

Social research number: 24/2026

Publication date: 26/02/2026

Basic income for care leavers in Wales pilot evaluation: annual report 2025 to 2026

Executive summary

1. Introduction

The Basic Income for Care Leavers in Wales pilot ('the pilot') was launched in July 2022. The first payments to 18-year-olds eligible for the scheme were made in August 2022 (['Basic Income for care leavers: about the pilot' Welsh Government, 2022](#)). The evaluation of the scheme is now in its fourth year. This is a summary of the third annual report from the evaluation. This is the first report published since the pilot has ended and all young people have exited the scheme.

Overview of the pilot

The pilot paid a basic income to young people leaving care for two years. More detail about the nature of the pilot is available [from the Welsh Government](#). The pilot was open for young people to sign up to from 1 July 2022 to 30 June 2023 for all those having an 18th birthday in that period. The total amount of the basic income payment was £1,600 gross per month, which was taxed at source to leave recipients receiving a net amount of £1,280 each month, for two years, unless they chose to leave the pilot early or went into custody.

Young people continued to receive the support that all care leavers usually receive from their local authority whilst on the pilot and were also offered additional support. In total, 97% of those who were eligible for the pilot took part (644 individuals).

Overview of the evaluation

The evaluation began in November 2022. It is due to end in 2027 so that data from before, during and after the pilot can be collected and analysed.

The research questions

- Research Question 1: What is the impact of the pilot?
- Research Question 2: Is the pilot implemented as intended?
- Research Question 3: How is the pilot experienced?
- Research Question 4: How does the pilot fit into the overall offer for care leavers in Wales?
- Research Question 5: How cost effective is the pilot?

The evaluation is designed around five core areas called ‘work packages’. These are briefly summarised as follows.

1. Co-production: A group of care-experienced young adults meet regularly to provide advice to the study. A number of changes have been made to the study following their advice.
2. Theory enhancement: The study is a theory-based evaluation, and the evaluation aims to increase understanding of how and why the pilot may or may not have positive effects for different people involved.
3. Impact evaluation: The impact of the pilot on young people’s lives is being measured in relation to health and wellbeing, their finances, their engagement with education and employment and engagement with their communities.
4. Implementation and process evaluation: This part of the research explores how the pilot is implemented, its ongoing delivery, and how the scheme is experienced and perceived by those involved.
5. Economic evaluation: The economic evaluation will consider whether the pilot represents value for money in terms of the outcomes achieved.

2. Aims and scope of this report

This report presents three main areas of analysis: (1) young people's experiences mid-pilot and at the end of the pilot, based on follow-up interviews; (2) professionals' perceptions and

experiences as the pilot concluded; and (3) an updated programme theory (logic model) developed and refined using data from across the evaluation.

The [third annual report](#) provides detailed information about the research methods used to collect and analyse the data and the findings. In this summary report, only findings are reported.

3. Main Findings

Young people's experiences of the pilot

This section presents insights from interviews conducted with young people at the mid-point of the pilot, and at the end of the pilot, roughly two to three months after they received their last payment. These interviews covered participants' views on the design and implementation of the scheme, the effects it had on their lives, relationships and decisions, and what has changed since the payments stopped.

The pilot provided young people with what some described as a "safety net", giving financial security that enabled them to plan and feel in control of their lives. One participant described this as being able to save and feel secure about their housing: "It would just be like that little safety net... I've got that money saved up to be able to live alone... and not worry about losing the place I'm at" (YP39 - Mid-Pilot). Others described how the income transformed their sense of possibility. For example, one young person explained;

"Before the money, I felt very restricted in what I could do. And during the money... I felt like I was able to do what I wanted and live my life the way I wanted, which made me feel good" (YP46 - End of Pilot).

However, the analysis also reveals how challenging some young people found the adjustment when the pilot ended. Some found their savings ran out quickly as they adjusted to reduced income. One participant noted "I did [save during the pilot], but I've ended up getting through it now trying to get used to living on a lower income... I'd have no money, so I ended up spending my savings for the rest of the month" (YP53 - End of Pilot). Another participant captured the emotional dimension of this transition powerfully:

'People would think that they wouldn't need to worry about money if they had the pilot scheme, but then, once it ended, it would all just fall apart. And it's kind of like taking someone's comfort away from them, like a blanket or something.' (YP31 - End of Pilot)

Views on design of the pilot

Young people's views on the pilot's core design elements were largely consistent with findings from our first wave of analysis in the [second annual report](#). They supported age 18 as the starting point, and most agreed the amount (£1,280 per month after tax) was

appropriate. Receiving - in the words of one participant - "...not too little... not too much" (YP12) enabled them to meet basic needs, pursue new hobbies, and achieve some financial security. Care leavers continued to be widely endorsed as a target group given their unique disadvantages and lack of family financial support compared to their non-care-experienced peers. As we found previously, some expressed concerns that 2 years could be too short to fully benefit and prepare for transition to life without the basic income, while others felt it struck the right balance to avoid creating dependency. On unconditionality, young people continued to value the freedom this provided, particularly in contrast to their care experiences where decisions were often made for them.

Wellbeing, autonomy and control

Young people often reported that the basic income had had positive effects on their mental health and wellbeing during the pilot. Reduced financial stress allowed them to live in the present without worrying about meeting their basic needs. Young people described feeling more confident about their futures, with the financial security enabling longer term and more future-oriented thinking and planning.

Young people valued the sense of autonomy and control the basic income provided. Many described being able to make their own decisions about how to spend their time and money, participate in activities, and invest in relationships. The pilot enabled participation in everyday activities that many of their non-care-experienced peers take for granted, such as socialising, practising hobbies, and doing leisure activities.

Education, training and employment

The self-reported effects of the basic income on education and employment by interview participants were varied. For some, the financial security enabled them to pursue educational opportunities they would otherwise have been unable to afford. Young people described being able to pay for courses, equipment, transport to college or university, and having the confidence to commit to education knowing they could meet their financial obligations. In terms of employment, some described how the pilot gave them the space to decide what they wanted to do, rather than taking the first available job out of necessity.

However, others reported reduced motivation to engage in work while receiving the basic income. Some acknowledged feeling reduced urgency to find a job when they were receiving the basic income each month. The varied effects reported in qualitative interviews seem to relate at least in part to the participants' motivations as well as their individual circumstances and structural limitations. Notably, many young people told us that work itself was not always attainable or reliable - they described difficulties finding stable employment and the precarity of the few jobs that were available.

Coping with the end of the pilot

Some young people moved from the pilot to Universal Credit. This transition proved challenging for many recipients. Young people described the sudden drop in income as significant and difficult to manage. The contrast between the financial freedom during the pilot and the constraints after it ended was a recurring theme.

Some young people had built up savings that helped ease the transition, while others struggled to adjust and some had accrued debts. Many described no longer being able to do the activities or make certain choices they had during the pilot. This was partly due to the conditions attached to Universal Credit, which were challenging and meant participants had less freedom than they did during the pilot. Several young people noted wishing they had saved more or made different choices during the pilot. With hindsight, many felt they would manage the money differently if given the opportunity again.

Financial management

As noted above, young people had mixed experiences of managing their basic income. Some developed confidence over time and felt comfortable budgeting by the end of the pilot. Others found managing their finances challenging throughout and were critical of their own spending decisions. Age was cited as a factor, with many feeling they had gained maturity by the end of the pilot.

Interestingly, some young people felt it had not been necessary to develop strong budgeting skills during the pilot because the amount was sufficient to meet their needs without careful planning. These young people described an increased need to develop such skills after the pilot ended when their income dropped considerably. When asked what they would do differently, saving more was by far the most common response. Several young people we interviewed expressed a desire to have had more oversight or support in managing the income. Only a few of the interview participants reported that they had engaged with advice sessions with Citizens Advice or similar specialist advisors.

Professionals' perceptions and experiences

This section reports on follow-up focus groups with professionals undertaken around the point the pilot ended. Consistent with earlier findings, as described in the [first annual report](#) by Holland and others (2024), professional views and perceptions remained mixed.

Professionals recognised that the pilot created opportunities for young people, though reported varied outcomes. As one team manager observed,

"For all of our young people, it gave them opportunities, because everyone had, to an extent, a choice how they wanted to utilise that money. But for some of our young people, they've utilised those opportunities greater than others" (P62, Team Manager - End of Pilot).

Some highlighted how financial security took away some constraints and altered the kinds of direct work they were able to do with young people, giving them the “freedom and time to have conversations about the other stuff... that other [non-care-experienced] kids as young adults would be having with their friends, with their parents, with their carers” (P21, Team Manager - End of Pilot). However, the professionals who took part remained concerned about the potential negative effects on motivation for some recipients:

‘...the ones where we struggled is where people then actually who were motivated, doing well, sometimes even working, then stopped working, because they had income that they didn’t have to work for.’ (P63, Head of Service - End of Pilot)

Overall perceptions

When asked to describe the pilot in three words, 'opportunity' was the most frequently used term - the same as at the start of the pilot. However, this word carried multiple meanings: the opportunity offered by the basic income, opportunities young people accessed during the pilot, and opportunities perceived to have been missed or wasted. Other common words included both explicitly favourable and critical terms, such as ‘beneficial’ and ‘challenging’.

Professionals reported that the young people they worked with on the pilot had used the money in a range of ways, including for essential and discretionary spending, as well as saving. In terms of perceived effects, professionals observed some young people thriving, others just managing, and some struggling, which is consistent with previous research on leaving care (Stein 2012).

Positive outcomes noted by professionals included young people experiencing things they would not have been able to otherwise, investing in education and training, and learning to drive. Others reported neutral effects where young people ended the pilot in a position that was not noticeably different to when they started. A smaller number reported concerning outcomes, particularly for young people with existing vulnerabilities such as addictions or being vulnerable to exploitation.

Autonomy and engagement with support

There was broad agreement that the basic income reduced young people's dependency on formal support. Some professionals welcomed this, noting it led to different kinds of conversations - about wellbeing, relationships, and aspirations rather than just practical financial matters. However, many professionals were anxious about reduced engagement with some young people, particularly those they felt were vulnerable. Some reported young people 'disappearing' once they had financial independence, making it harder to provide support and safeguarding. This created tensions for practitioners balancing respect for young people's autonomy with their professional responsibility to protect and support.

Housing, health, and education

The pilot appeared to increase young people's choices around housing, with some able to access better or more secure accommodation. However, housing availability remained a significant constraint in many areas, limiting what the additional income could achieve.

Professionals observed varied impacts on health and wellbeing. For some young people, reduced financial stress appeared to improve their mental health. Others reportedly used the money in ways that exacerbated existing vulnerabilities, for example, buying drugs. Consistent with the young people who took part in interviews, the effects on education and employment according to professionals were similarly mixed and included some using the financial security to pursue qualifications but others disengaging from education or work.

Updated programme theory

The initial programme theory presented in the first annual report has been refined using data collected from interviews with recipients and focus groups with professionals at the start and end of the pilot. The revised logic model identifies eleven causal pathways through which the pilot may produce outcomes if it is working well (for example, for those who report positive effects).

Key mechanisms through which the basic income seems to operate include increasing disposable income, enhancing a sense of autonomy, agency and certainty, and reducing financial stress. This served to lengthen 'time horizons', enabling more future-oriented thinking. More practically, the pilot increased access to transport and mobility. Important contextual factors that influence outcomes include recipients' existing vulnerabilities and support networks; the availability of housing locally; pre-existing motivation to engage in education or employment; the duration of the pilot; and access to funded healthcare and other services.

The revised theory also identifies an additional outcome: ameliorated effects of poverty for others, as some recipients used their increased income to support family members and friends. However, existing vulnerabilities and limited support networks were cited as increasing the risk that some individuals would be financially exploited by others.

4. Discussion

This analysis rounds off some of the lines of enquiry we opened earlier in the evaluation. The updated programme theory suggests strong support for pathways around autonomy, agency, and participation in meaningful activities, but limited evidence around the specialist financial advice, which appears not to have been utilised by many recipients, according to the views of the interview and focus groups participants. Support was one of the main contextual factors (along with existing vulnerabilities, housing stability, and motivation) that

determined whether and how the pilot worked for different people. The revised theory emphasises that outcomes are highly context dependent.

The analysis illustrates Van Parijs' (1997) distinction between formal freedom (the theoretical ability to do something) and real freedom (the meaningful capacity to actually do it given sufficient resources). For many, the pilot engendered a genuine sense of freedom. Holidays, local travel, and leisure activities became realistic for the first time, without depending on others. However, recipients were often unclear what the money was 'for', whereas professionals favoured adding conditions such as attending education or appointments with advisors as a vehicle for teaching important life lessons. Moreover, professionals and young people diverged in their focus on present versus future prosperity. Young people valued immediate benefits such as reduced stress, autonomy and dignity, while professionals emphasised long-term outcomes. This raises a fundamental question: is temporary relief from disadvantage inherently valuable, or must interventions prove lasting impact? Without downplaying the importance of long-term effects, it would be a mistake to overlook the tangible short-term benefits many young people reported.

The analysis also shows that basic income schemes are embedded in complex and imperfect systems. Housing shortages meant that while the pilot opened up access to better accommodation, some faced arrears and debts soon after they left. However generous, the pilot may have limited impact without complementary interventions addressing housing and employment. The pilot inadvertently highlights the need for deeper policy shifts in how the state supports care leavers.

5. Conclusions

The qualitative narratives presented here illustrate mechanisms through which change occurs and why outcomes vary across the cohort. Many accounts contain embedded counterfactuals - explaining that without the money, participants could not have afforded things they bought during the pilot. These narratives illustrate why autonomy matters, how dignity is beneficial, and how reduced financial stress enables future planning. At an individual level, this might provide credible causal evidence, but it is inherently speculative because the counterfactual is imagined rather than experienced. We need quantitative outcome data (forthcoming in 2027) to establish whether these benefits translate into measurable changes across the whole cohort. This will give a better picture of the pilot at a policy level, telling us whether, on average, the benefits outweighed the drawbacks.

This report has two main implications for policy and practice. First, it raises questions about how best to design support alongside cash transfers. Take-up of the financial advice service was low, though we cannot say for certain why this was. It may reflect the format of the offer, or it may indicate that many young people were managing independently. There is some evidence of experience-based learning in relation to financial literacy. Where young people did want guidance, they tended to seek it out from their existing networks. This

suggests that proactive or relationship based forms of guidance may be worth considering in future policy initiatives. Second, the stark contrast between life during and after the pilot raises questions about the duration and sustainability of such programmes. Although two years of financial security provided clear benefits for many recipients, this raises the question of whether time-limited pilots can create sustainable change without addressing underlying structural issues.

As the evaluation continues, we will build on this qualitative data from individuals with quantitative evidence to provide assessment of the pilot's impact at a policy level. The experiences presented here offer essential context for understanding not just whether the pilot worked, but how, why, and for whom. These are questions that remain central to informing future policy for care leavers in Wales and beyond.

6. References

Holland S and others (2024), 'Basic income for care leavers in Wales pilot evaluation: annual report, 2023 to 2024', Cardiff: Welsh Government, GSR report number 12/2024

Mathur V and others (2025), 'Basic income for care leavers in Wales pilot evaluation: second annual report, 2024 to 2025', Cardiff: Welsh Government, GSR Report Number: 20/2025

Stein M (2012), 'Young people leaving care: supporting pathways to adulthood', London: Jessica Kingsley Publishers

Van Parijs P (1997), 'Real freedom for all: what (if anything) can justify capitalism?', Oxford: Oxford University Press

Welsh Government (2022), 'Basic income pilot for care leavers: about the pilot', Cardiff: Welsh Government

Report Authors: Zoe Bezeczky¹, Vibhor Mathur¹, Louise Roberts¹, Dimitris Vallis², Michael Sanders², Kate E Pickett⁴, Matthew Johnson⁵, Rod Hick⁶, Elizabeth Schroeder³, Patrick Fahr³, Stavros Petrou³, Sally Holland¹ and David Westlake¹

1. Children's Social Care Research and Development Centre (CASCADE), School of Social Sciences, Cardiff University
2. The Policy Institute, Kings College London
3. Nuffield Department of Primary Care Health Sciences, University of Oxford
4. Department of Health Sciences, University of York
5. Department of Social Work, Education and Community Wellbeing, Northumbria University
6. School of Social Sciences, Cardiff University

Full Research Report: Bezeczky Z, Mathur V, Roberts L, Vallis D, Sanders M, Pickett KE, Johnson M, Hick R, Schroeder E, Fahr P, Petrou S, Holland S, Westlake D. (2026). Basic income for care leavers in Wales pilot evaluation: third annual report, 2025 to 2026. Cardiff: Welsh Government, GSR report number 24/2026.

Available at: <https://www.gov.wales/basic-income-care-leavers-wales-pilot-evaluation-annual-report-2025-2026>

Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government.

For further information please contact:

Social Justice Research

Equality, Poverty and Children's Evidence and Support Division

Welsh Government

Cathays Park

Cardiff

CF10 3NQ

SocialJusticeResearch@gov.wales

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

OGI © Crown Copyright Digital ISBN 978-1-83715-944-4