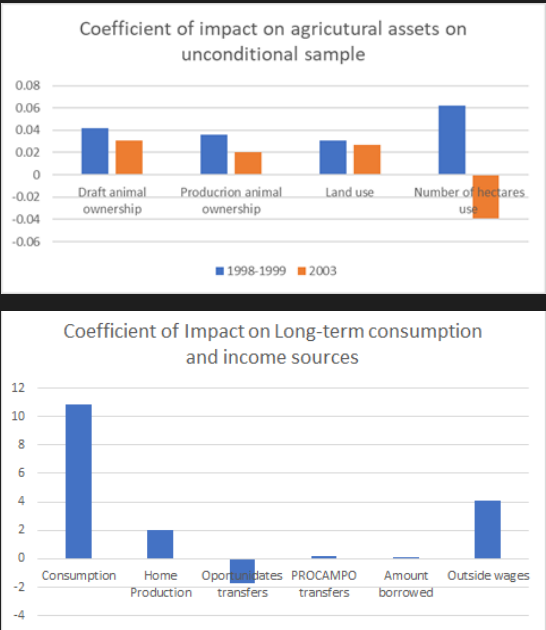


THE IMPACT OF CASH TRANSFER PROGRAM

Oportunidades' social impact on raising living standard through different pathway

Article Title: Investing Cash Transfers to Raise Long-Term Living Standards. Gertler, Paul J., Sebastian W. Martinez, and Marta Rubio-Codina. 2012. American Economic Journal: Applied Economics,4(1): 164–92.

Our research shows that there are several immediate implications for helping participants who are enrolled in this cash-transfer program. Cash-transfer raises participants' long-term living-standard. Using four years of data, we are able to find out that the consumption level of the household that are enrolled in the program are 5.6% higher than the original households that are not offered the cash. Also, the study shows there is no difference after comparing their consumption after removing from the program for 18 months, which means that they will not return to their poverty level. The study suggests that the appropriate length of enrollment to achieve maximum benefits in alleviating their poverty level is 9 years.



THREE PATHWAY FOR IMPACT

21.4%

increase in the value of draft animals owned with the program. The value of production animals owned by 16.6%. There is a large and significant effect on agricultural assets for the full model (T-stat=1.201)

1.6¢

increase in long-term consumption. For every peso transferred, households are likely to invest 26% of them. The research estimates that 5 and half of a year, beneficiary households increase consumption by 41.9 pesos.

0.007

It indicates that there are no differences in the long-term health of individual participants. However, this also means that there is no potential harm to the participants of this program.

NEW FINDINGS



The impact of household condition and education level

After removed the variables that reflect the household condition such as if the family owns the house, if they have a dirt floor, we run the analysis again. We run a similar test removing the education level. The results show that the original household condition and education level of the head of the household has little or no impact on the efficiency of the program



Impact of age

From our new analysis, we can carefully conclude that households with teenagers in the household will likely have a better result in raising their living standards from the cash-transfer program. Also, it is quite interesting that we find if the head of the household is female, then the household will likely to benefit more from the program



Effect on different states

After running a new analysis including demographic information (states), we map our finding to the actual Mexican map for better visualization. Two graphs on the right show the impact of the program on raising living standards and health conditions in different states.

