

# Extra cash from government program linked to better child development

**Children in impoverished families that received an extra amount of cold, hard cash from a government support program were taller, less likely to be overweight, and scored higher on cognitive, motor and language tests, compared with kids in families that received less money, says a new study led by researchers at the University of California, Berkeley.**

The study, to be reported in the March 8 issue of the journal *Lancet*, focused on low-income families enrolled in a conditional cash transfer program run by the Mexican government.

In traditional welfare programs, families receive cash benefits based upon their income or residence in specific geographic areas. Conditional cash transfer programs, in contrast, provide money to low-income families if they fulfill specific requirements, such as getting their children vaccinated and making sure they attend school. Some programs also provide food and nutritional supplements as part of the intervention.

"Previous research has shown positive outcomes for child development from conditional cash transfer programs, but the general assumption, particularly from the public health perspective, was that the improvements were the result of the health and education components rather than the cash," said lead author Lia Fernald, assistant professor in public health nutrition at UC Berkeley's School of Public Health. "This new study is the first to tease out the impact of the money from the other elements of the program."

While it was unclear exactly how the cash was being used, the researchers said the extra purchasing power could have allowed families to buy more food, medicine, toys or household goods.

The Mexican government was the first to launch a conditional cash transfer program, called Progresa, in 1997. The program, now called Oportunidades, serves more than 5 million Mexican families and has been replicated in more than 20 developing countries, primarily in Latin America and Africa.

Last year, New York City Mayor Michael Bloomberg announced the creation of Opportunity NYC, heralding the first conditional cash transfer program in a developed nation. Modeled after Oportunidades in Mexico, the New York City pilot program has already disbursed \$740,000 to more than 1,400 families who have completed specific activities related to education, health and workforce participation and training.

"The goal of conditional cash transfer programs is to break the cycle of poverty by investing in human capital," said study co-author Lynnette Neufeld, director of the Division of Nutritional Epidemiology at the National Institute of Public Health in Mexico. "Cash is given to take care of a family's immediate, short-term needs, but the programs ensure that families are investing for the long term in things that can actually move children out of poverty, such as making sure children have optimal health, nutrition and education."

Budget and logistic constraints kept the Mexican government from enrolling all eligible families at once in its conditional cash transfer program. A random selection of eligible villages began participating, then other villages were phased in over an 18-month period. That meant that families enrolled first received more money cumulatively than those enrolled later.

Families whose children stayed in school longer received extra money. Children in grades 3 and higher and who maintained at least an 80 percent school attendance record received educational scholarships, and extra money also was given for girls as a way to promote female education. For each family, these benefits were capped after three children.

Only families whose kids had been enrolled their entire lives in Oportunidades were included in the study, which meant they all had equal exposure to the program's health and education components. The researchers controlled for the size and demographics of a household in their analysis.

The researchers estimated the difference between families who over the past 3.5 to 5 years had received an average of \$800 - the median amount of cash disbursed to a household in the program - with those who had gotten twice that amount in the same time period.

They found that, compared with children in families who got less money, kids in families who got more cash were taller for their age group, were less likely to be overweight, and performed better on standardized tests for cognitive and motor development.

The researchers did not analyze just how the extra cash influenced child development, but suspect that the money may have allowed families to purchase more nutritious food or medicine, or perhaps to buy assets for the home such as a refrigerator or a covering for a dirt floor.

"Even the purchase of additional books or toys for the children - something we often take for granted in this country - could help stimulate cognitive development," said Fernald. "Also, the additional cash could have the psychological benefit of taking some of the pressure off of the mothers. These are families who are at the bottom 20th percentile in Mexico for household income. When relieved from the constant worry about not providing enough food for their children, mothers may feel less depressed and may be better able to interact with their children."

The researchers noted that despite these encouraging findings, the performance on child health and development measures for all the kids in the study remained poor relative to that for the country's broader population.

"This paper clearly says that increased cash is associated with better outcomes in kids, but we need to do better," said Fernald. "It may be hard to significantly increase the amount of cash given to each family, but as a major next step, it could be worth investigating whether tying the cash to more targeted child stimulation programs would help."

Source: University of California - Berkeley

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