

Conditional Cash Transfers and Family Well-Being

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Research question & motivation



The objective of the project is to evaluate the effects of a **conditional cash transfer** program directed to poor families with young children in the city of Turin



In most countries, the majority of programmes aimed to reduce **poverty** have been limited to unconditional cash transfers. These programmes have helped to reduce the poverty of families and their children in the short-term, but their **long-term impact** is less certain



Recent experiences indicate that a significant way to reduce the intergenerational persistence of poverty is to make transfers “**conditional**” on the completion of desirable actions by the beneficiary (Fiszbein and Schady; 2009 and Baird et al., 2014)

Our contribution

Our experiment

- ✓ Is one of the first in a developed country
- ✓ Is carried out in an urban context with high recent immigration
- ✓ The transfer is not conditional on how the cash is used, but on exposure to information
- ✓ We compare the outcomes of three groups
 - ✓ A conditional cash transfer group (CCT)
 - ✓ An unconditional cash transfer group (UCT)
 - ✓ A control group (CG)

The program

- ✓ We evaluate the effects of an already existing program, called “**Accoglienza Orientamento Supporto**” (AOS), financed and managed by Ufficio Pio, a philanthropic institution in the city of Turin
- ✓ The general aim of the program has been to support poor families with young children
- ✓ There have been two eligibility criteria for applicants: an Indicator of the Equivalent Economic Situation (**ISEE**) below a certain threshold (7,000€) and the presence of **children** in the HH
- ✓ Then, there has been a number of conditions that have made families more or less likely to be included in the program, via a ranking: a relatively lower ISEE, the number of children and adults in the family, cases of sickness and disabilities

The program (2)

- ✓ The design of our evaluation started in April 2016, with the 2016 AOS program
- ✓ The only difference between the 2016 AOS program and that running for years is the introduction of **conditionality** for part of the recipients
- ✓ The latter, in fact, had to take part in **two courses** in order to receive the transfer
- ✓ Before the 2016 AOS program, there were courses available for recipients, but participation was voluntary and not related to receiving a transfer

The randomization

- ✓ Families could apply to the 2016 AOS program between April and December 2016, through an on-line form, available on mobile phones
- ✓ We randomized the sample continuously over time - every two weeks - rather than once

At the end of 2016, we ended up with around 1,500 families thus classified:

- ✓ 500 families who received the money transfer in 2016-17 conditional to the participation in two courses (CTT group)
- ✓ 500 families who received the money in 2016-17 (UCT group)
- ✓ 500 families who did not participate in the program (control group)

The randomization (2)

	Control	CCT	UCT
In a couple (%)	63,9	67,5	64,4
Mother's age	35,2	34,9	35,0
Father's age	41,2	41,6	41,5
Number of children	2,06	2,09	2,13
Age of the youngest child	3,33	3,12	3,42
Couple: both work (%)	3,00	2,50	3,20
Couple: one works (%)	45,0	47,5	44,3
Couple: no work (%)	52,0	50,0	52,5
Lone parent works (%)	31,5	26,0	24,1
Foreigners (%)	69,9	71,5	73,6
Income ISEE	956	893	908

The cash transfer and the conditionality

The cash transfer amounts to **2,500€**

- ✓ Per year, depending on the number of children
- ✓ It is given in three instalments:
 - ✓ 500€ are given at the beginning of the program
 - ✓ 1,000€ are given after the first course (CCT)
 - ✓ 1,000€ are given after the second course (CCT)
- ✓ The program is two years long

- ✓ For the CCT group, there were **four courses available**
 - ✓ The **selection of the two courses** to be attended by each family was deterministically taken and in no way dependent on family preferences

The courses

- ✓ 60% of the CCT families were invited to the **parenting** course, 50% to the **job-seeking** course, 40% to the **reconciliation** course, 50% to the use of **money** one
- ✓ Overall, the attendance was very high
- ✓ Each course was organized in 4-5 sessions
- ✓ Each meeting was attended by more than 85% of the expected participants
- ✓ Only 30 families did not respect the conditionality but this was mainly due to long periods spent back in the country of origin
- ✓ Only one adult per family was required to participate. In most of the cases it was the woman: the highest participation of women in the reconciliation course (80%) and the lowest in the job-seeking course (60%)

The courses (2)

- The first course regards **parenting** and was dedicated to parents and their children: at the same time, parents and children were involved in parallel activities on the same topics. The meetings were held in part by psychologists, in part by doctors. The aim was to talk with parents of different ethnic and cultural backgrounds on several topics relating to the challenging task of being parents and to provide information about healthy nutrition
- The second series of workshops providing guidance and training was on active **job-seeking**. The aim was to enable people to evaluate themselves and recognize their own skills, learn techniques and strategies for active job-seeking and to develop a process of professional development that takes account of their potential as well as their family ties and personal situation. They received guidance on writing a CV, looking for job adverts, employing different tools (internships, training support, etc.)

The courses (3)

- The third course related to job-seeking and parenthood addressed the issue of **reconciliation between work and the family** and provides information on ways to combine labor market activities and family care
- A fourth course regards the **use of money**, as part of the process of supporting the family, to help improve their family budgeting. The course aims to raise awareness within families about using money to improve their living conditions. The training program involves the following themes: analyzing the dynamics that lead to debt, use of a financial diary, learning to manage the resources owned, making a household budget

Interviews and final sample

	Control	CCT	UCT
In a couple (%)	66,2	64,9	63,4
Mother's age	35,3	34,9	35,4
Father's age	41,7	41,1	41,3
Number of children	2,02	2,09	2,06
Age of the youngest child	3,01	3,58**	3,36
Couple: both work (%)	2,80	3,50	2,90
Couple: one works (%)	47,4	47,1	44,4
Couple: no work (%)	49,8	49,4	52,7
Lone mother works (%)	30,4	25,4	32,0
Foreigners (%)	75,0	75,0	70,8
Income ISEE	850	910	957

- ✓ Interviews were carried about 12 months after the (non) admission into the program
- ✓ Response rates are:
 - ✓ 76% CCT group
 - ✓ 78% UCT group
 - ✓ 74% Control group (100€ voucher given as an incentive)
- ✓ Final sample: 1,155 families

Results

- ✓ For families (not) attending certain courses
- ✓ Comparing outcomes between the three groups
- ✓ On outcomes related to the courses
 - ✓ Labour market outcomes (job-seeking & reconciliation)
 - ✓ Spending & savings (use of money)
 - ✓ Eating habits (parenting)

Work

(courses in job-seeking and reconciliation)

	CV	CV (partner)	Days at work (last week)	Days at work (last week, partner)	Hours worked last week	Hours worked last week (partner)
CCT group	69,5	77,6	1,04	2,84**	4,52	27,29*
UCT group	64,0	74,5	0,99	2,39[**]	4,55	23,38[**]
Control Group	63,7	72,0	1,10	2,36	4,47	23,95

No effects for families who did not attend the courses

Job-seeking services (courses in job-seeking and reconciliation)

	Job placement office	Formation course	Temping agency	Municipal job services	Web sites for job-seeking
CCT group	70,2	42,6**	37,1	16,4	47,8**
UCT group	70,6	35,1[**]	41,4	18,3	39,5[**]
Control Group	71,8	34,3	40,3	15,8	40,5

No effects for families who did not attend the courses

Other specific courses (courses in job-seeking and reconciliation)

	Course in computer use	Course in computer use (partner)	Professional training course	Professional training course (partner)	Training course in an association	Training course in an association (partner)
CCT group	10,9**	9,3**	14,4	16,4*	22,1***	12,6***
UCT group	7,4[*]	7,6	12,3	13,4	9,0[***]	5,5[***]
Control Group	5,7	4,7	14,0	11,2	8,3	4,7

No effects for families who did not attend the courses

Expenditures and savings (use of money)

	Knows expenditures diary	Uses expenditures diary	Does a shopping list before going to shop	Check prices before buying	Check offers before buying	Savings in the last 12 months
CCT group	45,2***	22,3	79,4	86,8	91,0	16,9***
UCT group	27,0[***]	17,8	69,8[**]	82,4	85,7*[*]	10,6[*]
Control Group	28,9	19,7	76,9	83,8	91,9	7,0

Effects on SAVINGS also for families who did not attend the course (but only for CCT)

Eating habits (parenting)

	Fish, times per week (dinner)	Meat, times per week (dinner)	Vegetables, times per week (dinner)	Fruit, times per week (dinner)	Children eat fruit, times per week (dinner)	Dessert, times per week (dinner)
CCT group	1,39**	2,74*	5,17	5,10***	4,91**	1,58*
UCT group	1,18[**]	2,66*	5,03	4,74[**]	4,62[**]	1,51
Control Group	1,09	2,50	5,23	4,63	4,59	1,30

Effects on FISH also for families who did not attend the course

Heterogeneous effects on partner's work (immigrants vs natives)

	Formation course	Web-sites for job-seeking	Language course in Italian	Course in computer use	Training course in an association	Worked at least one hour (last week)	Days at work (last week)	Hours worked (last week)
Beneficial effects for CCT (courses, whole sample)	8,29**	7,38**	6,57**	4,59**	7,85***	8,76**	0,47**	3,35*
Beneficial effects for CCT (courses, natives)	4,94	10,18	1,25	2,18	10,77**	29,67***	1,33***	6,93
Beneficial effects for CCT (courses, immigrants)	9,58**	7,58*	7,59**	5,11*	7,00***	2,13	0,21	2,04

Conclusions & ongoing research

- Beneficial effects on labour market “outcomes” of men
 - But only natives seem to work more
 - Follow-up needed (next interviews at the beginning of 2019)
- Beneficial effects on use of internet, money issues in the last 12 months, nutrition
- No effects on child outcomes
 - Probably longer time needed
 - CCT families have been offered another parenting course in 2017
 - Follow up in 2019
- Beneficial effects only for CCT
- Limitations
 - Subjective answers (solution: matching with INPS data?)