Unconditional Cash and Family Investments in Infants Evidence from a Large-Scale Cash Transfer Experiment in the U.S.

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A key policy question in evaluating social programs to address childhood poverty is how families receiving unconditional financial support would spend those funds. Economists have limited empirical evidence on this topic in the U.S. We provide causal estimates of financial and time investments in infants among families living in poverty from a large-scale, multi-site randomized controlled study of monthly unconditional cash transfers starting at the time of a child’s birth. We find that the cash transfers increased spending on child-specific goods and mothers’ early-learning activities with their infants. The marginal propensity to consume child-focused items from the cash transfer exceeded that from other income, consistent with the behavioral cues in the cash transfer design. We find no statistically detectable offsets in household earnings nor statistically detectable impacts in other pre-registered outcomes related to general household expenditures, maternal labor supply, infants’ time in childcare, or mothers’ subjective well-being.