

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 both to alleviate material hardship and improve children’s well-being. In-kind transfers can boost low-income household consumption and may impact childhood development, though the relationship between consumption responses and child outcomes is not well understood. This paper examines how two major in-kind transfers, public housing and housing vouchers, affect families’ housing consumption and their children’s early skill development. Using administrative data on housing assistance applications, randomized public housing and housing voucher offers from lottery-ordered waiting lists, and linked assessments of kindergarten readiness for more than 10,000 children, this study estimates the effects of housing assistance on early childhood development. Housing voucher receipt leads to increases in children’s kindergarten readiness, early literacy skills, and likelihood of meeting cognitive and noncognitive developmental benchmarks. However, public housing has no significant effect on child development outcomes. The pattern of results is largely consistent with the way each program affects housing and neighborhood quality. The results suggest that in-kind transfers *can* yield improvements in child outcomes but that the effects depend on how transfers impact consumption.

Keywords: In-Kind Transfers, Children, Child Development, Housing

JEL codes: I24, I38, R23

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