

# Behavioral insights into cash transfers to families with children

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### abstract

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Cash transfer programs aim to lessen the harmful effects of economic deprivation by giving cash or its equivalent directly to people in need. In this article, we combine insights from three areas of behavioral scienceeconomics, child development, and cognitive psychology (including behavioral economics and the psychology of poverty)-to shed light on the logic behind providing cash transfers to families with children and to identify specific design features that policymakers should consider when creating these programs. We also summarize key research findings on the outcomes of such programs and present case studies of projects that have been evaluated in randomized controlled studies. We argue that unconditional cash transfers (which provide the money with no strings attached) are preferable to conditional cash transfers (which require recipients to meet specified conditions) for providing economic security and improving children's life outcomes. Conditional cash transfers can achieve similar goals, however, if they impose little administrative burden on parents and if infrastructure is in place to support meeting the conditions for receiving the cash. We end with recommendations for how best to design cash transfer programs for families with children.

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the world live in poverty.<sup>1</sup> Indeed, even before the COVID-19 pandemic, more than 20% of children below the age of 5 years lived in poverty in the United States, and an equal proportion lived in extreme poverty worldwide, according to official poverty measures.<sup>2</sup>

undreds of millions of children around

**Core Findings** 

What is the issue? Children in families facing economic precarity are exposed to a number of risks that affect their long-term cognitive and health development. To combat this, policymakers have increasingly turned to cash transfers in times of crisis. But the type of cash transfer matters for efficacy. Upon review, we find that unconditional cash transfers should be preferred where possible.

How can you act? Selected recommendations include: 1) Directing cash transfers to families with children for an amount that is at least 20%–25% of a region's poverty threshold 2) Using debit cards as a money-provision vehicle for a seamless, easy-toaccess delivery system

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Who should take the lead? Researchers, policymakers, and philanthropists focused on child development, economics, education, health, or labor It is now all too clear that economic deprivation and financial instability can pose severe risks to children beyond immediate consequences like hunger and homelessness. More than 250 million children under 5 years of age in developing countries are estimated to be at risk of missing standard cognitive or health developmental milestones because of conditions stemming from poverty.<sup>3,4</sup> The National Academies of Sciences, Engineering, and Medicine have reported that in the United States,

on average, a child growing up in a family whose income is below the poverty line experiences worse outcomes than a child from a wealthier family in virtually every dimension, from physical and mental health, to educational attainment and labor market success, to risky behaviors and delinquency.<sup>5</sup>

(See note A.) Reducing the prevalence and child development consequences of poverty should therefore be a global policy aim.<sup>6</sup>

Even in politically stable countries, families can end up in financially precarious states for any number of reasons, such as unsteady, low-paying jobs; permanent decreases in the demand for low-skill workers in an industry; lack of access to low-interest credit; unexpected natural disasters and economic crises; and the failure of governmental or private support programs to provide sufficient food, shelter, and other necessities. To alleviate the consequences of economic precarity, governments often turn to cash transfers-the direct delivery of money or its equivalent (such as debit cards) to be expended as recipients deem necessary. Cash transfers are increasingly being used by countries around the globe, although only a minority of the world's population has access to them.<sup>7,8</sup>

In light of the dire risks that poverty poses to children, we examine in this article the rationale for providing cash transfers specifically to families with children, and we make recommendations for enhancing the effectiveness of such programs. Knowing that children thrive when they have stable, nurturing environments; set routines; responsive parenting; and good health care, nutrition, and education, we have as our ultimate goal understanding how cash transfer programs can best support parents' efforts to give their children a fair shot at future economic security and the opportunity to reach their full potential. We also argue that parents should be supported in ways that respect their dignity and agency, preserving their right to make decisions for themselves and their family.

We apply an interdisciplinary lens to the understanding of how cash transfers affect recipients, incorporating insights not only from classical economic and child development theories but also from cognitive psychology, particularly behavioral economics. Behavioral economics explores unconscious cognitive processes that influence people's decisions and behavior and recognizes how the context of poverty drains mental resources. Our analysis illuminates the features that policymakers should consider when designing and implementing a cash transfer program-such as whether the program should provide money without strings attached or set certain behaviors as conditions-and it indicates that specific behavioral scienceinformed design features can be incorporated into cash transfer policies to harness human agency in support of families' and children's economic well-being. We also draw insights from selected studies of cash transfer programs from around the world that target families with children and from several programs that have been formally evaluated through a randomized controlled design.

We conclude that cash transfers targeted to families with children are an effective strategy for enriching children's environments and their development but could be improved by implementing the design strategies that we outline. We also conclude that combining cash transfer policies with targeted investments in

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early childhood development could generate outsized improvements in children's environments and development.

#### Basics

Cash transfers are one approach among many that can be applied to combat poverty in families with children. Other types of programs provide specific services, such as health care, housing, early literacy training, or mental health counseling, rather than money. Such strategies can achieve narrowly defined outcomes but usually work only in specific locales and often are not scalable.9 Moreover, interventions that require certain behaviors, such as attending literacy classes, are likely to fail if families lack the stability and economic resources needed to reap the program's full benefits.<sup>10</sup> Further, although strategies to supplement services or build infrastructure are well intended, they often fail to reach income-poor people in a timely manner, at the moments when they are needed most.

Giving money directly to recipients avoids these drawbacks. Cash transfer programs, which are often government sponsored, usually have the dual aim of alleviating the detrimental effects of economic deprivation on families with children while at the same time supporting the productivity of the children's caregivers (that is, their ability to work).<sup>11,12</sup> For instance, an infusion of money might enable a parent to afford the childcare that makes holding a job possible. Giving people cash to meet their basic day-to-day needs is also the ethical thing to do, in accordance with the principles of human rights, dignity, and social equity.

Governments and humanitarian aid organizations around the globe recognize the importance of cash as an economic support. For example, in 2016, Canada introduced the Canada Child Benefit program, which provides from Can\$5,000 to Can\$6,400 per year to qualifying families, depending on the family's income and children's ages (see note B). In the United States, to meet the goal of reducing child poverty by half, the National Academies of Sciences, Engineering, and Medicine have recommended a bundle of policies, including a refundable child tax credit in which larger refunds go to families with children younger than 5 years of age as well as a monthly allowance for each child under 17 years of age in a family.<sup>5</sup> As this article is being written, lawmakers and the Biden administration are considering several child allowance proposals for families in the United States. Organizations like UNICEF advocate for and sometimes assist in implementing cash transfers that provide immediate economic resources to displaced families.

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As briefly mentioned earlier, cash transfers often take one of two basic forms. *Unconditional* transfers enable recipients to receive the money with no strings attached. These transfers can be one-time outlays or provided at regular intervals for a period of time. The programs rest on the assumption that adults want the best for their children, know what is good for their families, and can be trusted to spend their income accordingly. The programs can also be relatively cost efficient in that they do not incur the administrative expenses of setting up and maintaining the infrastructure for providing specific services or goods.

Unconditional programs, however, can run into political opposition, primarily by people who fear that the cash will encourage people to not work (and will thus fuel dependency on handouts and drain government budgets)<sup>13</sup> and that recipients will squander the money on vices such as alcohol or cigarettes. Research does not support these beliefs, but the opposition persists. Not surprisingly, governments in nations where a greater share of the populace attributes poverty to laziness spend a lower proportion of the gross domestic product on cash transfers.<sup>14</sup>

One response to the critiques is to implement *conditional* cash transfer programs, which provide money on the condition that would-be recipients perform selected behaviors thought to be beneficial to them and society at large.<sup>15</sup> Proponents of conditional transfers argue that these programs can help to address what economists call *externalities:* the costs or benefits to society of someone's behavior.<sup>16</sup> For instance,

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recipients' valuation of the benefits of school participation might not match society's valuation, which may emphasize the future benefit of producing a skilled workforce. Conditional transfers targeted to schooling may encourage parents to invest effort and time in making sure their children attend class regularly. Some proponents also argue that conditional transfers help policymakers counteract a purported culture of poverty among recipients-a concept presuming that the norms and values of recipients favor behaviors that are detrimental to the recipients themselves and to society.<sup>17</sup> For such reasons, conditional cash transfers have become one of the most widely practiced antipoverty initiatives in the developing world.<sup>18,19</sup>

Because conditional cash transfers are perceived to reward what the program developers consider good behavior and to strengthen the impression that a desired behavior is a norm to be followed, they are thought to be an efficient way to achieve socially desirable ends. They may also be necessary at times for making cash handouts palatable to politicians and voters. One concern, however, is that they may dampen intrinsic motivation to perform the targeted behaviors, with the result that the behavior disappears when the rewards go away. (It is conceivable, though, that a behavior initially performed to obtain some external reward will eventually be experienced as worth doing on its own merits).20

Studies of cash transfer programs have shown that each type of program can be beneficial. On balance, we view unconditional cash transfers as preferable and optimal, for reasons we explain later.

We should note that the unconditional cash transfers we emphasize in this article differ from *universal basic income*, which is money given regularly to everyone in a population regardless of need. (See note C.) A universal basic income has been famously advocated by Facebook cofounder Chris Hughes<sup>21</sup> and by former presidential candidate Andrew Yang, who during the 2020 campaign proposed giving all American adults \$1,000 a month. The idea has also

been embraced by mayors across the country.<sup>22</sup> Universal basic income is a promising idea and appealing in its administrative simplicity, but we do not discuss it in depth in this article because it does not yet have a well-established evidence base and its effects specifically on families with children remain unclear.

#### Theoretical Bases for Cash Transfers

When seeking insights into optimizing the design of cash transfer programs, we adopted an interdisciplinary approach that incorporated concepts from cognitive psychology, because the standard economic and child development rationales on their own fall short in offering guidance.

#### The Classic Economic Lens

Classical economists justify cash transfer programs mainly on the basis of the programs' ability to efficiently provide the money needed for goods and services when the marketplace fails to stably provide the required income. Textbook economic theory assumes that people are fully rational and optimize their decisions by carefully weighing all the factors that could affect the resulting outcomes, regardless of the contexts people find themselves in. Economic theory would suggest, for instance, that a cash transfer program conditioned on children attending a given school will invariably increase attendance because parents will see attendance as providing a tangible and immediate economic benefit. Yet it has become abundantly clear that people often do not behave in the ways that rationality assumptions predict.

#### The Child Development Lens

Child development theory supports the value of cash transfers. However, it falls short on guidance for an optimal cash-transfer program because, like economic theory, it assumes that parents can be perfect decisionmakers and are not distracted by juggling multiple responsibilities and challenges. In line with that view, some child development authorities favor conditional transfers meant to encourage parents to behave in specific ways.

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Cash transfers that are conditioned on parents performing behaviors known to support children's development (such as reading to youngsters) have, indeed, been shown to be able to shape children's outcomes.<sup>14</sup> As we demonstrate in the next section, however, unconditional transfers have been hypothesized to also improve parenting, in part by relieving stress and fostering senses of competence, autonomy, and readiness to invest in child development.

Research suggests that proper timing of either conditional or unconditional cash transfers can optimize child development-that is, it makes sense to deliver money that will help meet basic needs during periods when children usually meet milestones important to future development (such as learning to speak and read).<sup>23</sup> In the case of conditional cash transfers, for example, the power of incentives to get children to attend school can vary with a child's age. In general, though, evidence from developmental neuroscience suggests it is particularly important to stabilize basic material conditions and economic resources in the earliest years of children's brain development (that is, during infancy and toddlerhood)-a period when adults generally have difficulty meeting work and other demands on top of accommodating the needs of their children.24

#### The Cognitive Psychology Lens

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The cognitive psychology perspective on cash transfers acknowledges that, when making decisions, human beings do not reason as a computer would: their decisions are affected by their emotions, state of mind, and limited bandwidth for attending to the decisions at hand. This perspective draws from research into both the psychology of poverty and behavioral economics. Behavioral economics research has shown, for example, that people have a tendency, or bias, toward satisfying needs immediately rather than worrying about future needs (known as present bias), for taking the path of least resistance, and for giving extra weight to whatever is most salient in their minds at the time a decision is being made.

Research into the psychology of poverty indicates that poverty and economic instability create high cognitive loads and attentional demands that drain the mental resources required for parents to work efficiently, care for their children effectively, and engage in civic life.18,25-27 In other words, parents who live in poverty and lack a steady income have a lot on their minds and a lot of stress, and both conditions can distract them from concentrating fully on the decisions they make and giving their children the attention they might needwhether for learning, emotional growth, or regular visits to health care providers. They have to care for their children while also contending with stressful issues such as which bills will have to go unpaid for the month, whether to borrow money from unscrupulous payday lenders, and how to keep their families safe.

The behavioral economic perspective further suggests that cash transfer programs that impose multiple demands or require recipients to follow detailed instructions can increase the already high cognitive demands on parents in ways that ultimately interfere with their ability to reap the programs' intended benefits-even if, in theory, the programs would efficiently enhance earnings, savings, parenting, and child development outcomes. Conditional programs require more attention and planning from recipients than unconditional programs do. For example, a chronic lack of resources may activate several related biases that can deter parents from participating in programs intended to promote saving for education: present bias favors spending money to relieve current pressures rather than putting it aside for the future, loss aversion promotes avoiding earmarking money for education when the payoffs of that action are unclear, and the discounting of future benefits leads people to place more value on benefits they see immediately than on potentially bigger benefits they might receive in the future.<sup>18</sup>

The behavioral economics lens suggests, therefore, that unconditional cash transfer programs could be more effective than conditional programs, especially if they deliver a guaranteed, predictable income. By providing

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20% Children\* living in poverty in the United States pre-COVID

20% Children\* living in extreme poverty globally pre-COVID

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250m Children\* in developing countries at risk of missing developmental milestones because of poverty

\*under 5 years old

### "unconditional cash transfers may also free up parental time and mental energy"

much-needed money, they should alleviate the challenges of juggling and preoccupation, thus improving parents' capacity to manage their day-to-day lives, to make and follow through on near- and long-term decisions for their children, and to engage in more attentive parenting. By lessening financial stress and increasing financial stability, unconditional cash transfers may also free up parental time and mental energy, thereby allowing caregivers and their children to take advantage of educational or other opportunities offered to them.<sup>28,29</sup>

What is more, by empowering and enabling parents to invest in their children and their environments as they see fit—and thus showing trust in the adults' parenting behaviors and related investment decisions—unconditional cash transfer programs should reduce stress levels in the family as a whole and improve family climates. Ultimately, by fostering senses of competency and autonomy, unconditional cash transfers can also reinforce in parents the intrinsic value of spending quality time with their children and creating environments that enhance the children's welfare.

#### The Interdisciplinary Lens

In short, insights from cognitive psychology reinforce the classic economic and child development arguments in favor of providing cash transfers to families with children. They also teach that conditional and unconditional cash transfers each can free up parents' emotional and cognitive resources to support senses of self-efficacy, autonomy, and competence essential characteristics that are often taxed when finances are unstable and resources are scarce. These characteristics, when promoted in parents and their households, are favorably associated with supportive environments for children.<sup>18</sup> In the case of conditional cash transfers, desired behaviors are determined by an outside authority (and can require both recipients and cash providers to coordinate their activities and manage paperwork and time), whereas unconditional cash transfers are driven by the presumption that parents are best suited to make decisions about how to allocate money and are hampered mostly by the demands created by having low, unstable, and uncertain resources.

#### **Policy Design Considerations**

The interdisciplinary lens contributes in two key ways to the policy conversation about cash transfers to families with children. First, at a broad societal level, it emphasizes the importance of respecting parental agency and children's rights,<sup>30</sup> while attempting to counteract the job market failures that are especially pernicious for economically vulnerable families. Second, at the specific operational level, it points to an array of design considerations-described next-that can influence how well cash transfers serve children, families, and society at large. Behavioral economics, in particular, teaches that details of design can influence how people react to a program, which, in turn, can affect the program's effectiveness.

#### Type of Transfer

As we have noted, cash transfer programs are either unconditional or conditional. Unconditional transfers can be delivered once or on a regular basis. Use of one-time transfers is generally based on the assumption that the funds will be invested in a way that produces a future stream of income, such as to buy livestock or start a small business. Lump sums have yielded mixed results,<sup>31–33</sup> possibly because of variations in the availability of investment opportunities, in the market infrastructure, and in how well recipients transform the cash infusion into a future stream of income.

Research into the psychology of poverty and behavioral economics suggests that ongoing unconditional transfers are more likely than conditional transfers to be effective for families with children because they can liberate parents from many of the cognitive demands placed

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on them when they are struggling to figure out how to cover their family's needs using low and unstable economic resources.<sup>34</sup> They may also be useful when recipients who are already coping with multiple demands would feel even more burdened by having to meet the requirements of conditional transfers. However, when public and political will to support unconditional cash transfers is undermined by perceptions that income-poor people are undeserving,<sup>35</sup> conditional transfers may be the most politically feasible option.

At least one study shows that unconditional programs might be able to nudge recipients toward selected goals without making formal demands on them. In Morocco, a cash transfer program provided unconditional cash benefits but explicitly messaged that the benefits were meant to support children's school participation. The program led to substantial improvements in education outcomes<sup>36,37</sup>—a result that did not differ much from those obtained when cash transfers were provided on the explicit condition that the recipients' children attend school.

Providing unconditional cash transfers to every household in a given population is another option. As with unconditional transfers targeted to selected families, these transfers can face strong political headwinds. They can, however, also avoid some unintended negative consequences of typical unconditional cash transfers,<sup>38</sup> such as price inflation or pressure on recipients from nonrecipients who want access to the funds. In places where the cash conferred on some recipients leads to rising prices for food or other items, the well-being of nonrecipients can be compromised when their buying power is reduced. In an emergency situation (such as a pandemic or war) requiring a fast response that would be hampered by having to assess qualifications, one-time cash transfers to everyone in a community may be the most logistically feasible option.

#### **Delivery Mechanism**

The mechanism of delivery—whether cash transfers are provided by charitable agencies, integrated into existing government platforms

and services, delivered locally through independent institutions, or distributed in another way—can matter for outcomes as well. The delivery method may affect which recipients are reached seamlessly and which are reluctant to participate because they feel stigmatized by the program or distrustful of the organization administering the program.

In the United States, tax refunds can be a vehicle for providing funds to a broad swath of the population, and eligibility for the refunds is easy to verify. But, as the COVID-19 stimulus payments in the spring of 2020 illustrated, this approach can bypass people with incomes too low to require tax filing. For such reasons, various U.S. organizations opt for a boots-on-the-ground approach, working with partners in local communities to reach the most economically vulnerable people in person. Delivery through the Social Security system is also under consideration in the United States as this article is being written.

To avoid the security risks inherent in handing out literal cash, many programs rely on debit cards for providing money. Other options are available as well, such as cash-exchange apps on cell phones.

#### Amount, Frequency, Predictability, & Timing

The amount, frequency, predictability, and timing of a cash transfer can significantly affect the transfer's effectiveness. These factors are often influenced by government budgets and politics.

Small cash amounts can increase the salience of the need to adopt certain behaviors today to attain long-term or future benefits, but small sums are unlikely to significantly ease the stress of impoverished and unstable day-to-day economic conditions. Large amounts can reduce demands on a recipient's cognitive resources and thus are more likely to support greater behavioral change.

One-time lump-sum transfers may be the most feasible in terms of garnering political

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support expediently, such as when used in a rapid response to an economic crisis. However, effective use of a single large sum depends on recipients having the cognitive bandwidth to allocate the money carefully for current and upcoming demands. Delivery of large sums repeatedly on a predictable schedule would be most likely to help recipients address financial constraints and reduce debt. Frequent (such as monthly), predictable payments minimize the challenges of juggling and can alleviate cognitive resource constraints.

The wisdom of delivering large sums on a predictable schedule, even if only once a year, is supported by studies of the annual earned income tax credit refund available to eligible low-earning tax filers in the United States,<sup>31</sup> whereas the random delivery of a single large sum has not been shown to produce equivalent benefits.<sup>32</sup>

The importance of predictability highlights a drawback of conditional cash transfers, which, by definition, are only delivered once stated conditions are met: the timing of transfers matters. Sometimes, just a few days can make the difference between being able to subsist until the next cash transfer and being forced to resort to a costly loan to avoid losing housing or going hungry.<sup>25</sup> It is important for outlays to be delivered in time to buffer the effects of earnings shortfalls, such as when a public health or financial crisis hits, when weather conditions decimate farmers' revenues, or when conditions arise that could cause a family to become homeless.

#### **Program Duration**

The duration of a cash transfer program is another important consideration, because it can affect whether the benefits derived from the transfers persist. Longer durations are more likely to facilitate the formation of habits, such as budgeting and planning for large purchases.

A long duration may also enable recipients to become economically comfortable enough to put some money aside for harder times, and certain long-term programs can actively promote such saving. For instance, economic instruments known as *commitment savings accounts* involve stowing some portion of one's money in an untouchable fund until a certain condition (such as an emergency) has arisen or a set time period has passed.<sup>39</sup>

In general, extending the period of cash transfer delivery should encourage people to make incremental contributions to a financial cushion, thereby supporting their sense of control over their finances as well as their economic security and mobility. Program designers need to keep in mind, however, that even when they clearly communicate the program's parameters and end date, recipients may face financial and psychological hurdles when the transfers cease, such as loss of trust in the institution that had been providing the money and renewed stress over finances.

#### Life-Course Timing

The majority of cash transfer field experiments and evaluations have focused on adult or household behavior or on children's school attendance or physical health, but relatively little research has comprehensively examined children's broader cognitive, social, or emotional development or measured child development beyond schooling. As a result, the evidence for the benefits cash transfers convey for children's development is newer and less definitive. The promise of the approach is, however, backed by studies showing that increasing net household income and reducing material hardship is beneficial to children.<sup>40</sup> And logic dictates that providing cash transfers during critical periods in children's development-and ensuring that the transfers are substantial, frequent, and predictable-would be particularly useful for enabling parents to guide their children through those periods.

A study called Baby's First Years is underway in the United States to test the value of making cash transfers to low-income mothers starting at the time of their child's birth and continuing through the child's preschool years.<sup>41</sup> One thousand mothers have been randomly assigned across four sites to receive a relatively high

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monthly unconditional cash gift (\$333) or a relatively low monthly unconditional cash gift (\$240) at the time of the birth of their child and for 40 months thereafter. Recruitment was completed in June 2019. The researchers intend to collect data on family life outcomes, including family stability and spending on consumption (that is, on immediate needs such as food, electricity, heat, gasoline, and rides on public transportation), and on child development outcomes, such as brain functioning, social and emotional development, language skills, and learning of children at ages 1, 2, and 3 years.

Field Research Into Cash Transfers to Families

#### Overview

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Overall, evidence from field studies involving cash transfer programs shows a range of positive familial outcomes relating to economic, social, employment, and health-related criteria as well as to improvements in children's well-being and certain aspects of parenting. Although some studies were conducted in Western settings, most of the evidence comes from Latin America and sub-Saharan Africa. We cannot do full justice to the broad literature examining the effects of cash transfer programs in this article, but we can highlight key findings from particular studies that speak to their effects on families with children.

In a systematic review of 201 studies on conditional and unconditional cash transfer programs, researchers found the programs reduced poverty and increased expenditures on basic needs, such as food.42 Other evidence convincingly debunks the critique that recipients lose their incentive to work and spend the cash on "temptation goods."21,43,44 In fact, the increase in income may exceed the value of the cash transfers themselves if households invest the money in productive (income-generating) activities<sup>45,46</sup> such as job training, starting a business, or livestock. In addition, enhanced financial security can result in reduced stress, improved satisfaction, and better mental well-being among adults.<sup>33,47-49</sup>

A review of 14 evaluations of programs targeting families showed that cash transfers help reduce violence against children,<sup>50</sup> although decreases in rates of violence did not occur in all studies.<sup>51,52</sup> The decrease in stress experienced by parents is one possible explanation for the drop in violence.

Research focused on babies has shown that cash transfers can support infants' health and growth.<sup>53–55</sup> However, the programs examined did not show equally strong effects, and questions remain about the pathways through which cash transfers improve child health.<sup>56</sup>

Some studies have found favorable effects of cash transfer programs on young children's cognitive development.<sup>57,58</sup> Cash transfers also improve children's school participation.<sup>59</sup> Conditional cash transfer programs that require school participation tend to result in higher attendance than unconditional programs do, although the unconditional programs can also be beneficial. Evidence of cash transfers' long-term benefits for learning is less abundant.<sup>24,59,60</sup>

With respect to adolescents, research has found that unconditional cash transfers improve adolescents' mental health.<sup>61–63</sup> Other work has revealed that cash transfers to teens and households with teens can play a positive role in their transition to adulthood. Several studies show that conditional and unconditional cash transfers often delay sexual activity and lower the chances of early pregnancy and marriage,64-66 although these effects do not appear in all studies.67 Concerns that unconditional cash transfers targeted to families with young children or teens would increase fertility have also not been borne out in evidence to date. Existing evidence, only some of which is from randomized controlled trials, shows that cash transfer programs have increased birth spacing among women in South Africa and delayed pregnancies among youth in South Africa and Kenya, while having no effects on fertility in Zambia and Malawi. A recent systematic review of 21 studies found that both conditional and unconditional cash transfers reduced pregnancy among teens.44,68

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### "The long-term effects of cash transfer programs are mixed"

The long-term effects of cash transfer programs are mixed. A review of studies of school-age children whose families received cash transfers when the children were infants or in utero and of early adults whose families received cash transfers when the adults were school age fairly consistently found improvements in school participation and grade reached in both groups.<sup>69</sup> Findings for other outcomes, such as health and cognitive development in the younger group and income and labor force participation in the older group, were less definitive, possibly because of the challenges inherent in measuring long-term effects.

In a stand-alone study, which focused on adolescent females, the beneficial effects of unconditional cash transfers on pregnancy and early marriage evaporated after five years, although children of unconditional cash transfer recipients were taller for their age than were children whose parents did not receive such transfers.<sup>70</sup> An analysis of a Mexican cash transfer program (which we discuss more fully in the next section of this article) found that recipients made long-term progress in geographic mobility, employment, and household income, with the effects on participation in the job market especially pronounced for women.<sup>71</sup>

Exactly why the long-term effects of cash transfer programs are mixed requires further study. Presumably, however, success can be affected by the precise structure of the transfer and by whether recipients have opportunities to invest the money in assets, such as livestock, or their own human capital, such an educational degree, that can generate future income (see note D).

In the Dominican Republic, researchers are investigating the long-term effects of cash transfer programs by looking at what happens when the programs end. Solidaridad is a program that provides conditional cash transfers to income-poor households if they invest

time and attention in supporting their children's education, health, and nutrition. Every three months, participating families who comply with the program's child-focused conditionsenrolling their children in school, ensuring their children attend school, and bringing the children to health clinics for regular health checkups, for example-receive US\$75. Transfers are made via debit card to be used to purchase food items at approved stores, and participants meet every three months in community groups to receive training in nutrition and health. Researchers are using a randomized evaluation to assess whether providing financial literacy and business training to conditional cash transfer recipients can help them "graduate" from the cash transfer program and what type of training is most effective. The goal of this research is to develop a graduation strategy to encourage recipients to improve their financial management and develop stable sources of income.<sup>39</sup>

#### **Case Studies**

Next, we examine in more depth a handful of cash transfer programs that offer insights into designing programs that will maximally benefit families with children. We selected the programs according to the following criteria: In addition to focusing on families with children, the programs had to have been evaluated by studies that assigned participants to intervention and control groups randomly (to avoid biasing the results), and the results had to be available to the public (for transparency). We also wanted the collection to include examples of both conditional and unconditional cash transfer programs, as well as programs in high-income countries and in lowand middle-income countries, and programs sponsored both by governments and private funders. See Table 1 for summary descriptions of the chosen programs and their effects. Note that these case studies do not provide a comprehensive overview of all randomized trials examining the impact of cash transfers, nor do they comprehensively cover the broad spectrum of cash transfer programs in developed and developing countries.

Conditional Cash Transfer: Progresa, in Mexico. The Progresa program, created in 1997 under Mexico's president Ernesto Zedillo, instituted

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	Program	Туре	Duration of payments	Frequency	Delivery vehicle	Near-term effects	Long-term effects
	Progresa: 5 million families across all 31 states in Mexico <sup>a</sup>	Conditional on school attendance and health clinic visits; recipients must forgo receipt of other benefits	3 years guaranteed	Monthly payments on verification of required behavior	Deposit savings accounts (until 2005), debit cards	Consumption stability; improved school attendance, health, and nourishment	Higher educational attainment; increased employment up to 17 years later among participants 7–16 years old at the program's start
	Opportunity NYC: 6 high poverty communities in New York City; 4,800 families and 11,000 children	Conditional on schooling, health, and employment outcomes; recipients remain eligible for other benefits	3.5 years	Payments made when behavior is verified by manual coupon submission (up to \$3,000 annually)	Bank accounts, prepaid stored-value cards	Reduction in poverty and material hardship	Increased schooling among least economically disadvantaged youth 3–4 years after program's start
	Family Hope Program: Income-poor households with children or pregnant mothers, nationwide in Indonesia; millions of families	Nominally conditional on health and education obligations, but verification of meeting the obligations was incomplete	Indefinite (program is ongoing)	Quarterly payments	Pickup at post office	Results not available	6 years after the program's start: increased school attendance, reduction in stunting
	Child Grant Program (CGP) and Multiple Categorical Targeting Program (MCTP): Households in impoverished rural districts in Zambia, with children under 5 years (CGP) or female or elderly heads or a disabled family member (MCTP), roughly 2,500 (CGP) and 3,000 (MCTP) households <sup>b</sup>	Unconditional	Approximately 3 years	Monthly payments	Paid by ministry employees to recipients in person at designated pay points	Consumption stability; increased earnings	4 years after the program's start: continued stability in consumption and expenditures on children, improvements in housing, reduction in debt
	GiveDirectly's Program: Rural Kenya, 302 villages in Rarieda	Unconditional	2 years	Lump sum and monthly payments	Mobile phone	After lump-sum payment, increased purchase of durable goods Monthly payments resulted in food security; increased parental psychological well-being; increase in assets	3 years after program start: continued higher levels of asset holdings, consumption, food security, and psychological well-being

## Table 1. Outcomes & key policy design components of illustrative cash transfer programs targeting families with children

Note. Consumption = fulfillment of immediate needs, such as food, electricity, heat, gasoline, and rides on public transportation; long-term effects = outcomes reported three or more years after initial receipt of transfers.

<sup>a</sup>Mexico rolled out the program in 1997; researchers evaluated samples of participants.

<sup>b</sup>Initiatives that build on these programs are underway nationally.

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cash transfers to alleviate existing and future family poverty by encouraging recipients to take steps to improve their children's nutrition, education, and health.<sup>72</sup> Cash transfers were delivered to all eligible households via savings accounts (from 2002 to 2005) and then debit cards (since 2009).43 By 2007, the program's budget had expanded to Mex\$3.2 billion and was serving 24.06 million people (5 million families) in 92,672 localities across all 31 Mexican states.<sup>11</sup> Transfers, provided monthly, were conditioned on school attendance (being present for at least 85% of school days) and health clinic visits. Parents received subsidies for school supplies and a bonus at the end of the term if school attendance goals were met all year. Participants were selected on the basis of demographics (families with children in targeted communities), and benefits were guaranteed for three years with the possibility of renewal.<sup>11,36</sup> Progresa required households to stop taking benefits from other programs.

Comparisons between households in the randomly assigned experimental and control villages found that Progresa did not replace or reinforce any preexisting risk-sharing arrangements among households within villages or lead to any statistically detectable changes in how families coped with financial shocks. Households who received Progresa benefits were, however, better able to continue their usual consumption when their non-Progresa sources of income fluctuated.<sup>36,73</sup> Another evaluation also found substantial increases in school attendance, lengthened educational trajectories, improved nourishment, and improved health outcomes relative to the control group.<sup>74</sup> Recent research that followed, for up to 17 years, children who were between 7 and 16 years old in 1997 found that longer participation in Progresa was associated not only with greater increases in educational attainment but also with a higher likelihood of being employed and of having a high-quality job.75

Conditional Cash Transfer: Opportunity NYC, in the United States. In 2007, using the Progresa program as a model, private funders launched this experimental program in six of New York City's highest poverty communities. The first conditional cash transfer program in a developed country, Opportunity NYC offered cash incentives to families with income at or below 130% of the federal poverty level to meet specific targets in education, health, employment, and employment training. Participating families could earn about \$3,000 a year in payments, depending on family size and the conditions met. Rewards for specific targets ranged from \$20 to \$600, and payments were made once, monthly, or yearly, depending on the specified behavior. For example, families were paid \$25 a month for a 95% attendance rate in elementary school, \$600 for students' passing a high school Regents exam, \$20 per month for maintaining health insurance, and \$200 per family member who had an annual physical. To claim rewards for meeting other goals, participants manually filled out coupons and included appropriate documentation verifying their compliance with the program's conditions. Money was then transferred to their bank account or, if they preferred, onto prepaid stored-value cards.<sup>76</sup>

Researchers evaluated Opportunity NYC through a randomized controlled trial involving 4,800 families and 11,000 children.<sup>76,77</sup> The effects on behavior, health, school participation, and education were positive but limited and modest, with the largest effects, in the reduction of poverty and material hardships, occurring during the first three years.<sup>77</sup> Relative to families in the control condition, those in the experimental group increased their savings and borrowed less money from family and friends. They were also more likely to report having full-time employment but did not see improvements in obtaining jobs that were covered by the unemployment insurance system. Improvements in children's schooling participation were limited to those who were least economically disadvantaged at the time of study enrollment.

Some observers have argued that Opportunity NYC's modest results are in part accounted for by inadequate planning.<sup>11</sup> Mayor Bloomberg's program was prematurely launched, they argue, for political reasons (namely, to gain electoral credit), and it lacked a pilot phase or evaluation of a metropolitan policy on which his program

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could be based. Others posit that the bureaucratic complexity of Opportunity NYC could explain the results being weaker in New York than in Mexico.<sup>11</sup> In addition, Opportunity NYC competed with several other poverty-alleviation initiatives. By contrast, Mexico's Progresa program, implemented by the state, was participants' only source of economic support.

Conditional Cash Transfer: Family Hope Program, in Indonesia. The Indonesian government launched the Family Hope Program in 2007, providing guarterly cash transfers to income-poor households with children or pregnant mothers.<sup>78</sup> The payments, received at local post offices, were supposed to be conditioned in part on fulfillment of several health- and education-related obligations. However, in practice, verification that people met the conditions was not part of the process until 2010, and even now, verification is not always complete before recipients receive the money. Six years after the program began, recipients had increased their use of trained health professionals and facilities for childbirth and had achieved a greater than 50% reduction in the truancy rate of children aged 7 to 15 years. Researchers also observed a 23% reduction in stunting among participating children and increased enrollment in school for teenagers. Of note, with its lack of verification, this program has functioned something like an unconditional transfer program, indicating that setting conditions was not critical to meeting its goals.

Unconditional Cash Transfer: The Child Grant Program & the Multiple Categorical Targeting Program, in Zambia. In sub-Saharan Africa, the use of cash transfers has expanded rapidly. The number of cash transfers doubled between 2010 and 2015, and by 2015 close to 50 million people had received transfers.<sup>79</sup> Zambia launched two similar unconditional cash transfer programs, one in 2010 and one in 2011; each provided grants for approximately three years. The Child Grant Program targeted households with children under 5 years of age in three poor, rural districts; researchers evaluating the program looked at households with children under 3 years of age at baseline and assessed the program's effect on households.

The Multiple Categorical Targeting program targeted households considered vulnerablesuch as those with female or elderly heads and those with disabled family members-that also had children. Both programs entailed an unconditional monthly cash transfer equivalent to approximately US\$12, which was paid in person by ministry employees at designated payment sites, and each program was studied via a randomized controlled trial as well as at several longitudinal follow-ups starting 24 months after enrollment.<sup>80</sup> These programs were not explicitly geared toward people in poverty at the household level but instead were geographically targeted; 90% of the participants were below the national poverty line.

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Overall, both programs were quite beneficial across both protective and productive domains—that is, they improved recipients' ability to pay for basic needs (that is, goods and food) and to earn money. Both programs also helped to relieve children's material deprivation. On the strength of the findings, Zambia has instituted related programs on a large scale nationwide.

When evaluated 24 months after inception, the Child Grant Program showed significant positive effects on consumption, food security, asset holdings, and satisfaction of material needs, although not on schooling or young children's physical growth. The largest effect sizes were found for adult subjective well-being (such as their perception of whether they were happier or less impoverished than they had been previously) and satisfaction of children's material needs.

At 48 months, after cash transfers had been received for three years, the patterns found were similar. Investigators also found that, in addition to being more food secure, families at 48 months were "improving their housing conditions, buying more livestock, buying necessities for children, reducing their debt, and investing in productive activities."<sup>81</sup>

At 24 months, the Multiple Categorical Targeting Program showed significant effects in all the same domains that were affected at that stage

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in the Child Grant Program except for income and revenue, but improvements in earnings were statistically significant by 36 months. As with the Child Grant Program, the greatest improvement occurred in adult subjective wellbeing. A more recent study of the Multiple Categorical Targeting Program found that the program increased the value that recipients placed on future gains (that is, it reduced the discount rates in their minds) and facilitated future planning: Participants were more willing to postpone current consumption in return for future benefits.<sup>82</sup>

Unconditional Cash Transfer: Program Sponsored by GiveDirectly, in Kenya. In a controlled trial that started 2011, households in rural Kenya were randomly assigned to receive unconditional cash transfers via mobile phone from the nongovernmental organization (NGO) GiveDirectly.<sup>36,83</sup> Researchers also divided the experimental group by whether the cash grant recipients were a female or male head of household and randomized participants into groups that differed in the frequency of the transfers (lump sum versus monthly installments over nine months) and the amounts received (US\$404 versus US\$1,520 per year).

Consistent with findings from other unconditional cash transfer programs, data reported in 2013 indicated spending on consumption was higher as a result of the transfers, with the monthly spending going from an original baseline of US\$157 to US\$194 at four months after the transfers ended (a rise equal to 23% of the control group's consumption spending at the four-month mark). In addition, spending on food, health, and education increased, while spending on alcohol and tobacco decreased. Monthly transfers were more likely than lump sums to improve food security, whereas lump sums were more likely to be spent on durable goods. (See note E.) Improvements were also noted in food security and investments: The value of nonland assets, such as livestock, bicycles, and stoves, held by recipients increased by US\$279 (a rise equal to 58% of the control group's mean and 39% of the average transfer). The program also increased recipients' psychological well-being and self-esteem (particularly among female heads of households) and reduced stress, depression, and cortisol levels (a biological sign of stress). A follow-up study of the same program showed that recipients had 40% more assets than their nonrecipient counterparts did but did not find statistically detectable differences in indices of health, education, and female empowerment.<sup>33</sup>

#### **Policy Recommendations**

Combined, our theoretical and empirical examination of cash transfers to families with children suggests that unconditional cash transfers are generally superior to conditional transfers in that they improve life outcomes and economic security for families and children without adding cognitive burdens on parents and without the stigmatization that can accompany having to show documentation or retrieve payments through entities that make recipients feel uncomfortable. What is more, the administrative costs can be low thanks to there being no need to provide an infrastructure for service delivery or for assessing whether recipients have met the conditions for payment.<sup>84</sup> We believe, however, that conditional cash transfers-such as those targeting school attendance or having children immunized-can support the same goals if they impose little administrative burden on the recipients and if the necessary infrastructure is in place. The private sector, particularly philanthropy, can play a complementary role to governments in the provision and distribution of money, as the NGO GiveDirectly does.

Studies of various programs have not yet systematically studied and pinpointed the best design features. The case studies we have described represent a potpourri of approaches with payments ranging from a lump sum to monthly or quarterly being delivered via direct deposit to bank accounts, mobile phones, and in-person pickup at post offices. What is more, the choices could have been made on the basis of feasibility in specific contexts rather than on the basis of which approach would be most supportive of the targeted families. Our analyses suggest, however, that program success is strongly influenced by recipients' trust in the source of distribution and the ease with

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which they can join the program and obtain the money.

The importance of a seamless, easy-to-access delivery system puts debit cards at the top of our list of recommended money-provision vehicles. (See Figure 1.) Debit cards are readily available in most middle- and high-income, economically stable settings and are backed by established credit companies (such as Mastercard) or large banks. They typically offer flexible, no-fee ATM withdrawals and can be used in a variety of online and in-person transactions. Large host companies provide customer service lines that can offer assistance in a wide range of languages for problems such as lost cards, fraud, or missing PINs. Debit cards are also used widely by the general public with little stigma. In the United States, cash transfers can be loaded seamlessly onto existing debit cards dedicated to safety-net benefits such as food stamps.

If debit cards cannot be used, such as in lowincome countries where the credit or banking infrastructure is inadequate, mobile money (that is, money or its equivalent received and sent via cell phone) is a good alternative.<sup>85</sup> Although mobile money is being tested for cash transfers in most low- and middle-income countries, it is now available in the United States to Supplemental Nutrition Assistance Program recipients who have the FreshEBT app. For mobile money to be useful, though, an infrastructure has to be available to consumers (buyers of goods) and producers (sellers of goods) throughout a community.

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We recommend that policymakers and program designers select delivery agents who are trusted and will not make recipients feel stigmatized. In the United States, for example, the Latino/a community would likely be reluctant to interact with an anti-immigrant community organization charged with disbursing cash transfers.<sup>86,87</sup> Worldwide, health care providers, hospitals, schools, other educational institutions, and faith-based institutions tend to be trusted in their communities.

The evidence base is inconclusive on the amount of money that should be transferred. We suggest an amount that is at least 20%–25% of a region's poverty threshold, because this amount would likely be meaningful both financially and in terms of relieving stress and cognitive load. Imagine how useful \$4,000 to \$5,000 would be



Figure 1. An interdisciplinary framework for cash transfers to families with children

<sup>a</sup>A conditional program can be a good alternative, however, if it does not impose much of an administrative burden on the recipients and if the needed infrastructure is in place.

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"To best support families" economic stability, cash transfers should be delivered on a predictable schedule"

for a family that brings in \$20,000 annually. An alternative could be a sliding amount that lifts a household's annual income to 20%–25% above the region's poverty threshold.

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To best support families' economic stability, cash transfers should be delivered on a predictable schedule, and families should be clearly informed of the amount, frequency, and timing of the payments and how long they will be eligible to receive payments. Both lump-sum and more frequent cash transfers can support families, as we have already discussed, but evidence indicates these payment methods have different effects. Large lump-sum cash disbursements are more likely to be invested in assets (such as livestock or a business) that can produce future income or be used to pay down debt or buy big-ticket items. Smaller, more frequent cash disbursements may give rise to different choices, such as whether to accumulate savings, earmark money for a future large purchase, or alleviate immediate consumption needs. A large lump-sum cash transfer might be coupled with smaller, more frequent transfers to encourage savings and investment as well as address immediate consumption needs and demands.

Research into child development suggests that cash transfers are particularly important for supporting successful development during windows when children's progress is sensitive to environmental influences. During infancy, for instance, a child's brain development is highly malleable, yet this period is also when parents must adjust to their new role and family member; reallocate their energy, time, and money to accommodate the life-changing event; and also try to nurture their child as much

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as possible. The birth of a child is thus a good occasion on which to provide financial support. Other key times are the preschool years (when children are ready for group-based early education), the transition to primary school, and the onset of adolescence. Some research indicates that providing a lump sum during a mother's pregnancy can increase the likelihood of a healthy birth.<sup>88</sup>

When unconditional cash transfers are infeasible, such as when lawmakers do not view income-poor people as worthy recipients of such support, conditional transfers could be a viable option, but policymakers should consider potential roadblocks to achieving their intended aims. For instance, transfers conditioned on recipients' having a job will be less effective during periods of labor market contraction than during expansion and when childcare is hard to come by. Further, the effectiveness of conditional cash transfers is likely to be dampened if they are complicated by requiring certain types of formal paychecks as documentation before cash can be delivered. In a hybrid solution, policymakers could offer both conditional and unconditional cash transfers.<sup>89</sup> This approach could provide an incentive to meet the desired conditions while facilitating people's ability to do so and would also still offer basic protection to people who are unable to comply with the conditions. Hybrid models deserve more rigorous evaluation.

As another recommendation, we strongly support use of cash transfers, particularly unconditional transfers, during humanitarian emergencies. Humanitarian aid providers were increasingly turning to cash transfers in such circumstances even before the COVID-19 pandemic struck, and the pandemic has markedly increased their use. In an influential 2015 report, the Overseas Development Institute and the Center for Global Development argued that cash transfers in these contexts can be less costly to deliver than other kinds of support, allow beneficiaries to use the money to address their own greatest needs, and help to sustain local markets.<sup>90</sup> Cash transfers to people in crisis also make sense from a behavioral perspective:

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populations experiencing an emergency are under severe stress, which, as we discussed earlier, adds to cognitive load and to distraction that can interfere with clear-eyed decisionmaking and effective parenting.

Finally, when implementing cash transfer programs, policymakers need to be aware of the very real potential for unintended consequences for nonrecipients. So far, relatively little attention has been paid to ways that cash transfers could inadvertently undermine antipoverty goals.91,92 lf not provided to everyone, cash transfers could have the unintended consequence of contributing to local inequality and could exacerbate rather than improve communities' overall wellbeing. In a randomized evaluation of a cash transfer program in the Philippines, for instance, an overall 9% increase in village income led to increased prices of certain foods, especially in areas where the program reached a high proportion of people.93 Despite significantly improving nutrition-related outcomes among beneficiary children, the program inadvertently led to an 11% increase of stunting among nonbeneficiary children living in poorer and more remote areas, presumably because their families could not afford the elevated food prices. Health care utilization by nonbeneficiary mothers and children also declined, although it is not known whether this decline resulted from an increase in health costs or from other reasons.

Cash transfer programs may also have negative effects on the mental health of nonbeneficiaries. For example, while a cash transfer program in Malawi was operational, the program resulted in significant reductions in depressive symptoms among beneficiary schoolgirls. (See note F.) Their sisters also experienced reductions in depressive symptoms. In contrast, schoolgirls who did not live in a household receiving transfers experienced an increase in depressive symptoms. Both positive and negative effects on depressive symptoms disappeared shortly after the program ended.<sup>94</sup> Similarly, the unconditional GiveDirectly cash transfer program described earlier in this article led to a deterioration in the psychological well-being of nonrecipient neighbors.<sup>95</sup> Here, too, the effects dissipated over time.

A recent analysis of a one-time large cash transfer to over 10,000 households across over 600 villages in Kenya showed positive financial spillover to other households and businesses, with little impact on prices.<sup>96</sup> Still, the potential for unintended psychological and financial consequences merits further exploration. In the meantime, policymakers need to be cognizant of potential spillover effects and would be wise to monitor whether they occur when cash transfer programs are implemented.

#### Conclusion

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Going forward, one open question is whether cash transfers to all families with children (sometimes referred to as a *child allowance*) would be a superior strategy for addressing poverty in families with children. UNICEF and various partners have established the Universal Child Grants Initiative to explore this issue.<sup>97</sup>

Meanwhile, we conclude that theory and evidence both favor the use of cash transfersparticularly unconditional transfers-to help financially pressed families with children. These transfers support families directly through increased income and indirectly by influencing behavior and decisions. By expanding household income, cash transfers may enable parents to increase investments in child health and development and take advantage of other available support programs. And, by lowering the stress that accompanies scarcity, they may enable caregivers to make better decisions for themselves and their children. In other words, cash transfers not only support the ethical goal of an equitable society, they also increase the odds that recipient adults and their children will thrive and thereby contribute to the economic development of their communities.82

#### end notes

- A. For a thorough recent review of U.S. evidence on the effects of poverty on child development, see Chapters 1 to 4 in *A Roadmap to Reducing Child Poverty*, published in 2019 by the National Academies of Sciences, Engineering and Medicine.<sup>5</sup>
- B. The Canadian cash transfer program was accomplished by eliminating a demonstration grant called the Universal Child Care Benefit, which went to all families with children below a set age, and by enhancing the targeting of recipients that was occurring through the Canada Child Tax Benefit and its associated National Child Benefit Supplement.
- C. For reviews of research into universal basic income, see the 2020 report *What We Know About Universal Basic Income: A Cross-Synthesis of Reviews* by Rebecca Hasdell<sup>98</sup> and the 2019 working paper *Universal Basic Income in the US and Advanced Countries* by Hilary W. Hoynes and Jesse Rothstein.<sup>38</sup>
- D. Long-term effects of cash transfers can depend on the precise structure of the transfer. Unconditional one-time asset transfer programs provide beneficiaries with money to buy a productive asset, such as livestock. The effects of a one-time asset transfer program could differ from those of a longer lasting cash transfer program, particularly when limited access to savings devices might prevent households from accumulating sufficient funds to purchase the productive asset. Transfers of US\$120 to microenterprises in Ghana increased some measures of profit for men but none for women at the first year of follow-up, and US\$200 transfers to youth in Liberia temporarily increased earnings.99 One possible reason for the lack of sustained impact might be that recipients do not have access to good investment opportunities. Another possibility is that beneficiaries are reluctant to take the risks associated with investments. Some studies showed success in the form of large long-term increases in income after one-time

cash transfers when risks were relatively low. In Uganda, for example, young people with existing businesses who received transfers started trades and achieved a 40% annual rate of return after four years.<sup>57</sup>

- E. The pattern of economic behavior in response to monthly payments, as compared with lump-sum payments, that was seen in Kenya's program is similar to that observed among people in the United States who receive the earned income tax credit.<sup>100</sup>
- F. In the Malawi study that showed reduced depression in schoolgirls whose families received cash transfers, the amount of the transfers and whether they were unconditional or conditional apparently mattered. When the transfer amounts were low, the reductions in depression were similar across recipient families' girls regardless of whether conditions were set. Yet when the transfer amounts were high, the reductions in symptoms were smaller in the conditional design, potentially because the girls felt a responsibility for helping to earn the greater sum and experienced the responsibility as a burden.

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#### author note

The findings, interpretations, and conclusions expressed in this article are those of the authors and do not necessarily reflect the policies or views of their affiliated institutions.

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