In-Kind Transfers and Early Childhood Development: Evidence from Housing Assistance Lotteries*

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Abstract

Governments frequently use in-kind transfers to redistribute resources to families to both alleviate material hardship and improve children's well-being. These transfers can boost the consumption of low-income households, and potentially impact child development, though the consumption responses and their relationship with child outcomes are not well understood. This paper examines how two major in-kind transfers — public housing and housing vouchers — affect families' housing consumption and , in turn, children's early skill development. Using administrative data on applications for housing assistance, randomized offers of public housing and housing vouchers from lottery-ordered waiting lists, and linked assessments of kindergarten readiness for more than 10,000 children, we estimate the effects of both types of housing assistance on early childhood development. Receipt of a housing voucher leads to increases in children's kindergarten readiness, early literacy skills, and likelihood of meeting cognitive and noncognitive developmental benchmarks. However, we find no significant effects of public housing on child development outcomes. The pattern of results is largely consistent with how each program affects housing and neighborhood quality. Our results suggest that in-kind transfers *can* yield improvements in child outcomes, but that these effects depend critically on how these transfers impact consumption.

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