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By providing reliable, regular, and relatively long-term financial support, policy objectives for direct cash-transfer policy interventions include reducing household financial uncertainty, increase a sense of self-efficacy, and protecting systemically vulnerable populations. This issue of *Focus on Poverty* reviews two works of guaranteed-income scholarship and “picks the brain” of one innovative scholar.

Researchers Sarah Halpern-Meekin, Lisa Gennetian, Jill Hoiting, Laura Stillwell, and Lauren Meyer examined a group of new mothers living below the poverty line who received monthly cash transfers. By tracking the expenses, experiences, frustrations, and successes of the new mothers as they “put policy into practice” throughout the first 76 months of the new child’s life, this research offers unique insights for the field of implementation science.

During the height of the COVID-19 pandemic, the expanded Child Tax Credit (CTC) was a significant source of financial support for many low-income households with children; this was also a time of significant uncertainty and stress. Researchers Clemente Pignatti and Zachary Parolin compared data from households with children of various ages and found strong positive associations between more generous direct transfers and improved well-being for parents. Effects were especially strong for younger people, women, Hispanic households, single parents, and low-income households.

Something new in this issue of *Focus On Policy* is a brief question-and-answer session with a researcher doing innovative work in their field. Lucius Couloute’s work centers on the sociology of people with first-hand experiences within the criminal legal system. This Q & A covers an array of related topics, current projects, and future research aspirations.

As always, we appreciate your feedback and welcome questions about this issue of *Focus On Poverty*.

Thank you! — The Editorial Team at IRP

Unconditional Monthly Income Supplements at Birth

TAKEAWAYS

Understanding the contexts within which unconditional cash transfers to new mothers were experienced, and the meanings participants associated with the program as they made spending choices for their household, offers value for implementation research.

Mothers typically spent funds in ways aligned with the purpose of the study, purchasing household goods for their child via the discrete, flexible, and reliable mechanism of a personalized debit card.

Placing trust in the hands of policy targets themselves offers direct insights for future iterations of unconditional cash transfer policies and programs.



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To understand how policy is experienced on the ground, hearing directly from those affected by it can offer new insights. This is especially important for policies that offer key decision-making power to those they target. For example, because the parents themselves decide how to spend and save money from an unconditional cash transfer, their insights are especially key for analyzing whether a policy or program has been implemented as intended.

Researchers Sarah Halpern-Meekin, Lisa Gennetian, Jill Hoiting, Laura Stillwell, and Lauren Meyer examined components of a randomized controlled trial providing monthly cash transfers to low-income mothers in select U.S. cities.¹ The cash transfers were unconditional, meaning that once the money was distributed recipients could spend it as they so desired. Data for the study was drawn from a subpopulation of qualifying participants within the larger Baby's First Years (BFY) program who, shortly after giving birth, were asked to participate and then selected at random from within the larger pool. Cash gifts were distributed electronically via secure and private custom debit cards.

The BFY intervention provided mothers in a test group with \$333 monthly (and \$20 for a demographically similar control group) and the promise of 76 months of continuous support. The \$333 amount approximates some (but not all) other benefits associated with child-focused support.² Through administrative agreements or legislation in the four states where participants lived, the money was not counted as income that might jeopardize eligibility for other social assistance programs, such as SNAP. For more information on the design of Baby's First Years, see Gennetian et al.³

Data collected from various sources helped researchers understand mothers' experiences with the cash transfers and answer questions about household-level spending choices.

Implementation research in this context aims to understand the roles of household-level decisionmakers and their spending decisions within a given policy process.

Purpose

Cash aid for individuals and families offers a direct, efficient, and immediate mechanism for potentially alleviating poverty, to address basic household needs while avoiding the paternalism of typical government support. The purpose of this study was to better understand the contexts within which BFY cash transfers were experienced and the meanings participants associated with the program as they made spending choices for their household.

Implementation research is a relatively new field of study and can encompass various domains of policy action. In the context used here, questions of implementation aim to understand the roles of household-level decision makers and their spending decisions with the policy intervention of a direct cash transfer.

Findings highlight the role of recipients themselves in shaping policy action (i.e., implementation) and offer insights for future cash-transfer programs.

Implications

Researchers found that the program functioned as intended, with minimal complication or error in using the debit card system. Mothers typically viewed the cash as “the baby’s money” and, as such, employed a range of strategies to minimize or manage requests from family or kin while maintaining discretion in financial decision-making. Findings highlight the role of recipients themselves in shaping policy action (i.e., implementation) and offer insights for future cash-transfer programs.

Mothers generally understood the BFY cash gift as unrestricted and that funds would continue monthly for an extended period. Mothers received the correct amount on time, with few incidents requiring them to contact the BFY call line. This suggests that the program effectively delivered predictable and reliable income support.

The study also revealed that mothers overwhelmingly used the debit card to make child- or family-oriented purchases online and in-person at a variety of stores. Participants encountered few issues with declined transactions, further demonstrating comfort and ease with the debit card system. This design element suggests that debit cards are a viable, reliable, discrete, and flexible method for distributing financial support to program participants, allowing recipients to make their own decisions about how the funds are ultimately spent.

Summary

Results from this study can inform ongoing and future discussions about direct-transfer aid programs in the United States. Insights about the feasibility, acceptability, and potential impact of unrestricted cash transfers can help policymakers design programs that are effective, efficient, supportive, secure, and responsive to the needs of low-income households.

Insights such as these—from programs seeking to avoid levels of surveillance typical of in-kind support—can inform the design and implementation of future cash transfer policies. By incorporating these lessons-learned into future policy designs, policymakers can create cash transfer programs to

effectively alleviate poverty, promote financial stability, and empower families to make choices that best meet their household needs.■

¹Gennetian, L. A., Halpern-Meekin, S., Meyer, L., Fox, N., Magnuson, K., Noble, K., & Yoshikawa, H. (2023). Cash to U.S. families at scale: Behavioral insights on implementation from the Baby's First Years Study. In D. Soman, J. Zhao, & S. Datta (Eds.), *Using cash transfers to build an inclusive society: A behaviorally informed approach*. University of Toronto Press. <https://www.ssrn.com/abstract=4286345>

²Noble, K. G., Magnuson, K., Gennetian, L. A., Duncan, G. J., Yoshikawa, H., Fox, N. A., & Halpern-Meekin, S. (2021). Baby's First Years: Design of a randomized controlled trial of poverty reduction in the United States. *Pediatrics*, 148(4), 1–8. <https://doi.org/10.1542/peds.2020-049702>

³Gennetian, L. A., Halpern-Meekin, S., Meyer, L., Fox, N., Magnuson, K., Noble, K., & Yoshikawa, H. (2023). Cash to U.S. families at scale: Behavioral insights on implementation from the Baby's First Years Study.

Sources & Methods

Type of analysis: Mixed methods

Data sources: "Baby's First Years: Mothers' Voices" subpopulation study of the Baby's First Years (BFY) randomized controlled study. BFY debit card transaction data tracking expenditures; customer service call-line data to assess concerns or issues participants experienced; and semi-structured interview data analyzed thematically (i.e., symbolic interactionist approach) for a more holistic understanding of mothers' experiences and spending decisions.

Sample definition: A sample of 80 BFY participants was drawn from the full 1,000-person sample. Participants from the New Orleans and Twin Cities sites shared equal representation from high- and low-cash gift groups. Of 80 selected participants, 66 had consented to sharing debit card transaction histories; interview data was matched with these individuals. Transaction records and call-line data are from the first 12 months of the BFY project.

Time frame: 2019–2020

Limitations: Findings are not directly generalizable to other government cash-transfer programs (e.g., Earned Income Tax Credit, Child Tax Credit).

Effects of Unconditional Child Tax Credit Transfers on Parents' Mental Health

TAKEAWAYS

Pandemic-era expansion of Child Tax Credit payments reduced self-reported bad mental health days, particularly among already-vulnerable groups such as women and minoritized populations

Measurable positive effects took some time to accrue—and largely evaporated soon after the CTC expansion was allowed to expire

Unconditional cash transfers can be an effective policy strategy for improving mental health among already-vulnerable groups



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Financial relief for families with low incomes can have positive material effects as well as the potential for improved mental health.

In 2021, responding to pandemic-related economic and global health stressors, the United States expanded the Child Tax Credit (CTC) to most households with minor-aged children. The expanded CTC was an unconditional cash transfer meaning that, among other potential requirements (such as employment—a requirement waived during the pandemic response period), it could be spent without restriction or saved for future purchases. While studies on the economic effects of the CTC have grown in number, insight at the intersection of financial relief and parents' mental health remains limited.

Using data from the Behavioral Risk Factor Surveillance System, researchers Clemente Pignatti and Zachary Parolin evaluated the effects of various CTC benefits based on children's ages. Their findings suggest that the expanded CTC payments reduced self-reported bad mental health days, particularly among already-vulnerable groups such as women and minoritized populations.

Financial relief for families with low incomes can have positive material effects as well as the potential for improved mental health.

Cash Transfers and Parents' Mental Health

The 2021 CTC expansion, a COVID-19 pandemic-relief effort, provided monthly cash support to most U.S. households with children. In their data analysis, Pignatti and Parolin compared adults in households with children of different ages to determine potential effects of varying benefit levels (households with younger children received higher benefit amounts than parents with older children). In short, more generous CTC transfers were associated with a decrease in the number of self-reported bad mental health days among parents.

Measurable positive effects took some time to accrue—typically appearing after the third monthly payment—and largely evaporated soon after the CTC expansion was allowed to expire in December 2021. Pignatti and Parolin also found a decrease in the number of days individuals reported feeling mentally unwell among individuals who reported at least some days of reduced mental health in the prior month.

Pignatti and Parolin concluded that unconditional cash transfers can be an effective policy strategy for improving mental health among already-vulnerable groups and, specifically, that the CTC expansion alleviated financial worries which may have contributed to the observed improvements in mental health.

Which Demographic Groups Did the CTC Benefit Most?

Researchers also examined heterogeneity in treatment effects—or differential effects for various sub-populations. Among those typically reporting higher-than-average rates of mental health distress along with financial constraints, stronger or positive effects on mental well-being emerged for:

- Women, with no significant effects for men
- Individuals below the age of 40 compared to older individuals
- Individuals of Hispanic ethnicity
- Individuals holding less than a college degree
- Low-income households (annual income below \$35,000) and
- Single parents compared to couples.

The authors suggest the above groups have been traditionally more likely to report higher rates of mental health distress and, as such, may have benefited more from the financial relief provided by the cash transfers.

When the CTC expansion was allowed to expire, in December 2021, positive effects on parental mental health vanished.

Timing Is Everything

The timing of treatment effects on parental mental health revealed interesting trends. Noticeable improvements in mental health were often not immediate; these typically emerged after the third monthly CTC payment was received. This suggests a potential “dosage effect,” where a certain level of financial assistance is necessary to produce a measurable improvement in subjective well-being. An “anticipation effect” was also observed; mental health began to improve among households receiving a more generous CTC even before the payments started, peaking two months before the policy change. The mere announcement of increased financial support may have provided a psychological benefit independent of actual payments, potentially by reducing stress and uncertainty about future finances.

When the CTC expansion was allowed to expire, in December 2021, positive effects on parental mental health vanished. This finding highlights the importance of consistent financial support over a sustained period for maintaining positive mental health outcomes.

The timing of cash-transfer programs and their impacts on mental health is complex. While immediate effects might be less pronounced, the promise of future financial assistance appears to offer psychological benefits. These results underscore the need for ongoing or prolonged and predictable support to maintain improvements in mental well-being because improvements tend to dissipate when the financial assistance ends.

What Alternative Identification Strategy Yielded Different Results?

While the CTC expansion improved parents' subjective mental well-being, an alternative estimation strategy yielded different results. In a broad comparison of households with and without children, Pignatti and Parolin found no effects of the CTC expansion on parents' mental health. The authors do not consider these results as invalidating their main findings, however. The alternative strategy, for instance, did not isolate the income effects of the CTC expansion. As such, it did not account for the many other policy changes implemented during the relatively chaotic pandemic-response period. Changes such as eliminating the CTC phase-in portion (which required minimum family earnings of at least \$2,500 to qualify for the CTC) and introducing monthly cash transfers instead of an annual payment, among other changes, may have had varying effects on the subjective well-being of parents with low (and very low) household income.

When comparing households with and without children; parents might have experienced increased stress and mental-health concerns earlier in 2021, for instance, due to factors like sudden school closures and elevated and uncertain risks of COVID-19 infection for unvaccinated children. These factors could have obscured the positive effects of the CTC expansion on parents' subjective mental well-being. The authors provide evidence to support this hypothesis by examining data from 2019, when the CTC expansion was not in place. At that time, adults with children experienced a deterioration in mental wellness, suggesting the absence of effect observed in 2021 might be attributable to factors other than the CTC expansion itself. ■

Summary based on: Pignatti, C. and Parolin, Z. (2024). The effects of unconditional cash transfer on parents' mental health in the United States. *Health Economics*, 33, 2253–2287. <https://doi.org/10.1002/hec.4867>

Sources & Methods

Type of analysis: Quantitative

Data source: Behavioral Risk Factor Surveillance System (BRFSS) survey; a state-based, annual phone survey. Nationally representative and the largest health-related survey globally.

Sample definition: U.S. adult population from the 2021 wave of the BRFSS; 438,693 survey respondents in total.

Time frame: 2021

Limitations: Results based on experiences during the height of the COVID-19 pandemic may have limited applicability in non-pandemic times.



Q & A with Lucius Couloute

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When you are talking to people outside of academia, how do you describe your research?

Typically, I describe my research as a process of understanding the causes and consequences of racialized mass incarceration. This is, admittedly, a little vague and leaves out a good deal of my work, but it's a starting point. Much of my research centers on the experiences of those who have been formally criminalized by the criminal legal system. I use a range of theoretical and methodological tools to help me uncover what life is like for those with criminal records, but most often I employ qualitative methods such as interviews and field observations; these methods in particular help to uncover processes and meaning-making related to criminalization. In the end, I think of my work as a way to better understand and address structural inequalities through the lenses of those who know them best.

What sparked your interest in this research area and related topics (i.e., sociology of racialized mass incarceration, prisoner re-entry, etc.)?

I think my interest in better understanding these issues began during my undergraduate days. At that time, I was reading texts like *The Autobiography of Malcolm X* and Michelle Alexander's *The New Jim Crow*, while taking sociology classes on race and social movements. This was also when Trayvon Martin was murdered and many of us began organizing around that moment. Although I think I always knew our criminal legal system had problems, my formative undergraduate years really opened my eyes to the foundational injustice it presented (and continues to present) in our society. So, for graduate school, I wanted to develop the skills to better illuminate—and maybe help address—this very unjust thing we call a “justice” system.

What are some ways your work has helped advance knowledge about these research areas?

I'd like to think my work has helped people understand that the social and economic reality for people who have been swept up in this system of mass incarceration neither resembles justice, nor does it promote a better society for the rest of us. My work with the Prison Policy Initiative (<https://www.prisonpolicy.org/>)—illustrating severe levels of unemployment and homelessness among formerly incarcerated people—continues to inform local policies across the country. And my more recent qualitative work provides a critical corrective to dominant narratives suggesting that once people are released from prison, they are given a “second chance.” In many ways, release from a carceral facility is the beginning of an extremely intricate journey—one that sets in motion a range of processes intersecting with family life, the labor market, the social welfare state, and beyond. Hopefully my previous and ongoing work helps us better understand these overlapping processes.

What are some of the most important take-aways for practitioners and policymakers from your research?

We've created a system that perpetually punishes those with felony records; a population that is disproportionately composed of Black, Latinx, and Native folks—which isn't incidental; it's a pattern facilitated by the policies, practices, people, and institutions governing our racialized capitalist system. My hope is that my ongoing work helps practitioners and policymakers realize that none of it is inevitable, we can (and should) do things differently.

What is next for you—that is, what areas of work are you most excited to begin or continue exploring?

I'm really excited to be working on potential solutions. As a sociologist, much of our work hinges upon the issues—disadvantages, inequalities, and so on. Luckily, I have had the privilege of examining the impact of providing direct cash transfers (specifically, a temporary guaranteed income) to those with felony records over the last few years and it has been very interesting work. Typically, when people are criminalized, we exclude them from the kinds of opportunities and resources that would help them get back on their feet. My guaranteed income work takes a different approach and asks, “What if we supported people instead?” Along with my amazing colleagues from UPenn’s Center for Guaranteed Income Research (<https://www.penncgir.org/>), we are attempting to answer this question using both quantitative and qualitative methods. We recently published two reports based on pilot programs in Gainesville, Florida, and Durham, North Carolina, with more peer-reviewed work hopefully coming down the pipeline. For me, this is one of those projects that re-imagines not just reentry, but society as well. With the increasing use of technology to derive private profits from public investments, rising economic inequality, and an institutional infrastructure that renders millions of humans disposable, my hope is that we can look toward alternative practices and ways of allocating resources to produce a fairer and more equitable world. Guaranteed income certainly won’t solve all these problems, but our analyses thus far suggest that providing a bit of material support can go a long way in promoting economic stability, family reintegration, improved health, and an array of other positive social outcomes.■



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