

## 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.<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup>

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.

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

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## 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.■

<sup>1</sup>Gennetian, 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>

<sup>2</sup>Noble, 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>

<sup>3</sup>Gennetian, 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).