

Race and the Transition to Adulthood Panel: Universal Basic Income and American Indian Children

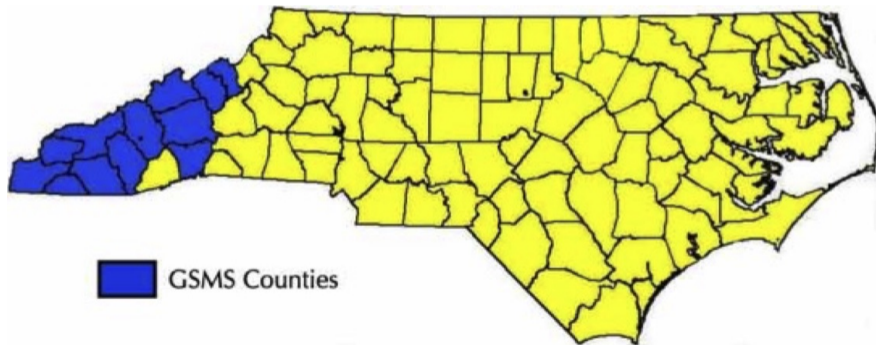
Randall Akee

UCLA and NBER

February 26, 2021

Effect of Poverty Alleviation on Children's Outcomes

Akee, Randall et al. "Parents' incomes and children's outcomes: a quasi-experiment using transfer payments from casino profits." *American Economic Journal: Applied Economics* 2, no. 1 (2010): 86-115.



Great Smoky Mountain Study of Youth

- Designed to identify the evolution of mental health outcomes (psychopathology) for children from rural and American Indian communities in western North Carolina
- Three age cohorts, initially aged 9, 11, and 13.
- Representative of all children in the 12 included counties
- Over sample American Indians to comprise 25% of sample
- Attrition does not differ by income or other household characteristics
- Subjects have been followed until the present, and information on residence and marital status is updated in each wave

Great Smoky Mountain Study of Youth

- Half way through the original study (1996, Wave 4), a casino opened up on the American Indian reservation.
- This casino operates on the American Indian reservation (Eastern Cherokee) and it provides a share of profits to each adult member of the tribe.
- This income is distributed without regard to any household or personal characteristics; the sole requirement is being a member of the tribe.
- Tribal members who do not live on the reservation or in NC also receive the disbursements

Change in Income

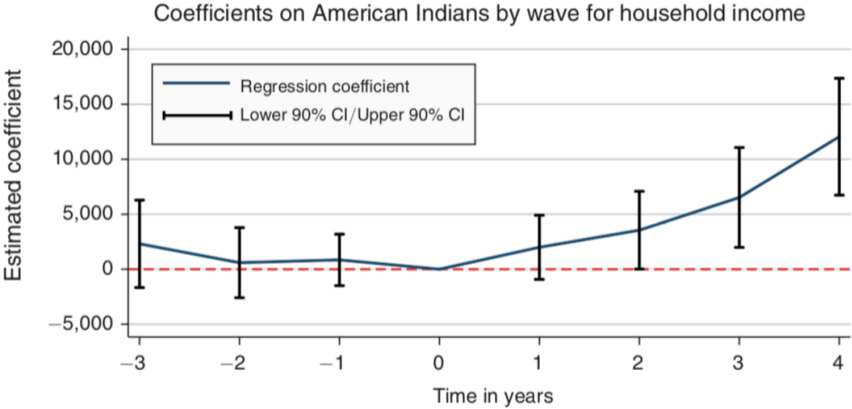


FIGURE 1. THE EFFECTS OF UNCONDITIONAL TRANSFERS ON INCOME AROUND THE START OF CASINO OPERATIONS

Great Smoky Mountain Study of Youth

Impact of Increased Household Income (Per Capita Payments):

1. Years of Education at Age 21 +1.1 years

Great Smoky Mountain Study of Youth

Impact of Increased Household Income (Per Capita Payments):

1. Years of Education at Age 21 +1.1 years
2. HS Graduation by Age 19 +39%

Great Smoky Mountain Study of Youth

Impact of Increased Household Income (Per Capita Payments):

1. Years of Education at Age 21 +1.1 years
2. HS Graduation by Age 19 +39%
3. Voting (as adults) +10-20%

Great Smoky Mountain Study of Youth

Impact of Increased Household Income (Per Capita Payments):

1. Years of Education at Age 21 +1.1 years
2. HS Graduation by Age 19 +39%
3. Voting (as adults) +10-20%
4. Behavioral or Emotional Disorders Decreased

Great Smoky Mountain Study of Youth

Impact of Increased Household Income (Per Capita Payments):

1. Years of Education at Age 21 +1.1 years
2. HS Graduation by Age 19 +39%
3. Voting (as adults) +10-20%
4. Behavioral or Emotional Disorders Decreased
5. Parental Fighting Decreased
6. Parental Drug/Alcohol Decreased

Conclusion

1. Most impact for the initially poorest households

Conclusion

1. Most impact for the initially poorest households
2. Implies poverty is a real constraint in a number of domains for subsequent generations

Conclusion

1. Most impact for the initially poorest households
2. Implies poverty is a real constraint in a number of domains for subsequent generations
3. Future work to examine impact nationally on intergenerational impact on child outcomes as adults.

Thank you!

Randy Akee
rakee@ucla.edu