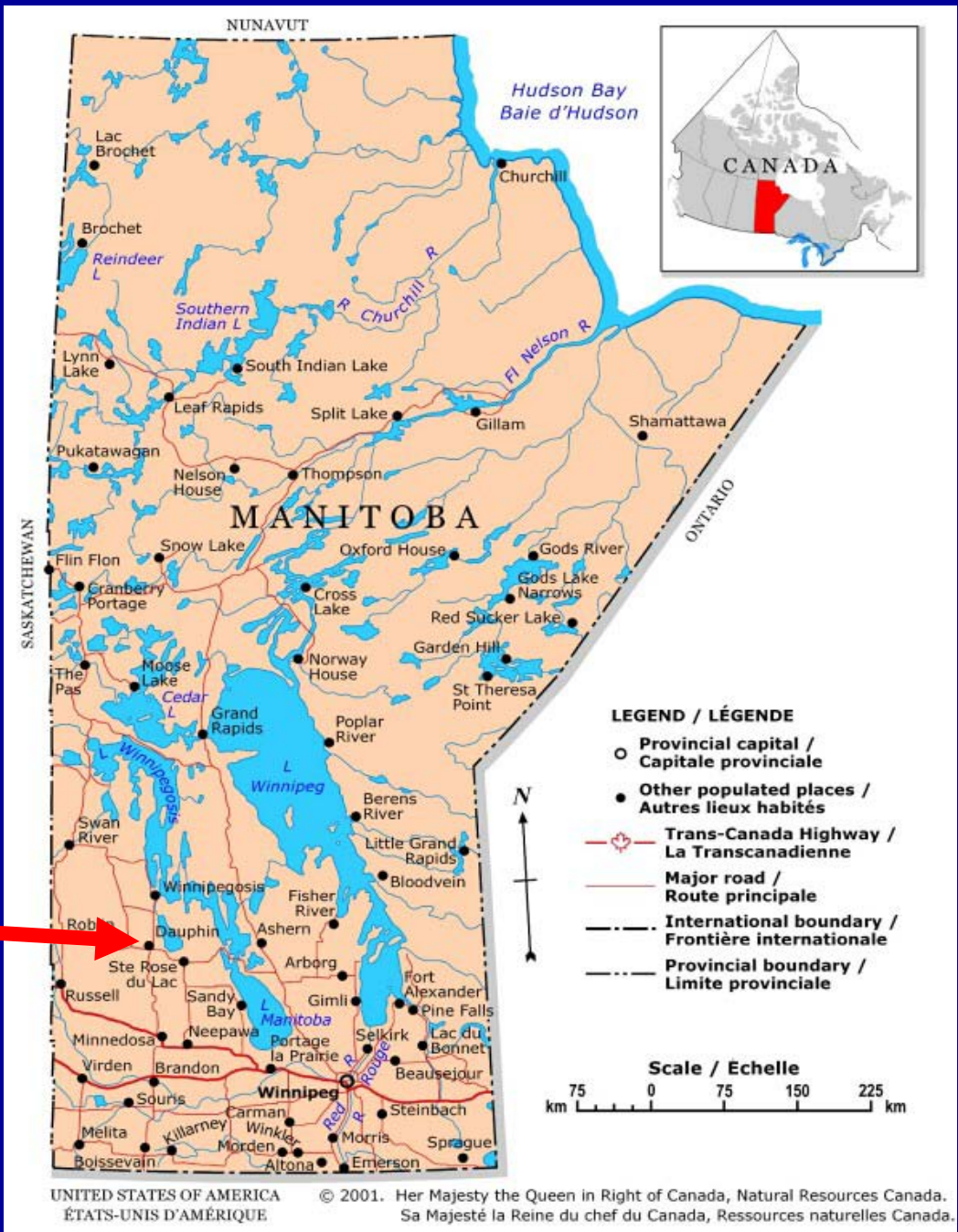
OUR CHALLENGE

- Many things have happened since 1974
- How do we know that any changes we find are the result of MINCOME?
- Cannot go back and randomize

SOLUTION

- A quasi-experimental design with a matched comparison group
- First, we hard-matched on geography to find the sample from which our comparison group would be selected

DAUPHIN



PROPENSITY MATCHING

- Individual: age, sex
- Family: number of children, single parent female led
- Community: rural/small town

Dauphin sample and 3-to-1 controls

- Excellent matches on all the matching variables
- We wanted to make sure that there were no unobserved differences between Dauphin and the controls, so we used the 1971 census (religion, ethnicity, employment variables, etc.)

Dauphin sample and 3-to-1 controls

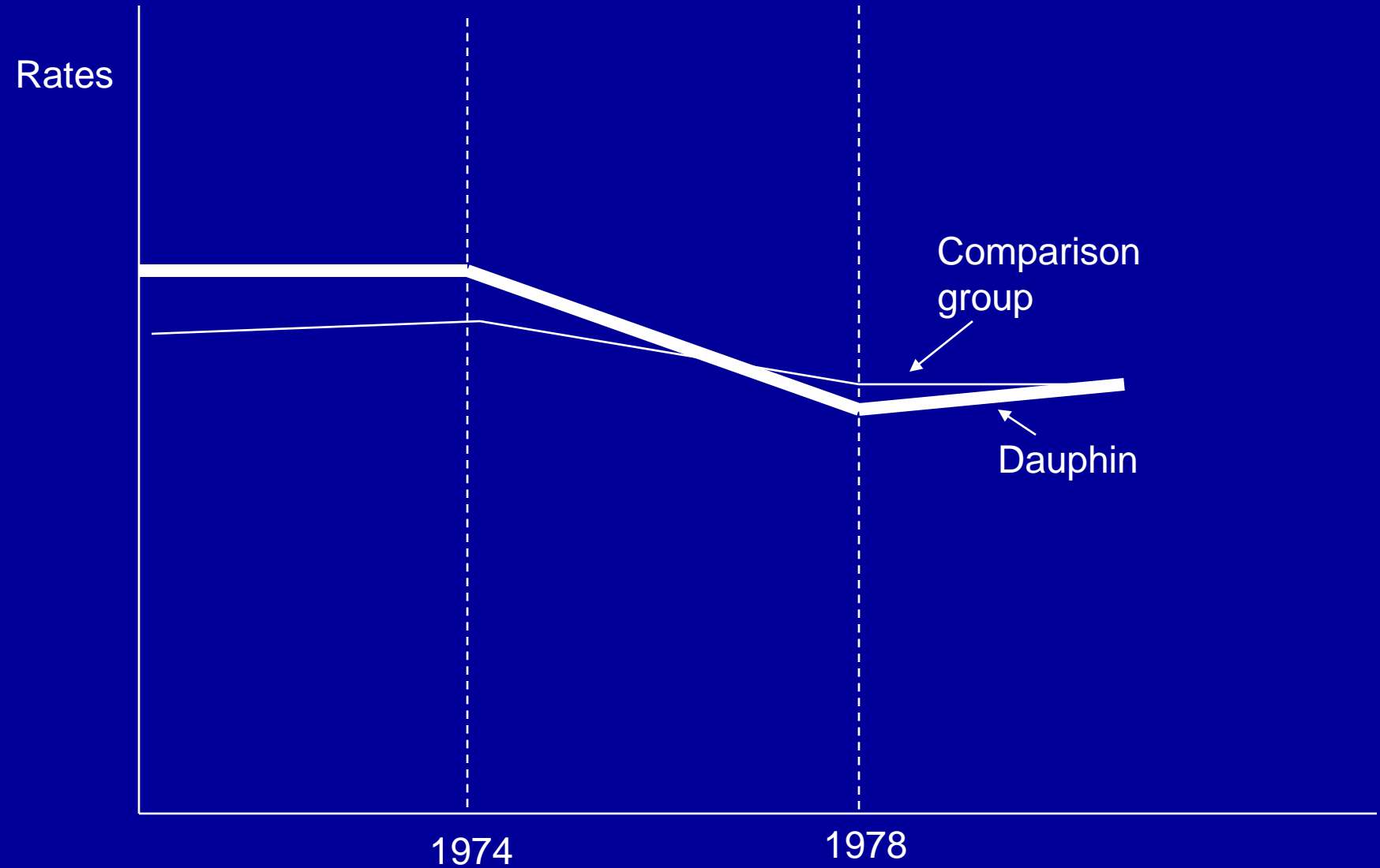
- Significant differences in:
 - % farmland planted in canola
 - Ethnicity (Dauphin is more “Ukrainian”)
- Does ethnicity matter?

OUR RESULTS....

WERE THEY HEALTHIER?

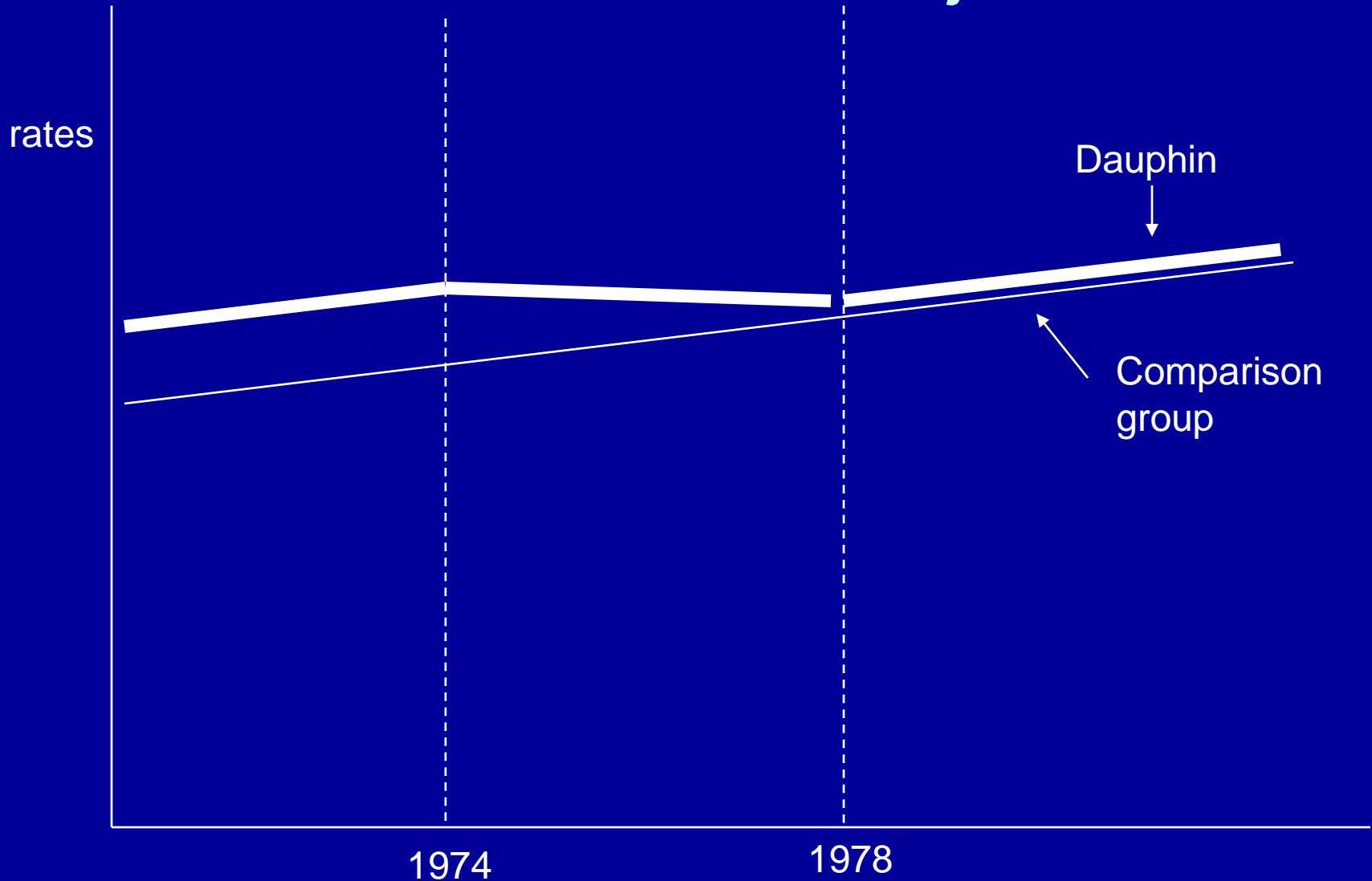
- No direct measure
 - contacts with the healthcare system
- Segmented time series model
 - GENMOD (GLM)
 - negative binomial distribution

HOSPITAL SEPARATIONS

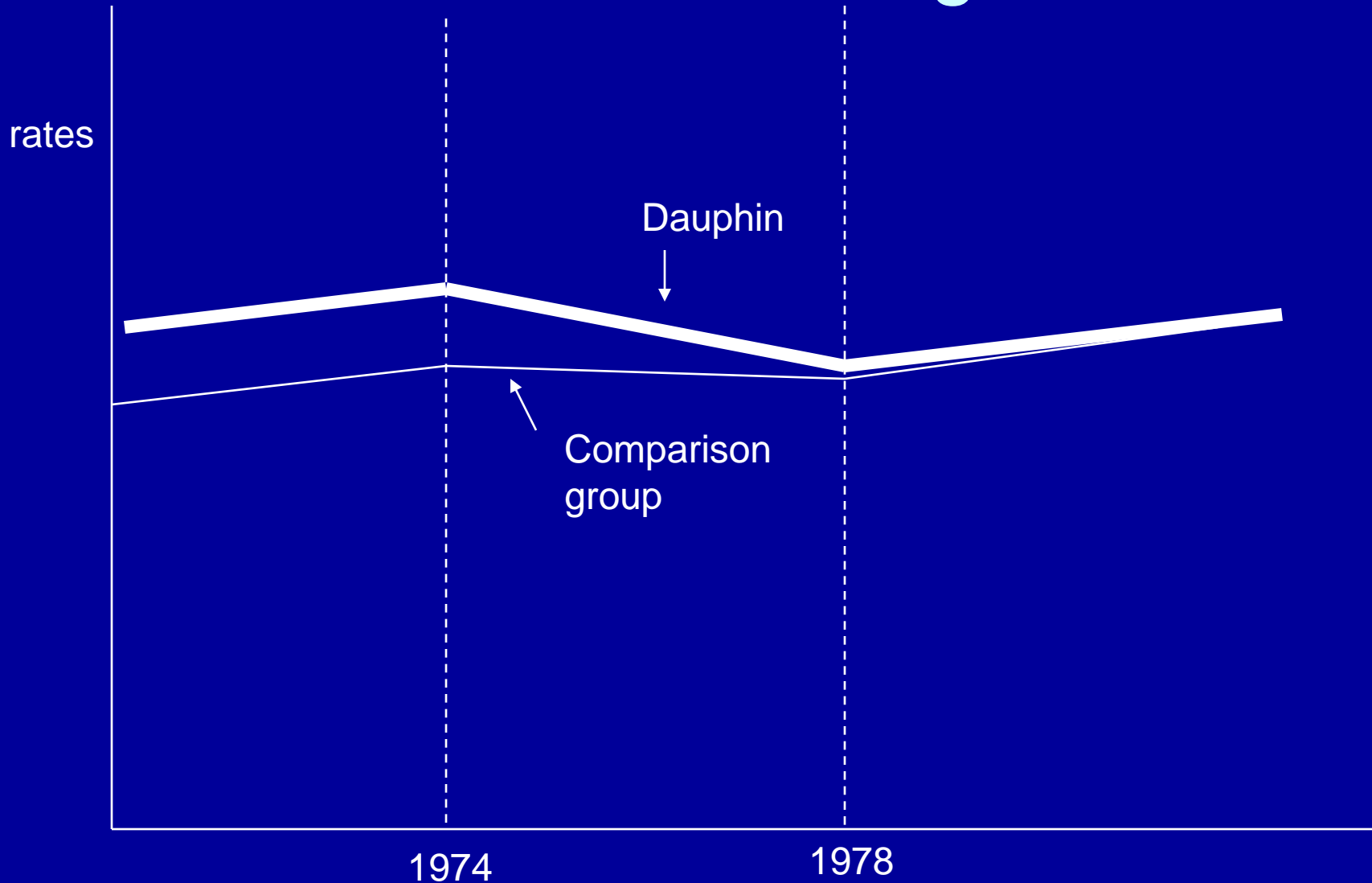


Let's look closer....

HOSPITAL SEPARATIONS: accidents and injuries



HOSPITAL SEPARATIONS: mental health diagnoses



Physician consults– same pattern, less clear

- Significant only at 5% level
- Only mental health diagnoses showed an effect

Were there other effects?

In the US experiments, some researchers claimed to find:

- An improvement in birth outcomes
- An increase in fertility, particularly among young women
- An increase in the divorce rate

Birth Outcomes

- Low Birthweight, At-risk birthweight, Small for gestational age births, perinatal death
 - No sig. diff.
- Why?
 - Small numbers
 - Universal health insurance in Manitoba (unlike US)
 - Rural area (poverty does not manifest as food insecurity)

Fertility and Family Dissolution Rates May be Confounded



Fertility did not increase.

- Fertility fell all across North America during the 1970s, especially in rural areas
- Measured in a variety of ways, fertility fell further and faster among Dauphin women than among controls

Divorce Rates

- No sig. diff.

CHILDREN MAY HAVE BEEN MOST AFFECTED

- Stayed in high school longer
- Had first child later
- Had fewer children over a lifetime

But how did the families
perceive MINCOME to have
affected their lives?

Amy Richardson (83)



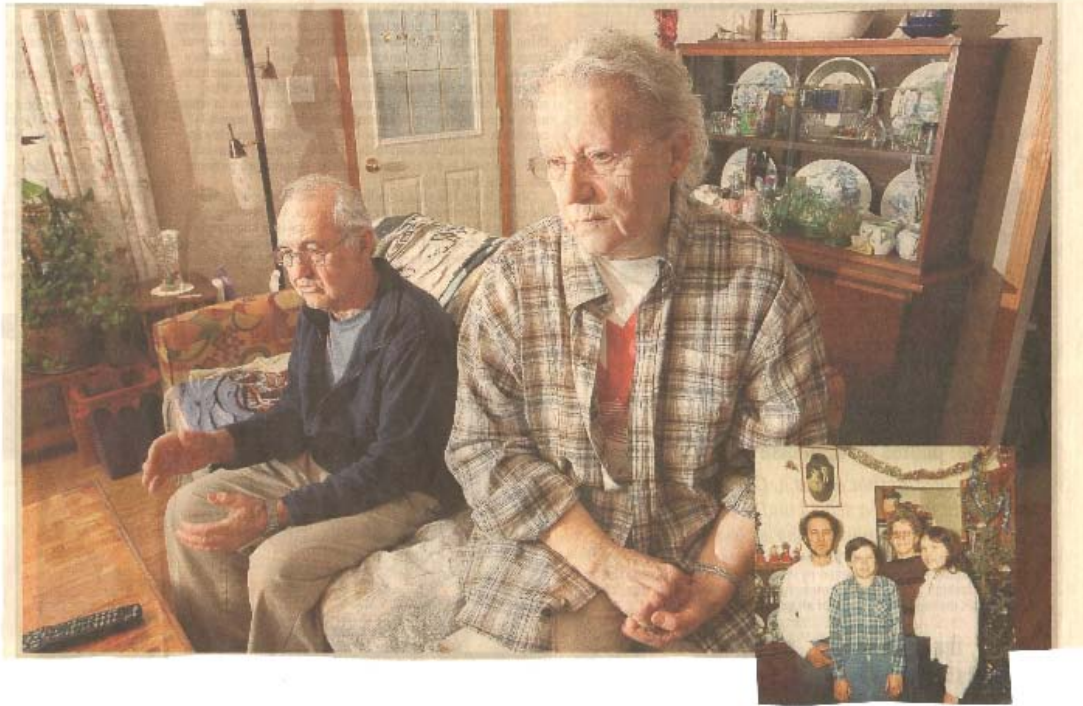
Richardson family
1970s

Amy Richardson (83):

- She ran the Dauphin Beauty Parlor from her home
- Her husband retired at 53 because of health problems
- 6 children
- Used the extra money for luxuries like school books

- “It was to bring your income up to where it should be. It was enough to add some cream to the coffee. Everybody was the same so there was no shame.”

Hugh and Doreen Henderson



Hugh and Doreen Henderson

- Lived in the country: raised chickens and grew their own food
- He was a school janitor
- She stayed home with the 2 children

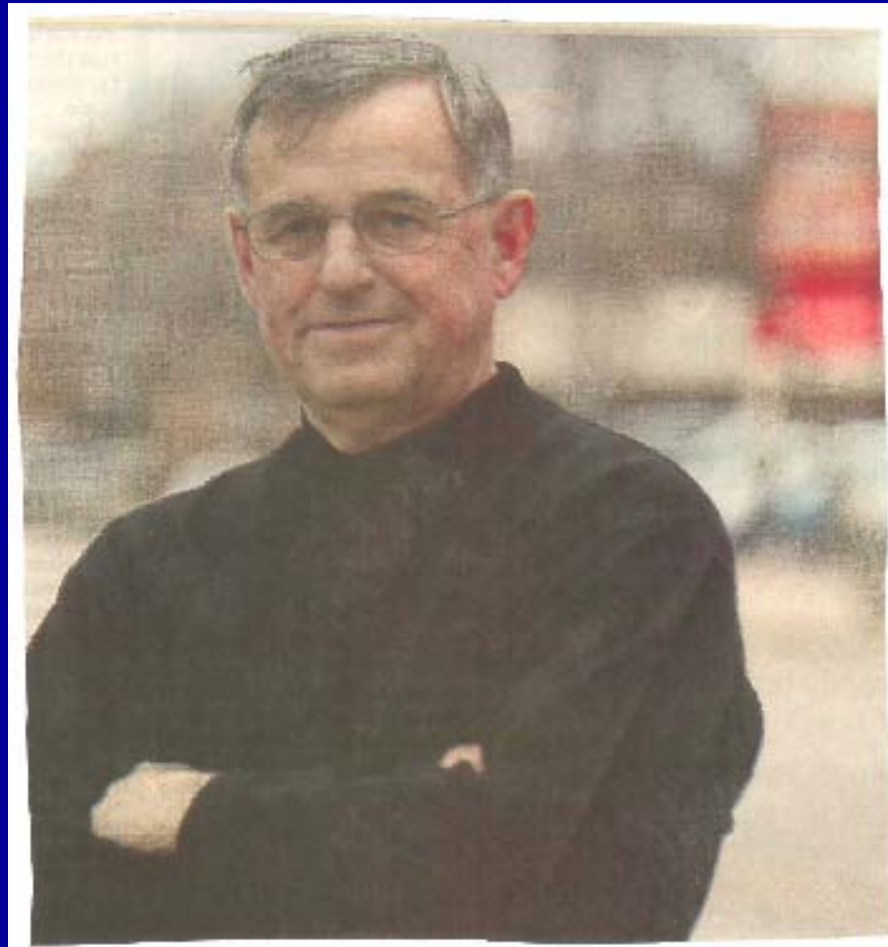
Hugh:

- “If a kid wants an education, and he’s willing to pay for it, I think the government should help. If we’d have had more money, I’d have loved to pay for university for my kids.”

Doreen:

- “Give them enough money to raise their kids. People work hard, and it’s still not enough. This isn’t welfare. This is making sure kids have enough to eat.”
- “They should have kept it. It made a real difference.”

Rick Zaplitny (58)



Rick Zaplitny

- Was a chartered accountant and his income was too high to qualify for MINCOME support
- “We always felt the problem with the welfare system is it was punitive. You made money, and they took it away from you.”

- “It seemed to us that MINCOME was for people who were on that line. They weren’t deadbeats. They needed a bit of a boost.”
- “I’d be in favour of it [now]. Helping someone have a decent living wage is hard to argue with.”

QUESTIONS?