

Guaranteed Annual Income: Developing Goals and Motivation to Address Work Disincentive

Jennifer Walker

University of Guelph

2011

This paper was written as a component of the Community Engaged Scholarship Course at the University of Guelph.

Abstract

The current social assistance programs in Canada may not be effective in providing relief to the low income population. The focus of these programs is to temporarily relieve poverty, but does not encourage self-sufficiency by providing employment and formal educational training (Eggleton & Segal, 2009; Grady & Kapsalis, 1995). Supplying individuals and families with a Guaranteed Annual Income (GAI) would ensure Canadians receive a minimum yearly income that does not fall below the poverty line. In addition, a GAI may also relieve financial stress to allow people to pursue education and employment opportunities. Five GAI research experiments were conducted in the United States and Canada to investigate the effects of implementing this type of program. Results demonstrated small effects of work disincentive, specifically highest for married women and single mothers (Hum & Simpson, 1993a; Widerquist, 2005). Political fears of people lacking motivation to find and obtain employment have been a significant barrier preventing the adoption of a GAI program (Pasma, 2010). Discovering methods that motivate people to obtain employment is necessary to address political barriers. Educating people on goal-setting theory, encouraging people to believe in their skills and capabilities, and incorporating essential motivators into an intervention program could alleviate political fears. Developing a combined GAI and intervention program may simultaneously address the issue of poverty and provide strategies for obtaining employment or further education.

Introduction

The current social assistance programs in Canada may not be effective in providing relief to the low income population. The Working Income Tax Benefit for low income workers supplies additional income, but the system merely allows low income workers to live “comfortably” in poverty. Additional benefits do not afford people the opportunity to remove themselves and their families from poverty (Eggleton & Segal, 2009). The Guaranteed Annual Income (GAI) has recently been proposed in a Senate Report (Eggleton & Segal, 2009) to address the issues of low-income individuals and families in Canada. The GAI would provide monetary support for low-income individuals and families, in addition to any income obtained through employment for example. The program would guarantee a minimum amount of yearly income for families, and no person would receive less than the predetermined minimum necessary to pay expenses (Hum & Simpson, 1993a).

There have been five GAI programs formally evaluated, four in the United States, and one in Canada. Findings revealed small effects of work disincentive as a result of providing a guaranteed income (Hum & Choudry, 1992; Hum & Simpson, 2001). Although the effects of work disincentive were small, and some non-significant, there are political barriers preventing program adoption. The GAI experiments were primarily short-term, and the research is not clear if work disincentive is a significant outcome of long-term programs. Politicians argue people would not be motivated to find and secure employment if they have supplemental government income (Pasma, 2010). In addition, a GAI program alone may not directly provide the employment opportunities that previous research and reports have argued is lacking in the current social assistance programs (Eggleton & Segal, 2009; Grady & Kapsalis, 1995).

While there are potential economic implications for reorganizing current assistance programs and introducing a GAI, this paper will focus only on the social implications. The GAI program will be explained and criticisms and research will be discussed. Literature from the goal-setting, self-efficacy, and motivation research areas in psychology will be reviewed to address work disincentive. Research from these areas will be applied and suggestions provided for addressing political concerns of low motivation to obtain employment if a guaranteed income program was implemented in Canada. Before introducing the GAI program, it is important to encourage and inform people that obtaining employment provides more benefits than utilizing social assistance programs. It is possible the GAI program is not the only solution to the problem of poverty in Canada, but it is necessary to understand the additional issues that may arise from program implementation.

Describing the Guaranteed Annual Income

Current social assistance programs in Canada are in need of revitalization. The focus of these programs is to temporarily relieve poverty, but does not encourage self-sufficiency by providing employment and formal educational training. People using the assistance programs are caught in a “welfare trap,” and it is difficult to disengage this cycle (Grady & Kapsalis, 1995). In particular, the working poor suffer the most because they are the most volatile and can waiver between requiring assistance depending on monthly expenses. The assistance programs are inefficient and do not allow people to gain essential skills or training necessary to obtain meaningful employment (Eggleton & Segal, 2009; Grady & Kapsalis, 1995).

The Guaranteed Income Supplement is an assistance program for seniors, and guarantees seniors a minimum amount of yearly income, and has proven effective for this age group (Eggleton & Segal, 2009). Recent immigrants, people with disabilities, off-reserve Aboriginal

Canadians, single parents, and specifically single mothers, are over-represented in Canada as living in low-income (Eggleton & Segal, 2009; Grady & Kapsalis, 1995). The programs already in place for seniors could perhaps provide comparable support to other low-income families, and particularly for those people listed as disadvantaged. Similar to the GAI is the Negative Income Tax (NIT). The NIT provides a maximum cash benefit to families and individuals without additional income. Taxes are paid at a special reduced rate for every dollar the family receives of additional income from employment, for example. Families will never receive less than the NIT maximum cash benefit, thus supplying a guaranteed income amount, or GAI (Hum & Simpson, 1993a). In other words, individuals and families falling below a set income level will be provided with additional government monetary support to guarantee they are not below the minimum.

The Relationship between Guaranteed Income and Work Disincentive

From the late 1960's to early 1980's, five GAI-type experiments were conducted in the United States and Canada. Four of these experiments were conducted in the United States and were known as The New Jersey Graduated Work Incentive Experiment, The Rural Income-Maintenance Experiment in Iowa and North Carolina, The Seattle/Denver Income-Maintenance Experiments, and The Gary, Indiana Experiment. One experiment was conducted in Canada and was known as the Manitoba Basic Annual Income Experiment, or Mincome (Widerquist, 2005). All experiments involved a treatment and control group, where the treatment group received a guaranteed income. Participants were mainly families identified as living in low-income (Hum & Simpson, 1993a). The experiments were investigating the possibility of work disincentive if guaranteed income is provided by the government for low-income families. In this paper, work disincentive is defined as options or opportunities discouraging people from seeking and

obtaining employment. Providing a guaranteed income regardless of employment status is concerning because this could discourage a person from obtaining employment if viewed as an unnecessary attainment.

Results of the five studies in the United States and Canada revealed there was an overall annual decrease in the amount of hours worked. Husbands decreased work hours by 6%, wives decreased work hours by 19%, and single mothers decreased work hours by 15% annually (Hum & Simpson, 1993a;b). The Seattle experiment was the only experiment to result in statistically significant findings of work disincentive and a decrease in annual hours worked for both men and women. The other four experiments revealed smaller and insignificant effects of work disincentive (Hum & Simpson, 1993a). Interestingly, work disincentive and decrease in annual hours worked was more prevalent for women. The American experiments revealed wives decreased hours worked by 0-27%, and single mothers decreased hours worked by 15-30% annually. This corresponds to a decrease of hours worked ranging from 0-166 hours per year (Widerquist, 2005). It is possible women were more likely to decrease annual hours worked because they chose to stay at home with children, and with guaranteed income, it would make this option more feasible. However, this is potentially problematic for single mothers considering there is only one salary coming into the household.

The Mincome experiment was conducted in the late 1970's in Winnipeg and Dauphin, Manitoba, and other small rural communities. Official findings of the experiment were never published by the government, or data was inaccessible to researchers until the early 1990's. Low-income families were selected and randomly assigned to one of three income support treatment groups, consisting of \$3800, \$4800, and \$5800 in annual government support. A control group was selected to compare to the treatment conditions, and this group did not receive the support

(Hum & Simpson, 1993b). Results indicated a 1% decrease in hours worked for men, 3% decrease in hours worked for wives, and 5% decrease in hours worked for unmarried women annually (Hum & Simpson, 1993a). The Canadian experiment demonstrated a small effect of work disincentive overall for both men and women. Generally, it was found for each 10% increase in guaranteed income, there was a result of 1% decrease in annual hours worked (Hum & Simpson, 1993b).

GAI Research Criticisms and Remaining Questions

The GAI program research experiments did find differences between the treatment and control groups, and there is some evidence for work disincentive and decrease in annual hours worked (Hum & Simpson, 1993a; Neill, 2001; Widerquist, 2005). Several criticisms have been discussed regarding the GAI program research conducted in the United States and Canada. The results of the studies are somewhat mixed and do not indicate a clear picture of whether or not there is in fact significant work disincentive. All five of the experiments recorded high participant drop-out rates, and it is possible those remaining in the experiment were the families most in need and experienced the greatest benefits from the program. Reasons for decreasing annual hours worked were not recorded, but could include caring for children and elderly family members, or using the additional income to pursue higher educational opportunities (Pasma, 2010; Widerquist, 2005). The experiments included only the lowest of the low-income families, and it has not been established how a GAI would affect the higher range of low-income families, such as the working poor. Those who do hold low-income job positions tend to experience less job or company loyalty compared with those who hold higher salary positions. Short-term response effects were measured in the experiments, but long-term effects of a GAI program have not adequately been measured or established (Widerquist, 2005).

If the guaranteed income experiment results are unclear and small effects of work disincentive were recorded, then there is another barrier preventing GAI program implementation. There appears to be a political fear of implementing such a program because experiment results are not definitive. Politicians argue it is unethical to pay people for “doing nothing” and it is not right to provide people with money if they are not going to work for their earnings (Neill, 2001; Pasma, 2010; Widerquist, 2005). It is particularly problematic if the adult is able-bodied and of the typical working age. Although this is true, perhaps the most significant barrier is there is no clear indication of the long-term effects of a national GAI program. Without long-term research, it is not clear how a GAI would have an effect on work disincentive. The experiments also did not establish what an acceptable level of work disincentive is, and the politicians have therefore relied on the results of the research, which found a small effect of work disincentive (Pasma, 2010). This seems to be enough supporting evidence to prevent GAI program implementation.

Another argument from political fear is the theory that people need to have motivation. The primary assumptions contributing to the political fear of work disincentive is that people are motivated to work only by money. If a person is provided with a guaranteed income, the argument goes that this will eliminate the motivation to work and obtain employment. It is also argued a guaranteed income will eliminate the motivation for people to be productive and contributing citizens to the greater society. People need to set appropriate goals to act as a motivating force so that they have something to encourage productivity. Although the argument is weak, it is also argued there are plenty of jobs available, but people need to be motivated to obtain said employment positions (Pasma, 2010).

The question that remains is how to motivate a person to obtain employment. The results of the guaranteed income experiments did reveal small effects of work disincentive, but this was enough to generate political fear and prevent government implementation. In order to address political fear of possible work disincentive, there needs to be a method to alleviate the fear and perhaps relieve political hesitation. There is no denying work disincentive is a possibility with guaranteed income. It is definitely possible to draw upon what is known about motivation from the psychology literature, and potentially develop education programs that coincide with GAI program implementation. If people are aware of strategies to boost motivation to find and obtain employment, this may assist with alleviating political fears of introducing a GAI program to address poverty in Canada.

Guaranteed money could temporarily relieve struggles of those living in low-income. However, the current social assistance programs are providing income without solving the greater issue of lifting individuals and families out of poverty and economic hardship. It is not enough to supply income to those caught in the cycle of poverty because these people require additional support to break the cycle. Teaching people to set meaningful goals could provide sufficient incentive to achieve personal standards. It is necessary for a person to believe he/she has the skills and resources to achieve the end results of his/her goals. Obstacles and setbacks are inevitable, but a person must also find the motivation to continue striving for his/her personal achievements. In order to break the poverty cycle and improve current social conditions, it is essential to encourage possible users of the GAI program to see that obtaining employment is more beneficial than relying on social assistance (Hum & Choudhry, 1992; Hum & Simpson, 2001).

Summary

A guaranteed income for individuals and families' whose income falls below the minimum standard level has the potential to develop further social issues, such as work disincentive. The research evidence is inconclusive and perspectives on the benefit of a GAI program vary in degree of positivity, with some advocating it is a beneficial support program, and others opposing the program (Pasma, 2010; Widerquist, 2005). Literature from psychology areas of goal-setting, self-efficacy, and motivation will be reviewed to extract theories and concepts that can be applied to develop an educational program. This educational program could coincide with the implementation of GAI assistance to prevent the possibility of work disincentive among those utilizing the system.

Review of Goal-Setting Theory and Types of Goals

Goals have the capability of directing behaviour and affecting performance outcomes. Goal setting theory states that specific, high goals increase performance behaviours more than easy goals, or goals that encourage people to try their best. Setting high goals also increases satisfaction with performance outcomes (Locke & Latham, 1990). Unlike easy goals, a person tends to focus more on high goals, and increase his/her effort and persistence to obtain the outcomes. When the high goal has been obtained, the person has a clear reference for his/her performance and personal capabilities (Latham & Locke, 2006).

People can set goals ranging from obtaining additional education to securing a full-time position with health benefits and opportunities for career advancement. There are two main types of goals: learning goals and performance goals. Learning goals focus on and encourage people to master concepts that will lead to a solution to an initial problem, and are ideal for unfamiliar tasks (Locke & Latham, 1990; 2002). Learning goals also promote people to plan and determine

effective strategies that contribute to acquiring necessary skills, and are best for complex tasks (Latham & Locke, 2006; Winters & Latham, 1996). Performance goals encourage focusing on the final outcome, are ideal for people that have existing knowledge and skills, and are best for simple tasks (Locke & Latham, 2002; Winters & Latham, 1996). It is assumed that people who set performance goals already have essential skills and it is not necessary to acquire the knowledge to complete the task (Latham & Locke, 2007).

These goal types are often compared to “do your best” goals, which do not provide a clear frame of reference for a person attempting to complete a task (Locke & Latham, 2002). Ideally people will set learning goals when novel skills are required. When the person has acquired the knowledge, it is important to revitalize and set a high achieving goal, perhaps a performance goal. There are some tasks that are continuously challenging and require novel skill gains. Examining the situation and creating goals most applicable to the context should assist with successful achievement (Latham & Locke, 2007).

Seijts, Latham, Tasa, and Latham (2004) demonstrated that specific learning goals increased performance more than specific performance goals or “do your best” goals, which tend to be vague and lack direction. Specifically, it was important that learning goals were explicit because this increased commitment to achieving the goal compared with performance goals. Commitment was evidenced by participants spending more time on challenging tasks and obtaining information to complete the task. This is consistent with other research, which suggests specific, challenging learning goals improve performance when a person initially lacks the required skills. Performance goals have a detrimental effect on the learning process and subsequently on performance when a person does not have the existing skills or knowledge (Seijts & Latham, 2001). Learning goals may also be more appropriate for people with low

cognitive abilities. People with low cognitive abilities excel with learning goals compared with performance goals, whereas people with high cognitive abilities perform better with performance goals compared with learning goals (Kanfer & Ackerman, 1989; Seijts & Crim, 2009).

In addition to learning and performance goals, a person can set proximal and distal goals. Proximal goals are defined in this paper as short-term goals serving as “building blocks” to the final outcome, and could be used as personal checkpoints for an individual to ensure he/she is on course to complete his/her goal or task. Distal goals in this paper are long-term goals focused on future outcomes and do not include smaller steps to reach the final results. Latham and Brown (2006) compared participants who set distal performance goals, distal with proximal performance goals, learning goals, and “do your best” goals. Participants who set challenging learning goals and distal with proximal performance goals perform better than participants setting distal performance goals and “do your best” goals. There was no difference in performance success between people who set learning goals and distal with proximal performance goals. When people set high and difficult learning goals, they focused on methods of completing goals and improving performance, which also increased satisfaction (Latham & Brown, 2006). It appears that learning goals and distal with proximal goals function similarly to provide cues of progress. This could indicate to the person when a new course of actions is required if current methods are proving ineffective and hindering performance.

Review of Social Cognitive Theory and Self-Efficacy

Social cognitive theory (SCT) argues human behaviour is influenced by reciprocal interactions between action, cognition, and environmental factors (Bandura, 1986). In addition, people are capable of self-reflection and monitoring their behaviours (Bandura, 1991). People also have the capability of acting with intention, and not just in reaction to events. Individuals

exemplify forethought and tend to adopt pathways of behaviour that will lead to positive outcomes rather than negative outcomes. People are self-reactive and engage in self-satisfying activities that promote self-worth as opposed to activities negatively contributing to self-worth (Bandura, 2001). Thus, people are not mechanistic, but are self-motivators, active participants in their behaviour, and capable of reflecting on behaviours.

Self-efficacy is a person's belief that he/she has the necessary skills and is capable of performing and achieving personal standards (Bandura, 1989; Michaelides, 2008). In fact, self-efficacy is a greater predictor of performance than past behaviours. This relationship is bi-directional because past behaviours and previous performance also contribute to self-efficacy (Bandura & Locke, 2003). People with high self-efficacy are more committed to achieving high goals and set higher goals once the previous goal has been achieved (Latham & Locke, 2007). People with perceived high self-efficacy to complete educational requirements and fulfill occupational roles also believe there are multiple career opportunities available at their disposal (Bandura & Locke, 2003). In comparison, people with low self-efficacy are less likely to set and commit to achieving high goals (Latham & Locke, 2007). People with low self-efficacy are also more likely to reduce their efforts and visualize failure, which subsequently effects successful performance (Bandura, 1989).

According to SCT, self-efficacy motivates people to work toward specific goal outcomes, and increases satisfaction when they realize they have the capability to achieve high standards (Bandura, 1989; 1991; Locke & Latham, 2002). It is expected that people naturally have self-doubt regarding their capabilities and accomplishments. People living in low-income may be consistently enduring setbacks and obstacles contributing to significant disadvantages. Eventually this impacts confidence and could negatively affect self-efficacy beliefs, thereby

discouraging people to achieve high standards. Those with resilience to potential failures and obstacles are the people who continue to persist in the face of adversity. People who are less resilient, however, are more likely to succumb to failure and quit challenges before completing the task (Bandura & Locke, 2003). Discovering methods to build resilience could have a positive effect on a person's life and encourage him/her to continue working toward the outcome.

Integrating Goal-Setting, Performance, and Self-Efficacy Literature

Setting clear and challenging goals should direct behaviour and provide guidance to a person when he/she is attempting to complete a task. At the same time, people also have to believe they have the skills and capabilities to reach the outcome of their goals. People do not necessarily require prior knowledge regarding the task because that can be acquired through learning goals (Locke & Latham, 2006). However, people need sufficient self-efficacy and resilience when tasks may be challenging and difficult (Bandura, 1989). Combining goal-directed behaviour with high self-efficacy may improve task performance and provide a person with the confidence needed to complete challenges.

People with high perceived self-efficacy perform better on tasks compared with people low in perceived self-efficacy. Those with high self-efficacy set higher goals for additional tasks and subsequently performed better with higher goals and better than those with low self-efficacy (Cheng & Chiou, 2010). Poor performance has been followed by more positive self-efficacy and increased confidence to achieve goals and complete tasks. More successful performance decreases self-efficacy and lowers confidence in future performance (Schmidt & Tolli, 2009). Perhaps this is indicative of people with high resiliency to adapt during adversity and to continue with challenges despite temporary setbacks (Bandura, 1989). When people are faced with a challenge such as poor performance, this bolsters self-efficacy and further develops resilience

against difficult situations. If people experience a low challenge, this may not be enough to improve self-efficacy and build resilience (Schmidt & Tolli, 2009).

Consistent with other research, Cianci, Schaubroeck, and McGill (2010b) demonstrated participants assigned learning goals improved performance compared with participants assigned performance goals (also see Cianci, Klein, & Seijts, 2010a). After receiving negative feedback, those with learning goals significantly improved performance compared with those assigned performance goals. In contrast, participants assigned performance goals who received positive feedback significantly improved performance compared with those in the learning goal condition (Cianci et al., 2010b). People who receive negative feedback also experience less intense emotional reactions when assigned learning goals. When people are assigned performance goals, they tend to react with more intense emotions when receiving negative feedback, likely because this is a threat to achieving an outcome (Cianci et al., 2010b).

Learning and performance goal outcomes may be a result of increased self-efficacy when people are faced with a challenge and potential setback (Schmidt & Tolli, 2009). When people receive positive feedback, react with positive emotions, and attribute success to internal abilities, self-efficacy is enhanced and they subsequently set higher goals to achieve. However, self-efficacy is not enhanced when a person attributes success to external factors and reacts to negative feedback with intense, negative emotions (Ilies, Judge, & Wagner, 2010; Tolli & Schmidt, 2008). Feedback can serve as an indicator of how well a person is performing toward achievement of his/her goal, and may assist with increasing self-efficacy when adversity or obstacles arise during outcome pursuit.

It is expected people may encounter obstacles when attempting to achieve their goals or improve performance, but self-efficacy has been found to buffer failures. When people purposely

avoided failure by disengaging in activities, however, it was associated with poorer performance, lower goal commitment, and decreased self-efficacy (Heimerdinger & Vinsz, 2008). But when people actively participate in establishing their goals, this can increase self-efficacy and commitment to achieving their goals. Enhanced self-efficacy and increased commitment is related to greater achievement and success in completing goal outcomes (Lozano & Stephens, 2010). Interestingly, when low-income women reported achieving more goals, they also indicated greater self-efficacy for healthy food consumption, and healthy meal planning and availability (Cullen et al., 2010). It appears personal self-efficacy may have an integral role in achieving goals and obtaining desired outcomes. Goals direct behaviour, but self-efficacy is essential to protect a person when he/she encounters hardship, a reality common in low-income populations.

Summary

Learning goals are best for people who do not have the prerequisite knowledge to complete a task or achieve an outcome. Including proximal goals may serve as a checklist for a person to evaluate personal progress toward the eventual outcome. Regardless of the type of goal, it is important the goal is difficult and challenging. Behaviour may become monotonous and a person may disengage in the behaviour if the goal requires minimal effort. People must also realize their potential and capabilities in order to achieve the outcome of the goals. People with high self-efficacy tend to set higher and more challenging goals, and set even higher goals when they have successfully completed the first task. When a person encounters an obstacle, this may bolster self-efficacy and he/she should build resilience to continue with pursuing goal outcomes. People should learn more skills and gain more knowledge as a result of failure compared with continual success, and continue to engage in their goals.

Politicians have argued people need to have goals to motivate themselves to obtain employment (Pasma, 2010). This is one of multiple barriers inhibiting the adoption of a GAI program to replace current social assistance programs. People living in poverty may not have the necessary skills to set achievable goals, nor have the necessary resources to obtain goal outcomes. Goal-setting is indirectly taught in post-secondary education institutions, and it is unlikely the majority of people living in low-income have obtained higher education. Integrating an education or intervention program with the GAI may assist with addressing the political argument that people need to have goals, and cannot just be supplied with unwarranted income.

Review of Social-Determination Theory and Types of Motivation

People have to be motivated to achieve their goals, and self-determination theory (SDT) focuses on human motivation and development. SDT states that humans regulate behaviours and are motivated to fulfill psychological needs of autonomy, competence, and relatedness (Deci & Ryan, 2000; Deci & Ryan, 2008). Autonomy is the need to self-organize and regulate one's own actions based on personal capacities. The need for competence is to learn and master effective skills for the physical and social domains. Relatedness is caring for and developing attachment to others to feel a sense of belongingness (all definitions from Deci & Ryan, 2000).

Intrinsic motivation is the tendency to engage in novel challenges for the sake of interest and developing one's individual capacities (Ryan & Deci, 2000b). Extrinsic motivation is the process of completing an activity or task in order to obtain a separable outcome (Ryan & Deci, 2000a). Research has consistently demonstrated that extrinsic motivation undermines intrinsic motivation, and if people are rewarded for completing a task they enjoy, they will discontinue the behaviour (Deci, Koestner, & Ryan, 1998). If people are solely motivated by money, they may become amotivated, lacking any incentive and act without intention (Ryan & Deci, 2000b).

However, real-world reward compensation may not function in the same way as laboratory task compensations. Rewarding people based on skill level is more likely to fulfill psychological needs, maintain employee motivation, and provide opportunities for people to improve their job skills (Gagné & Forest, 2008).

Motivation ranges on a continuum from amotivation on the far left, to extrinsic motivation in the middle with the most variability, and intrinsic motivation on the right (Deci & Ryan, 2000b). It is important to note that people do not have to move through each stage of the continuum, but rather, the continuum is a range of types of motivation. There are four types of extrinsic motivation, and these motivations are the least autonomous compared with intrinsic motivation. External regulation is behaviours that are performed because of an external demand or reward, and are perceived to be externally controlled. Introjected regulation is accepting a regulation, but a person does not adopt it as his/her own regulation. These people are generally motivated to behave to avoid guilt and failure, and to support the basis of their self-worth. Identified regulation is an individual personally accepting actions or behaviours and owned as important. Integrated regulation is the highest on the external motivation continuum, and is closest to intrinsic motivation. Behaviours are fully accepted by a person and have been integrated into his/her values and needs, but there is still an external reward to be obtained for the behaviour (Ryan & Deci, 2000b).

The World Values Survey (WVS) collects individual information such as socio-economic variables, attitudes, values, happiness, and life satisfaction. It incorporates data from 10 different countries, including Australia, Britain, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, and the United States. Salinas-Jiménez, Artès, and Salinas-Jiménez (2010) analyzed sections of the WVS data set and found intrinsic motivation is associated with greater life

satisfaction. Extrinsic motivation is related to decreased life satisfaction, and transitioning from extrinsic to intrinsic motives positively increases life satisfaction. In addition, low-income people tend to experience decreased life satisfaction because unemployment negatively affects well-being. Satisfaction increases as people move to higher income groups. Interestingly, the positive effects of intrinsic motivation on life satisfaction were significant for people in the low-income group, but not for the middle- and high-income group (Salinas-Jiménez et al., 2010). Perhaps low-income people engage in more intrinsic activities as compensation for the lack of extrinsic rewards, such as money, that are more readily available to the higher income groups.

Deci and Ryan (2008) have distinguished between autonomous and controlled motivation. Autonomous motivation is characteristic of intrinsic motivation and higher internalized extrinsic motivation. It also contributes to increased persistence when a person is working toward a goal. Controlled motivation is characteristic of the lower end of the extrinsic motivation continuum, and behaviour tends to be regulated by external mechanisms. Similarly, intrinsic aspirations tend to include goals for relatedness and personal growth. Extrinsic aspirations tend to include goals for wealth, fame, or attractiveness, characteristics which are shallow in nature. When psychological needs are thwarted, people may adopt extrinsic goals to accumulate external indicators of worth rather than intrinsic goals, which contribute to internal feelings of self-worth.

People pursuing intrinsic goals for autonomous purposes report more positive psychological well-being compared to people pursuing extrinsic goals for controlled reasons. In fact, the negative effects of extrinsic goals on well-being are even greater than the positive effects intrinsic goals have on well-being (Sheldon, Ryan, Deci, & Kasser, 2004). Across three studies, Vansteenkiste, Simons, Lens, Sheldon, and Deci (2004) investigated intrinsic and

extrinsic goals in autonomous and controlled environments. Intrinsic goals in autonomy supportive environments promoted deep thought processing for learning educational material. It increased persistence and free-choice behaviour, such that people extended the methods of learning the material on their own time. In comparison, extrinsic goals in controlled environments demonstrated the poorest effects on thought processing, persistence, and free-choice behaviour. Essentially, when people had the motivation to engage in behaviours and goals for personal interest and satisfaction, it enhanced the outcome effects.

Summary

People are motivated to fulfill the psychological needs of autonomy, competence, and relatedness. Intrinsic motivation is when people engage in activities for personal enjoyment, whereas extrinsic motivation is when people participate in activities for a discernible outcome. Extrinsic motivation ranges from acting for only obtaining a reward to integrating behaviours into values with the addition of achieving a reward. Autonomous environments foster supportive behaviours for people to engage in activities for personal interest. Controlled environments hinder a person and dictate behaviours. When people set intrinsic goals in autonomous environments, they engage in more free-choice behaviours and positively affect well-being. Extrinsic goals in controlled environments result in decreased persistence and reflection, and negatively influence psychological well-being.

Learning goals and intrinsic goals have similar characteristics. Both types of goals encourage people to develop at an individualized pace and to engage in activities that are of personal interest to remain engaged in the task. Including proximal goals may further increase involvement in a task, especially if the activity is challenging, such as returning for education or obtaining employment. In order to complete difficult tasks, people must have high self-efficacy

and build resilience to potential setbacks and obstacles. People in low-income populations may be particularly resilient to obstacles because they consistently face financial setbacks. Drawing upon these experiences may assist people living in low-income with completing their goals for employment or higher education.

There appears to be a circular-type relationship among goal-setting, self-efficacy, and motivation. Setting goals is a motivational factor for people to engage in behaviours that will ultimately lead to obtaining the outcome of their goal. Self-efficacy is necessary to follow through with goal activities, but also serves as a motivator because it boosts energy to continue with the goal if a person encounters a barrier. At the same time, people have to be motivated to act. Otherwise they are simply acting without intention. Ideally, people will have intrinsic motivation to behave, but higher-order extrinsic motivation is also necessary to experience true enjoyment from activities. Removing any of these three factors may result in the person becoming disengaged or discouraged from moving forward with established plans. However, the three factors are likely to waiver between high and low at any point in the process. It is important for a person to remain connected to his/her goals and to find additional sources of encouragement if personal motivation is waning.

Evaluating the Validity of Political Fears and Barriers

Politicians argued that providing a GAI would essentially be paying for people to “do nothing.” GAI research did demonstrate there was a decrease in the number of annual hours worked, but there was no record of other activities people were pursuing. It is quite possible that with additional income, people will take advantage of the opportunity to obtain higher education. Many job positions require more advanced education, such as a bachelor’s degree, and some require even higher graduate education. If people have some financial freedom, they may pursue

the option of higher education because the option has suddenly become available. This may also be an opportunity for people to pursue an education path that is intrinsically valuable and thereby explore employment options. If people choose to pursue educational opportunities, this will assist them in the future when they are searching for more meaningful employment beyond low-income job positions.

The argument that people are motivated by money is weak and inconsistent with the motivation literature. Extrinsic rewards consistently undermine intrinsic motivation (Deci et al, 1999). Wiechman and Gurland (2009) demonstrated some people may experience an immediate increase in intrinsic motivation when provided with a reward. The increase in intrinsic motivation is temporary and eventually these people experienced less intrinsic motivation to engage in free-choice activities. Other people experienced an immediate and long-term decrease in intrinsic motivation when they were rewarded for free-choice behaviour.

Intrinsic goals and aspirations are positively related to vitality and self-actualization. Extrinsic goals are positively associated with depression, narcissism, and physical symptoms such as headaches, fatigue, and muscle tension. Both patterns were demonstrated in undergraduate university populations and adult community members (Kasser & Ryan, 1996). Sheldon, Gunz, Nichols, and Ferguson (2010) compared people high in extrinsic values and people high in intrinsic values. Results indicated people high in extrinsic values were more likely to endorse extrinsic goals, which in turn was associated with a perception of positive emotional well-being. When high extrinsic people were randomly assigned to the extrinsic goal condition, they actually experienced less happiness, despite predicting they would feel more happiness upon goal achievement. Overall, the study results indicated people high in extrinsic values believe achieving extrinsic goals would have a positive effect on their emotional well-being. This

prediction was consistently demonstrated as incorrect and would not increase positive emotions, such as happiness.

Politicians further argued there are jobs available, but people have to be motivated to take these positions. This is a sweeping statement. Employment opportunities and job availability is significantly dependent on the health of the economy. If the country is in a recession, there are minimal job positions available as businesses attempt to pull themselves from the negatives. In 2009, the United States, Canada, and the rest of the world dropped into a recession, and with it, unemployment rates increased. The world is still in recovery, but until employment is on the rise again, it is not fair to state people simply lack motivation to work in a paid position. Perhaps this is the ideal time for these people to pursue educational opportunities so they are prepared when the world emerges from the financial crisis. There is still a need, however, to inform people of the most effective strategies for increasing and maintaining motivation.

Developing an Education Program to Address Work Disincentive

Eggleton and Segal (2009) argue the current social assistance programs in Canada do not provide opportunities for obtaining employment. Grady and Kapsalis (1995) have also argued the current system maintains individuals and families in welfare and does not provide opportunities for additional education and employment. Both have proposed a GAI program to address the issue of minimal employment options. However, a GAI program alone may not combat the problem of a lack of employment opportunities because the government is still providing supplemental income. Although the program would certainly provide additional funds for people to return for higher education, there needs to be a mechanism for motivating and teaching people to set goals for their future plans.

In order to address the potential issue of work disincentive with the introduction of a GAI, it may be beneficial to develop a universal intervention program. Programs could be offered at local neighbourhood centres and through schools to target specific populations. If programs were implemented in local neighbourhoods, it would result in a comfortable setting for the target populations. The intervention program should incorporate the goal setting, self-efficacy, and motivation research. Ideally, the program would educate and provide people with the tools to set high, personal goals that would fulfill psychological needs, improve well-being, and increase satisfaction with achievement. Past successful performance has a positive effect on self-efficacy (Bandura & Locke, 2003), and it is important for people to realize they have the skills to achieve ambitious goals. The program would encourage people to set small proximal goals to increase satisfaction and provide frequent evidence of abilities to improve self-efficacy (Latham & Brown, 2006; Seijts & Latham, 2001).

Participants in the program would be encouraged to set goals for obtaining higher education, employment, or a combination of both options. For example, if a person sets a high goal to become a senior manager at a company, it is likely he/she will need university or college education. Setting a goal to become a senior manager is a significant undertaking and can be overwhelming, particularly if the goal is vague and focused on a distant outcome. Ideally, this person would set small goals, including researching the position qualifications, applying for university programs, and learning skills to develop an attractive resume. The same approach works for goals of obtaining a bachelor's or graduate degree. Future students have to research the program, apply, and gradually take advanced courses to obtain their degree. Both options require people to set proximal, realistic goals to work toward the final outcome of achieving the high, challenging eventual job position or degree.

The program should also address the various types of motivation, specifically intrinsic and extrinsic motivation. Realistically it is not possible to be intrinsically motivated by every activity a person participates in either individually or with others. But it is possible to discuss the issues with being only extrinsically motivated, especially being only motivated by money. High materialistic values can be developed through experiences that increase feelings of insecurity, such as consistent low-income and social models encouraging materialism, often valued in popular media. People living in low-income are likely not meeting all primary psychological needs of autonomy, competence, and relatedness, and are compensating for this insecurity by focusing on materialistic values (Kasser, Ryan, Couchman, & Sheldon, 2001).

Kasser, Ryan, Zax, and Sameroff (1995) investigated the relationship between maternal materialism and the effect on late teenager beliefs. It was demonstrated that mothers who valued financial success were more likely from low-income and had adolescents with the same values. Mothers who valued self-acceptance, affiliation, and community membership had teens with similar values and were more likely from higher-income. It is possible providing low-income populations with a GAI program will reverse some of these materialistic values because money is no longer the strongest motivator. More research in this area is necessary. The intervention program would encourage participants to find other sources of motivation, and could have an additional component targeting teenagers and young adults living in low-income families. Targeting younger people with intervention options may assist with breaking the poverty cycle and provide children with skills and confidence to pursue higher educational opportunities.

With time, this type of intervention program would be expected to increase the number of people entering the workforce with sufficient education and the necessary skills to maintain meaningful employment. Completing the proposed intervention program and having the option

of a monetary safety net should enhance current social conditions and hopefully lift more people out of the poverty cycle. Integrating this type of intervention with a GAI program would provide experimental options for evaluating the effectiveness of this system. The current research on GAI programs is somewhat inconclusive, but this type of program may lead to significant results and more conclusive evidence. The government would also have the option of formally evaluating the social intervention program to determine its effectiveness and how it interacts with the GAI program. If the combined intervention and GAI program is effective, perhaps this is the most economically advantageous curriculum that the government would consider adopting permanently as a replacement for the current system.

Conclusion

Perhaps the most significant barrier that has been overlooked in the political debate is the fact that there is gross inconsistency in GAI results and research. More sufficient research evidence on GAI programs is necessary. The results of the U.S. and Canadian experiments are mixed, with one study showing significant effects of work disincentive, while the other four show some evidence of work disincentive. As a collective group, there was evidence of small work disincentive, but this could have been dependent on the multiple other options people were taking advantage of during the course of the research. Essentially, long-term evidence is critical to determine if work disincentive is in fact a direct, significant result of implementing a GAI program. Results could then be generalized to the greater population to demonstrate the effects of a national support program.

Another point to consider is the length of time a person or family is eligible to receive GAI benefits. People who are disabled and not able to work receive permanent benefits, and this should not be removed from the system. One potential concern is if there is no cut-off point for

receiving a GAI, then it is understandable why politicians may be hesitant to implement this program. This requires further exploration because it is possible people may never experience the need to obtain employment if they are receiving a government supplement. Research also needs to clarify what is an acceptable level of work disincentive. It is particularly important if people are using the time to further their education, and should not be ridiculed for trying to broaden their employment qualifications. The story changes, however, if work disincentive is significant, and if people are simply being paid to “do nothing,” thus confirming the initial political reservations.

Perhaps a GAI program is not the only answer to address poverty issues and to replace the current social assistance programs. The living wage is focused on the working poor. Employers increase the amount of hourly pay above provincial minimum wage so people are able to support their families (Brenner, 2005). A glaring issue with the living wage is that it is targeted at the working poor, but it is not clear how this would support those who are unemployed and living in poverty. Regardless, more research is necessary to determine the most viable options for addressing poverty in Canada, and the steps required for lifting people out of the poverty cycle. The GAI may be the most effective program because it includes more people with varying circumstances living in poverty. It must be clear, however, that providing people with additional income will not automatically motivate them to obtain employment. Supplementing the income with an intervention program and teaching people how to set appropriate goals and remain motivated during challenges may be the best political option.

References

- Bandura, A. (1986). *Social foundations of thought and action: A social cognitive theory*. Englewood Cliffs, NJ: Prentice-Hall.
- Bandura, A. (1989). Human agency in social cognitive theory. *American Psychologist*, *44*(9), 1175-1184.
- Bandura, A. (1991). Social cognitive theory of self-regulation. *Organizational behaviour and human decision processes*, *50*, 248-287.
- Bandura, A. (2001). Social cognitive theory: An agentic perspective. *Annual Review of Psychology*, *52*, 1-26.
- Bandura, A., & Locke, E.A. (2003). Negative self-efficacy and goal effects revisited. *Journal of Applied Psychology*, *88*(1), 87-99. doi: 10.1037/0021-9010.88.1.87
- Cheng, P.Y., & Chiou, W.B. (2010). Achievement, attributions, self-efficacy, and goal-setting by accounting undergraduates. *Psychological Reports*, *106*(1), 54-64. doi: 10.2466/PRO.106.1.54-64
- Cianci, A.M., Klein, H.J., & Seijts, G.H. (2010a). The effect of negative feedback on tension and subsequent performance: The main and interactive effects of goal content and conscientiousness. *Journal of Applied Psychology*, *95*(4), 618-630. doi: 10.1037/a19130
- Cianci, A.M., Schaubroeck, J.M., & McGill, G.A. (2010). Achievement goals, feedback, and task performance. *Human Performance*, *23*(2), 131-154. doi: 10.1080/08959281003621687
- Cullen, K.W., Thompson, D.I., Scott, A.R., Lara-Smalling, A., Watson, K.B., & Konzelmann, K. (2010). The impact of goal attainment on behavioural mediating variables among low

- income women participating in an Expanded Food and Nutrition Education Program intervention study. *Appetite*, 55, 306-310. doi: 10.1016/j.appet.2010.06.017
- Deci E.L., & Ryan, R.M. (2000). The “what” and “why” of goal pursuits: Human needs and the self-determination of behaviour. *Psychological Inquiry*, 11(4), 227-268.
- Deci, E.L., Koestner, R., & Ryan, R.M. (1999). A meta-analytic review of experiments examining the effects of extrinsic rewards on intrinsic motivation. *Psychological Bulletin*, 125(6), 627-668.
- Gagné, M. & Forest, J. (2008) The study of compensation systems through the lens of self-determination theory: Reconciling 35 years of debate. *Canadian Psychology*, 49(3), 225-232. doi: 10.1037/a0012757
- Heimerdinger, S.R., & Hinsz, V.B. (2008). Failure avoidance motivation in a goal-setting situation. *Human Performance*, 21, 383-395. doi: 10.1080/08959280802347155
- Hum, D.P.J., & Choudry, S. (1992). Income, work and marital dissolution: Canadian experimental evidence. *Journal of Comparative Family Studies*, 23(2), 249-265.
- Hum, D., & Simpson, W. (1993). Economic response to a Guaranteed Annual Income: Experience from Canada and the United States. *Journal of Labour Economics*, 11(1), S263-S296.
- Ilies, R., Judge, T.A., & Wagner, D.T. (2010). The influence of cognitive and affective reactions to feedback on subsequent goals. *European Psychologist*, 15(2), 121-131. doi: 10.1027/1016-9040/a0000011
- Kanfer, R., & Ackerman, P.L. (1989). Motivation and cognitive abilities: An integrative/aptitude-treatment interaction approach to skill acquisition. *Journal of Applied Psychology*, 74(4), 657-690.

- Kasser, T., & Ryan, R.M. (1996). Further examining the American Dream: Differential correlates of intrinsic and extrinsic goals. *Personality and Social Psychology Bulletin*, 22(3), 280-287.
- Latham, G. P., & Locke, E.A. (2006). Enhancing the benefits and overcoming the pitfalls of goal setting. *Organizational Dynamics*, 35(4), 332-340. doi: 10.1016/j.orgdyn.2006.08.008
- Latham, G.P., & Locke, E.A. (2007). New developments and directions for goal-setting research. *European Psychologist*, 12(4), 290-300. doi: 10.1027/1016-9040.12.4.290
- Locke, E.A., & Latham, G.P. (1990). Work motivation and satisfaction: Light at the end of the tunnel. *Psychological Science*, 1(4), 240-246.
- Locke, E.A., & Latham, G.P. (2002). Building a practically useful theory of goal setting and task motivation. *American Psychologist*, 57(9), 705-717. doi: 10.1037/0003-066X.57.9.705
- Lozano, B.E., & Stephens, R.S. (2010). Comparison of participatively set and assigned goals in the reduction of alcohol use. *Psychology of Addictive Behaviors*, 24(4), 581-591. doi: 10.1037/a0021444
- Michaelides, M. (2008). Emerging themes from early research on self-efficacy beliefs in school mathematics. *Electronic Journal of Research in Educational Psychology*, 6(1), 219-234.
Retrieved from: <http://www.investigacion-psicopedagogica.org/revista/new/english/LeerArticulo.php>
- Ryan, R.M., & Deci, E.L. (2000a). Intrinsic and extrinsic motivations: Classic definitions and new directions. *Contemporary Educational Psychology*, 25, 54-67. doi: 10.1006/ceps.1999.1020
- Ryan, R.M., & Deci, E.L. (2000b). Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being. *American Psychologist*, 55(1), 68-78.

- Salinas-Jiménez, M., Artès, J., & Salinas-Jiménez, J. (2010). Income, motivation, and satisfaction with life: An empirical analysis. *Journal of Happiness Studies, 11*, 779-793. doi: 10.1007/a10902-010-9185-y
- Schmidt, A.M., & DeShon, R.P. (2009). Prior performance and goal progress as moderators of the relationship between self-efficacy and performance. *Human Performance, 22*, 191-203. doi: 10.1080/08959280902970377
- Seijts, G., & Crim, D. (2009). The combined effects of goal type and cognitive ability on performance. *Motivation and Emotion, 33*, 343-352. doi: 10.1007/s11031-009-9143-3
- Seijts, G.H., & Latham, G.P. (2001). The effect of distal learning, outcome, and proximal goals on a moderately complex task. *Journal of Organizational Behaviour, 22*, 291-307. doi: 10.1002/job.70
- Seijts, G.H., Latham, G.P., Tasa, K., & Latham, B.W. (2004). Goal setting and goal orientation: An integration of two different yet related literatures. *Academy of Management Journal, 47*(2), 227-239.
- Sheldon, K.M., Gunz, A., Nichols, C.P., & Ferguson, Y. (2010). Extrinsic value orientation and affective forecasting: Overestimating the rewards, underestimating the costs. *Journal of Personality, 78*(1), 149-178. doi: 10.1111/j.1467-6494.2009.00612.x
- Sheldon, K.M., Ryan, R.M., Deci, E.L., & Kasser, T. (2004). The independent effects of goal contents and motives on well-being: It's both what you pursue and why you pursue it. *Personality and Social Psychological Bulletin, 30*(4), 475-486. doi: 10.1177/01461672023261883
- Tolli, A.P., & Schmidt, A.M. (2008). The role of feedback, causal attributions, and self-efficacy in goal revision. *Journal of Applied Psychology, 93*(3), 692-701. doi: 10.1037/0021-

90110.93.3.692

- Vansteenkiste, M., Simons, J., Lens, W., Sheldon, K.M., & Deci, E.L. (2004). Motivating learning, performance, and persistence: The synergistic effects of intrinsic goal contents and autonomy-supportive contexts. *Journal of Personality and Social Psychology*, 87(2), 246-260. doi: 10.1037/0022-3514.87.2.246
- Widerquist, K. (2004). A failure to communicate: What (if anything) can we learn from the negative income tax experiments? *The Journal of Socio-Economics*, 34, 49-81. doi: 10.1016/j.socec.2004.09.050
- Wiechman, B.M., & Gurland, S.T. (2009). What happens during the free-choice period? Evidence of a polarizing effect of extrinsic rewards on intrinsic motivation. *Journal of Research in Personality*, 43, 716-719. doi: 10.1016/j.jrp.2009.03.008
- Winters, D., & Latham, G.P. (1996). The effect of learning versus outcome goals on a simple versus complex task. *Group & Organization Management*, 21(2), 236-250. doi: 10.1177/1059601196212007