PRENATAL-TO-3 POLICY CLEARINGHOUSE

EVIDENCE REVIEW

prenatal-to-3 policy IMPACT CENTER
RESEARCH FOR ACTION AND OUTCOMES

ER 22A.0321

Child Allowance

Evidence Review Findings: Needs Further Study

International and United States-based research on cash transfer programs suggests that a permanent child allowance policy implemented in the US could significantly reduce child poverty, narrow racial disparities in financial hardship, and have positive impacts on birth outcomes, on child health from infancy through adolescence, and on child-parent relationships. However, further causal research is needed to determine the impacts of child allowances (rather than general cash transfer programs) in the American context on the prenatal-to-3 period once such a policy is implemented on a statewide or federal basis for the first time.

The United States is an outlier among most peer countries in that it does not have a permanent, universal child benefit policy in place to support families with children. Although the US offers a child tax deduction and child tax credit annually to defray the costs of raising children, and recently expanded the child tax credit for at least 1 year, many countries offer a permanent *child allowance* or *child benefit policy*—a recurring, universal, unconditional payment to supplement the incomes of families with children, typically disbursed monthly up to age 18. No causal, empirical evidence exists on federal or statewide child allowance policies in the US because such a policy has yet to be implemented and studied. **The American Rescue Plan Act of 2021, which temporarily transformed the child tax credit to more closely resemble a monthly child allowance, will provide an opportunity to empirically study the impacts of recurring cash payments on child poverty and family wellbeing.**

However, existing international evidence and results from unique cash transfer programs in Alaska and North Carolina already make a strong case that a permanent child allowance could significantly reduce child poverty in the US, without producing negative impacts on labor force participation or reducing earned income. Cash transfer programs in the US have been shown to have positive ripple effects on outcomes such as birthweight, child health, and child-parent interactions. Rigorous simulations and analyses by US research groups and anti-poverty organizations have estimated that a child allowance policy in the US could potentially reduce child poverty by more than 50 percent. In addition, scholars estimate that the benefits to society would amount to over *eight times* the initial fiscal investment in a US child allowance. Evidence on child allowances and universal cash transfer programs continues to build quickly as new pilot programs are being implemented around the country, especially in response to the COVID-19 pandemic.

What Is a Child Allowance?

A child allowance is a cash-based family support policy aimed at providing families with children with a consistent, recurring income supplement to prevent or mitigate poverty and defray the costs of raising a child.[2] Most child allowances are disbursed on a per-child basis, so a family with two children would receive a larger benefit than a family with one child. In the international context, this policy is sometimes referred to as a universal child benefit (UCB) or unconditional cash transfer (UCT).[3] Cash transfer programs can take many different forms, enumerated below. The evidence reviewed here focuses specifically on unconditional, recurring cash payment programs in the context of the US, with a particular focus on programs targeted toward families with children.

A child allowance is different from the policy known as a universal basic income (UBI) because a child allowance is only provided to families with children, whereas UBI programs provide a floor of income to *all* individuals monthly, regardless of family composition. However, UBI programs would likely benefit children as well because they would provide caregivers with additional resources that can be spent on children and can reduce overall family poverty. UBI funds can also help individuals access needed resources, such as education, nutrition, housing, and health care, before they choose to have children, which can lead to better parent health and family economic security in later years.[58] Therefore, the potential impacts of UBI policies in the US are also discussed as part of this evidence review, although they are not the focus.

UBI and child allowance policies have drawn support from across the US political spectrum; some advocates emphasize that such policies would guarantee a minimum standard of living and dignity for all citizens and help them weather economic crises,[15] and others highlight the potential for a UBI to streamline multiple welfare programs[i] into a single, more efficient cash transfer that gives families more choice and control over their expenditures, thus reducing paternalism.[16] Economists, advocates, and policy scholars from Milton Friedman, to Martin Luther King, Jr., to 2020 presidential candidate Andrew Yang have contributed to popularizing various forms of universal basic income as a prudent social policy. Political leaders from multiple parties in the US developed competing child allowance proposals to include in the 2021 COVID-19 relief package, sparking vigorous discussion about the costs and benefits of such a policy for American families.[61]

It is important to distinguish a potential child allowance in the US from similar policies that seek to reduce child poverty through different mechanisms. For example, one similar policy is known as a conditional cash transfer or CCT. CCTs first became common in countries outside of the US in the late 1990s, specifically in Central and Latin America.[4] This policy provides cash incentives to families to motivate certain behaviors, such as ensuring children's school attendance or engaging in preventive health care activities. The goal of a CCT is to reduce poverty while simultaneously building human capital and encouraging positive investments in children's and caregivers' health and education. Experimental evidence on CCTs has found positive short-term impacts on poverty, health, nutrition, and education, whereas impacts on later employment and earnings continue to be studied as the first child participants transition to adulthood.[4]

The most well-studied CCT program is *PROGRESA*, which began in Mexico in 1997 and benefited 10 percent of all families in the country.[6] Another CCT, in India, provides child benefits to families with

[i] Depending on the policy design, a child allowance could be implemented alongside of, or instead of, other safety net programs.

daughters upon milestones such as school graduation and immunizations, with the goal of addressing gender inequities.[3] Conditional cash transfers have been provided in experimental programs in the US as well. A randomized trial called Family Rewards, originally begun in 2007 with a follow-up iteration in 2011, provided participating families in New York City and Memphis, Tennessee with cash incentives for doctor's visits, school attendance, and other child investment activities. Some outcomes, such as poverty, material hardship, and dental care receipt, showed improvements, but fewer positive impacts were found for other health and education outcomes.[39] This evidence is less relevant for understanding the impacts of a US child allowance, however, because of the conditional nature of the cash disbursement.

Alaska is the only state in the US that currently has a *statewide* policy resembling a child allowance or UBI, called the Alaska Permanent Fund Dividend. However, this dividend was not originally intended to be an anti-poverty tool[ii] (although it has indeed reduced poverty in the state[50,53]), and it is not targeted at families with children.[56] Rather, funds from the investment revenues produced by Alaska's oil reserves have been provided to every individual resident (including children) since 1982, as long as the individual has lived in Alaska for at least 1 year. Parents can claim the dividend on each minor child's behalf, and some scholars have argued that the state should ensure that the dividends awarded to parents in a child's name are actually *spent* on children.[56] Currently, no such requirements exist. The payment level can change each year (as it is tied in part to the performance of stocks) but is now approximately $2,000 per person, and research on the dividend's impacts is discussed in this review. The Alaskan payment is considered taxable income, whereas child benefits in many countries, such as Canada, are not taxed. Local child allowance and UBI pilot programs in cities across the US are also discussed later in this review (see the section of the review entitled "How Do Child Allowance Policies Vary Across the States?").

In the US, a permanent statewide or federal *unconditional* child allowance policy[iii] has never been implemented, but rather a patchwork of employment-based and tax-based policies comprise the country's anti-poverty social safety net. However, this patchwork leaves many of the poorest families without needed resources. For example, the US's primary cash assistance program, Temporary Assistance for Needy Families (TANF), reaches fewer and fewer families each year. According to the Center on Budget and Policy Priorities, TANF supported 4.4 million families in 1996, but only 1.2 million in 2018.[7] This decrease means that TANF reached 68 percent of families with children in poverty in 1996, but now reaches just 22 percent.[8] The program only supports about one in five families in poverty who have an infant or toddler,[9] and in 16 states, TANF only reaches one in ten families in poverty.[10] Because TANF is awarded as a block grant from the federal government, states have considerable control over their TANF rules, and the percentage of families in poverty with infants or toddlers who benefit from the program varies widely from state to state—from 88.2 percent (in the District of Columbia) to 2.7 percent (in Idaho).[9]

[ii] The creator of the dividend, former Governor Jay Hammond, stated that it was "a means of ensuring that everyone benefitted from oil production on state-owned lands" (p. 89).[56]

[iii] Evidence from policies similar to a child allowance or UBI, including in Alaska and in certain Native American tribal communities, is discussed in this review. Between 1968 and 1982, the US federal government tested a "negative income tax" policy in six states that was similar to a universal cash transfer, but the findings are disputed as there were concerns about misreported income and inconsistent research design.[23]

In addition, TANF benefits are limited to 60 months total over a lifetime and states must enforce work participation requirements for portions of their caseload.[11] Depending on state policy, individuals may lose their TANF benefits if they are not engaged in work- or education-related activities for a certain number of hours per week. The federal government requires that at least half of the families receiving TANF assistance engage in a work or training activity for at least 20 to 30 hours per week.[11] States determine which individuals on their caseloads must participate in these activities. Many of the US's other anti-poverty programs are tied to work as well; the federal and state earned income tax credits (EITCs) reward earned income with a refundable[iv] tax credit that has been shown to successfully incentivize employment, increase earnings, and improve health outcomes among families in poverty.[v]

The US child tax credit is another anti-poverty tool that excluded the poorest families—those with annual earnings of less than $2,500—prior to the passage of the American Rescue Plan (ARP) in March 2021.[12] In its previous version, before the ARP, the US child tax credit eliminated up to $2,000 in federal income tax liability per child under age 17, and was refundable up to $1,400 per child for those whose tax liability was less than the full credit amount but who earned at least $2,500.[vi,13] Families could receive a nonrefundable credit of $500 per child ages 17 and 18, as well as for dependents who are full-time students if they are ages 19 to 24.[13]

The $1.9 trillion stimulus package (ARP) passed in March 2021 to mitigate the economic effects of the COVID-19 pandemic **included a temporary expansion to the child tax credit that makes the credit more closely resemble a child allowance, and the expansion has the potential to become permanent.**[64] Beginning in July 2021 and lasting for at least 1 year, families with children are eligible to receive a child tax credit of up to $3,600 for children ages 0 to 5 and up to $3,000 for children 6 to 17 (this is up from the previous cap of $2,000 for all children regardless of age, is newly inclusive of children age 17, and is no longer subject to the $2,500 earnings minimum to receive a refund).

Another key improvement is that the child tax credit will be fully refundable, whereas previously, only up to $1,400 could be returned to families who had less than the full credit amount of $2,000 in tax liability. In addition, half of the benefit will be disbursed through monthly checks from July 2021 through December 2021, and the remaining portion will be provided at tax filing time in 2022. The full expanded benefit (the additional $1,000 or $1,600) is available to single heads of household up to an adjusted gross income of $112,500, and for married parents up to $150,000. Single parents with an adjusted gross income of up to $200,000, or couples with children making up to $400,000, can continue to receive the original $2,000 child tax credit (with refundability up to $1,400). The credit phases out after those thresholds. The credit does not count as taxable income, so the additional resources do not count against families' eligibility for other public assistance programs, such as SNAP benefits.

A permanent child allowance could build upon the US's current anti-poverty programs, including the child tax credit expansion, by continuing to offer *universal* and *recurring* income support—covering all needy families, including those out of work, and offering benefits throughout the year, rather than just once at the annual tax filing time. A permanent child allowance in the US could be

[iv] Whereas the federal EITC is refundable, only some states have refundable state-level credits.
[v] See the State EITC Evidence Review in the Prenatal-to-3 Policy Impact Center Clearinghouse.
[vi] The refundable portion of the child tax credit is formally known as the "Additional Child Tax Credit" or ACTC.

designed in a number of ways, and the international context provides a variety of models to consider in addition to the current version based on the child tax credit.

Key policy parameters that would need to be determined include (but are not limited to):

- **How much** each family would receive per payment;
- **How often** the benefit would be provided (monthly, quarterly, etc.);
- Whether the benefit would **phase out** for families with the highest incomes;
- Whether the same amount would be provided for **each additional child**;
- Whether payments would differ depending on **children's ages**; and
- Whether other programs within the **social safety net** would remain the same and offer benefits **alongside the child allowance**, or would be **replaced by the child allowance.**

Countries with child allowance policies differ regarding the above parameters. For example, Denmark pays its benefit quarterly, whereas Canada provides its benefit each month.[3] In Austria, the benefit is paid to all resident children up to age 18 and can be extended to age 24 for young adults in training or education, whereas in Finland, the benefit is paid up to age 17.[3] The value of the benefit also varies, from 2 percent of the average wage in countries such as Estonia, the Netherlands, and Norway, up to 7 percent of the average wage in Ireland.[3]

Who Is Affected by a Child Allowance?

If a child allowance were implemented as a universal policy, as it is in most countries that have such an allowance, the benefit would impact all (or almost all) families with children.[vii] In 2019, 3.7 million babies were born to parents in the US.[57] A child allowance would benefit these children and their families beginning in the infant and toddler period and throughout childhood. Such a policy would have the greatest impact on families in or near poverty. The US currently has one of the highest child poverty rates among wealthy peer countries, at approximately 14.4 percent based on 2019 Census data.[5,viii] Although this figure represents a decrease from 2018 (when the rate stood at 16.2%), poverty is expected to rise as the economic fallout from the COVID-19 pandemic reveals its full scope.[22]

A permanent child allowance would have particularly beneficial effects for families of color, who are disproportionately affected by poverty and financial hardship in the US.[14] For example, the 2019 Census data show that 8.3 percent of White, non-Hispanic children (under age 18) lived in poverty in 2018, compared to 26.4 percent of Black, non-Hispanic children and 20.9 percent of Hispanic children.[5]

Families with young children may benefit most from a child allowance policy because their poverty rates are generally greater than those with older children.[32] Among infants and toddlers in the US

[vii] Some countries, including Canada, phase out the benefit at the highest levels of family income, and about 90 percent of families are eligible to receive the benefit in Canada.
[viii] The reported poverty rate differs depending on the source's chosen definition, measurement methodology, and data source. The Supplemental Poverty Measure, for example, considers additional expenses, tax credits, and benefits that the Official Poverty Measure does not consider, and the American Community Survey has different sample sizes from the Current Population Survey, used by the US Census Bureau. The 14.4 percent figure is based on the US Census Bureau's 2019 Current Population Survey.

(under age 3), 19.5 percent lived in poverty in 2018 (12.0% of White infants/toddlers, 36.8% of Black infants/toddlers, and 27.0% of Hispanic infants/toddlers lived in poverty).[51] Poverty rates are also highest among children in families headed by single mothers, who could benefit significantly from a child allowance.[5]

According to analyses by the Center on Budget and Policy Priorities and other groups, over 90 percent of children in the US will benefit from the recent child tax credit expansion, ranging from 76 percent of children in the District of Columbia to 96 percent of children in Mississippi.[65,66] The expansion is expected to lift 4.1 million children out of poverty, including 1.2 million Black children and 1.7 million Hispanic or Latinx children, cutting child poverty by over 40 percent overall.[65]

What Are the Funding Options for a Child Allowance?

Child allowance policies can be funded in a variety of ways. Some countries, including Denmark, Estonia, and Finland, finance their child benefits through general tax revenue, whereas in others, including Brazil and Iran, revenue from specific taxes or resources are earmarked to fund the child benefit.[3] Canada funds its child benefit through federal revenue, and some provinces fund their own supplements to the benefit as well.[43] As mentioned, revenues from Alaska's oil reserves fund the state's universal income supplement, the Permanent Fund Dividend, but it would be difficult to replicate this mechanism in states without lucrative natural resources.

Some proposals recommend implementing a child allowance as a replacement for, not an addition to, other safety net programs. For example, the child allowance could be funded in part by eliminating or reducing programs such as the Supplemental Nutrition Assistance Program (SNAP), the child tax credit, public housing vouchers, or TANF, and providing families with the cash directly. However, it would be critical to ensure that families' total resources would not decrease as a result of such a consolidation, as this could potentially exacerbate poverty rather than alleviate it.

As discussed above, the federal government passed a significant temporary expansion to the child tax credit in March 2021 as part of the COVID-19 stimulus package, such that the credit now closely resembles a child allowance.[64] The expansion to the child tax credit could be renewed or modified in future years, and new sources of funding for a more permanent child allowance may be considered depending on the success of this expansion.

Why Should a Child Allowance Be Expected to Impact the Prenatal-to-3 Period?

The research is clear that money matters for children's wellbeing and achievement, and having sufficient household resources is particularly important in the infant and toddler years.[17] Research shows that young children growing up in poverty may experience chronic, toxic stress that can hinder optimal brain development, and the most sensitive period of brain development occurs during the first 3 years of life.[19] Greater income allows for parents to ensure children's basic needs are met (e.g., access to proper nutrition, safe and clean housing, and health care when needed), and financial stability may also reduce parental stress, leading to more nurturing child-parent relationships and reducing the likelihood of adverse experiences in the household.[18] The literature has sometimes categorized these two mechanisms by which income can improve children's outcomes as the "resources channel" and the "family process channel."[43] A child allowance could theoretically support both mechanisms, leading to better outcomes for infants and toddlers.

A child allowance provided monthly could guarantee a minimum level of resources for families in poverty to support their children, and could supplement earned income for parents in the workforce. The universal nature of the child allowance would ensure that families with the lowest earnings would not be excluded from the social safety net, and such a policy would be free of the stigma that accompanies some means-tested programs because the allowance would be provided to families of various income levels. The monthly, rather than lump-sum, disbursement schedule could be beneficial for helping families smooth their consumption and "make ends meet throughout the year," according to an analysis of periodic payments for the earned income tax credit by the Brookings Institution.[54]

As mentioned, child allowance policies are often discussed alongside the concept of a universal basic income (UBI), which would be provided to all individuals regardless of family structure. Although the policies are similar in that they involve cash transfers to supplement income, the main motivations behind each are distinct. A UBI is often touted as a response to a changing labor market, with the possibility of widespread automation threatening employment and economic security for many families. A child allowance policy is more often discussed as a direct response to child poverty, in the same way that Social Security was able to target and significantly reduce poverty among the elderly as a specific vulnerable group. A child allowance may be more effective than a universal basic income for boosting investments in children (even though both are cash payments that would be provided to parents) because of the "labelling effect." As one scholar writes, "money is mentally assigned to particular forms of consumption based on how it is acquired," and therefore, a payment made explicitly to or for children may be more likely to be spent in ways that directly benefit them.[20] However, a child allowance could potentially work in concert with a broader UBI policy to be most inclusive and have the greatest anti-poverty effect.

One of the most common objections to unconditional cash transfers such as a child allowance or UBI is that the unearned income may disincentivize work, leading to lower labor force participation and producing negative ripple effects for the economy and household earnings.[21] However, other arguments claim that the additional income could lead to greater demand for goods and services in the economy, increasing overall economic activity.[21] Still others predict that most people would continue to engage in work not just to meet a floor of income, but because of the meaning or purpose they derive from the work.[33] In addition, the payments proposed in most child allowance and UBI experiments generally provide less than what many workers could earn from full-time work, so it is likely that most workers would continue to participate in the labor force even in the presence of a guaranteed minimum income. Evidence for these claims is discussed later in the review.

Decades of research in the field of child development have made clear the conditions necessary for young children and their families to thrive.[1] These conditions are represented by our eight policy goals, shown in Table 1. Given the importance of income to so many indicators of wellbeing, a child allowance policy is likely to lead to improvements in all eight of the policy goals on the following page.

Table 1: Policy Goals Theoretically Aligned With a Child Allowance

Aligned	Policy Goal
●	Access to Needed Services
●	Parents' Ability to Work
●	Sufficient Household Resources
●	Healthy and Equitable Births
●	Parental Health and Emotional Wellbeing
●	Nurturing and Responsive Child-Parent Relationships
●	Nurturing and Responsive Child Care in Safe Settings
●	Optimal Child Health and Development

What Impact Does a Child Allowance Have, and for Whom?

Although a child allowance has never been formally implemented or evaluated in the US as a statewide or federal policy, evidence from cash transfers in Alaska and North Carolina provide some insight into how such an allowance could affect child and parent outcomes. In addition, rigorous simulations from research groups including The Century Foundation, the Russell Sage Foundation, and the National Academies of Sciences, Engineering, and Medicine (NASEM) have provided estimates, based on existing policies such as the child tax credit, for how a child allowance could impact child poverty and family economic security. This research is discussed below, grouped by the six policy goals for which evidence is currently available: Parents' Ability to Work; Sufficient Household Resources; Healthy and Equitable Births; Parental Health and Emotional Wellbeing; Nurturing and Responsive Child-Parent Relationships; and Optimal Child Health and Development.

Parents' Ability to Work

Basic income proposals are often met with criticism regarding the potential to depress labor force participation, given that such a transfer would be received regardless of employment and could supplant earned income. However, evidence from Alaska's Permanent Fund Dividend and from a cash transfer study in North Carolina, in addition to international experiences with child benefits, suggests that sizeable reductions in the labor force are unlikely.

A 2010 study took advantage of a natural experiment in North Carolina in which a casino was opened on the Eastern Cherokee reservation, and portions of the profits were provided every 6 months to Native American families (all adult tribal members received the payment, regardless of family composition, income, etc.), but not to the non-Native American families in the same 11 counties.[29] These groups formed the treatment and control groups, providing an opportunity to examine the effects of an external source of income on child and family outcomes. Although the

additional income led to improved educational and social outcomes for youth in the treatment group (described in subsequent sections of this review), the authors did not find significant differences in parental employment, suggesting that "households do not alter their labor participation in response to this additional household income" of roughly $3,900 per year (p. 92).[29]

A 2019 working paper examined the impacts of Alaska's dividend on employment and hours of work for both men and women.[21] The authors found that the additional income in the economy increased demand for labor, especially in service and retail sectors. For men, each additional $1,000 in dividend funds per individual increased the probability of employment by 1.6 percentage points. Meanwhile, the dividend had no effect on the probability of women's likelihood of being employed, but was linked to a modest decrease of about 0.91 hours worked per week (on average) among those who remained in the labor force. For women with children under age 5, the reduction in hours worked was greater than for women with older children or no children—a reduction in hours worked of about 1.96 per week. The authors did not measure how this time was re-allocated, but they posited that some of the time may have been invested in children, which could potentially have positive impacts on children's development. Overall, combining the impacts on men and women led to an annual contraction in labor market activity of 0.2 percent in this study—driven by the modest reductions in hours rather than exits from the labor force altogether. The authors consider this to be evidence that basic income policies have no significant adverse effect on employment, and can even increase employment among some groups because of the increase in the demand for goods and services.

International research suggests very small and heterogeneous effects of universal child benefits on parental employment in higher-income countries. For example, evidence from a study of Germany's 1996 child benefit reform revealed that on average, mothers with a working partner reduced their own weekly work time by about 1 hour after the reform (conditional on employment), but their employment rates did not change.[30] The study found that single mothers saw an *increase* of 2.9 percentage points in employment alongside a decrease in 0.8 hours worked per week (on average).

Research on Canada's benefit found small reductions in married women's labor force participation (1 percentage point) and weekly hours worked (1 hour), and even smaller reductions for men (less than half a percentage point decline in labor force participation, and a two-minute decline on average in weekly hours worked).[31] The effects were greatest among married women with lower educational attainment, who saw a 3.2 percentage point decline in labor force participation. As in other studies examining the relationship between child benefits and parents' time working, the author hypothesized that mothers may have re-allocated time towards caregiving activities, but this was not measured in the study.

As a corollary to the concerns about a child allowance or UBI disincentivizing work, some arguments anticipate that a reduction in earned income would offset some of the positive effects of cash transfers. However, evidence from studies on unearned income in the US (including studies on lottery winners) suggests that the effects would be small. Evidence from a number of studies on cash transfers converge on an income effect of about -0.1, which suggests that "a 10 percent increase in unearned income will reduce earned income by about 1 percent" (p. 1).[36]

Sufficient Household Resources

By design, a child allowance policy is intended to directly impact the policy goal of sufficient household resources for families with children by providing a reliable source of supplemental income. Research can help determine the magnitude of the impact of such a policy on household poverty and discern whether cash transfers have an effect on earned income, which is one concern that skeptics have raised about UBI policies.

In the international context, universal child benefits in 15 OECD[ix] countries have reduced poverty in households with children by up to 5 percentage points on average.[3] A number of simulation studies have estimated how a child allowance in the US could impact poverty, especially in comparison to existing policies such as the child tax credit. For example, a 2018 study co-authored by a group of prominent child policy scholars estimated that a $250 per month, per child allowance could reduce child poverty by 6.4 percentage points (or 40%).[2] Their proposal also examined a tiered model, in which children under age 6 would receive a slightly higher allowance at $300 per month, and this model produced a greater reduction in young child poverty. The study also assumed that the child allowance would be implemented alongside the elimination of the child tax deduction and child tax credit, but with the EITC and TANF programs kept intact. The authors estimated that the net cost of a child allowance policy, after factoring in savings from the eliminated policies, would range from $66 billion to $105 billion depending on the design of the allowance (compared to $97 billion spent annually on the child tax credit and tax deduction). This finding indicates that for a similar or lower annual cost, a child allowance could replace some of the current anti-poverty tax policies while achieving a greater reduction in poverty.

An analysis published by The Century Foundation in 2016[x] compared child tax credit expansions to possible child allowance policies and concluded that "child allowances that achieve equal reductions in poverty when compared to expansions of the child tax credit actually cost less to implement" (p. 2).[34] The authors analyzed child allowance policies of varying generosity levels and determined that an annual $2,500 allowance per child under age 6 (alongside the child tax credit) could lift 3.2 million children out of poverty (reducing child poverty by 14% or 2 percentage points), and a $4,000 child allowance for all children under age 18 (with no child tax credit) could lift 8.1 million above the poverty level (reducing child poverty by 59% or 11 percentage points).

The National Academies of Sciences, Engineering, and Medicine (NASEM) conducted a rigorous review of various anti-poverty policies aimed at children and families in a 2019 report, and the study included a simulation of two possible child allowance policies[xi] (of $2,000 or $3,000 per year, alongside the elimination of the current child tax credit and deduction). Of the 20 policy scenarios that NASEM analyzed (including increases or expansions in the EITC, SNAP, child care subsidies, and the minimum wage, among others), the child allowance policy of $3,000 per year came closest to achieving the goal of reducing child poverty by 50 percent in the US. The authors determined

[ix] The OECD is the Organization for Economic Cooperation and Development, an international group of 37 member countries focused on promoting trade and economic progress across the world.
[x] The report was published prior to the 2017 expansion of the child tax credit that offered $2,000 per child and refunded up to $1,400.
[xi] The proposal included stipulations that the child allowance benefit would be "neither taxable for income tax purposes nor countable for means-tested benefits" (p. 430).

that such a policy would produce a 5.3 percentage point reduction in poverty (after factoring in possible negative employment effects) and would cost $54.3 billion. As part of a package of policy changes (including an expansion of the EITC, a new child support program, and an increase in the minimum wage to $10.25 per hour), a $2,700 annual child allowance could contribute to a 52.3 percent reduction in child poverty (or 6.8 percentage points, based on the Supplemental Poverty Measure) while also creating over 600,000 new jobs for low-income workers and boosting earnings by $13 billion.

A study by the Columbia University Center on Poverty & Social Policy analyzed the potential impacts of an expansion to the child tax credit, which was eventually passed in March 2021 as part of the American Rescue Plan.[64,67] The authors estimated that the American Rescue Plan will reduce child poverty by 56 percent (or 7.5 percentage points) overall, with much of this reduction owed to the child tax credit expansion. The scholars estimated that the poverty rate among Black children will be reduced by 11.8 percentage points, for Hispanic children by 10.3 percentage points, for White children by 5.2 percentage points, and for Asian children by 5.6 percentage points. Despite the significant reductions in poverty for Black and Hispanic children, their poverty rates still remain high even after accounting for the relief, standing at 9.7 and 9.2 percent, respectively. This analysis used the Supplemental Poverty Measure (SPM), which considers tax credits and family expenses in its calculations that the Official Poverty Measure (OPM) does not.

Evidence from Alaska also corroborates that unconditional cash transfers can mitigate poverty in the US. A 2016 working paper by researchers at the University of Alaska's Institute of Social and Economic Research determined that the Permanent Fund Dividend (PFD) had reduced poverty rates in the state by 2.3 percentage points over the previous 5 years.[50] This means that 25 percent more people would have lived in poverty in the state had it not been for the cash transfer. In particular, the transfer had strong anti-poverty effects for rural Native American individuals and for children. The authors estimated that the PFD reduced the number of children living below the poverty threshold by one-third.

Another study of poverty in Alaska with and without the PFD found that the benefit reduced poverty among residents from 11.4 percent to 9.1 percent, and for rural Native children, the poverty rate was reduced from 32.9 percent to 24.8 percent as a result of the dividend.[53]

Evidence from Canada also supports the claim that universal child benefits can reduce family poverty.[46] In the 2017-2018 Canadian benefit year, the child benefit reduced family poverty by 27 percent, keeping 277,000 families above the poverty line who otherwise would have fallen below. The benefit lifted 37 percent (or 131,600 total) of poor single-parent families above the poverty line. A 2021 working paper also examined the anti-poverty effects of the Canadian child benefit and found that the benefit reduced poverty among single-mother families by 5 percentage points relative to single women with no children.[68] The study identified no significant effects on labor force participation, whether in terms of employment status or hours worked.

Some critics of basic income policies have argued that the additional cash may be spent on vices or "temptation goods," such as alcohol, tobacco, or unhealthy foods. However, a 2015 study of the Canadian child benefit found that spending increased on education, rent, food, transportation, and child care as a result of the policy, but *decreased* on items such as alcohol and tobacco.[44] A 2014

review of global evidence on this issue, conducted by The World Bank, found that cash transfers either have no effect or are linked to significantly *lower* consumption of such "temptation goods."[45]

Healthy and Equitable Births

Evidence supports positive impacts of cash transfers on birth outcomes, as well. A rigorous 2016 study of Alaska's Permanent Fund Dividend found that each $1,000 in additional income provided by the dividend was linked to an increase in birthweight of 17.7 grams and decreased the likelihood of low birthweight by 14 percent. The effect was greatest among lower-educated mothers. The PFD was also found to increase newborns' Apgar scores, a measure of health at birth, by 0.063 (from an average score of 8.87).[38]

No other studies were identified that linked cash transfers to better birth outcomes, but given that other policies that increase income (such as the earned income tax credit[40] and higher minimum wages[41]) have been linked to better birth outcomes in rigorous research, it is likely that a child allowance or UBI policy could have a positive effect on healthy births as well.

Parental Health and Emotional Wellbeing

This review identified no rigorous US-based studies of child allowances or UBI policies that examined parental health and wellbeing, but findings from studies of *conditional* cash transfers and from small pilot programs suggest that parents could benefit from a child allowance. For example, the Family Rewards conditional cash transfer program in New York City and Memphis, Tennessee, found that the income supplement of about $2,000 per year "led to improvements in parents' reports of life satisfaction and happiness," and there was evidence that the program improved parents' self-reported health for those in poorest health at the beginning of the program (p. iii).[39]

A small basic income pilot targeted at Black mothers in Jackson, Mississippi[xii] found that all 20 participants "reported worrying less because of their met needs" as a result of the $1,000 per month cash transfer.[26]

Finally, a 2011 study of Canada's child benefit found that the additional income was significantly linked to decreased maternal depression, so it is plausible that a child allowance could have similar effects on mothers' mental health in the US.[43]

Nurturing and Responsive Child-Parent Relationships

The 2010 casino cash transfer study described earlier in this review found that some aspects of child-parent relationships significantly improved in the treatment group (Native American families) relative to the control group.[29] For example, the authors measured a statistically significant increase of 3 to 5 percent in parental supervision of children (for both mothers and fathers) and a 4 percent increase in "enjoyable" child-parent activities that occur between mothers in the study and their children as a result of the cash transfer.

[xii] This pilot is discussed further in the section of this review entitled "How Do Child Allowance Policies Vary Across the States?"

Optimal Child Health and Development

Poverty has been linked in decades of research to worse health and developmental outcomes for children.[37] A monthly child allowance may mitigate some of these effects, leading to better physical and mental health for young children. This review identified three US-based studies that examined child health outcomes in the context of an unconditional cash transfer; two of the studies looked at long-term outcomes when the children were teenagers or older.

A 2019 study examined the impacts of Alaska's PFD on childhood obesity and determined that each additional $1,000 in payments decreased the likelihood of child obesity at age 3 by 4.5 percentage points.[20] The authors estimated that if such a dividend were paid throughout the US, "66 thousand annual cases of childhood obesity could be averted, on average, resulting in medical cost savings of approximately $310 million" (p. 2).[20]

The 2010 casino cash transfer study in North Carolina, mentioned previously, found that the treatment group (Native American children) completed more years of education and reported lower criminal involvement and drug use than the control group (a 22% reduction in minor crime activity for 16- and 17-year-olds). The study also found that the income transfer led to an increased Body Mass Index (BMI) for adolescents from families with average incomes below $30,000, but not for those with higher family incomes.[52]

Another analysis of the North Carolina study found that significantly fewer (30.2%) of the Native American adults who had received the cash transfers as children had diagnosed psychiatric disorders[xiii] later in life, compared to the control group (36%).[42] Effects were greatest for those who were in the youngest cohort, who had received the cash transfer for longest.

A study of the Canadian child benefit found that the additional family income improved children's math scores (as part of a test administered for the National Longitudinal Survey of Children and Youth) and decreased the frequency of aggression/social conflict with other children.[43]

Is There Evidence That a Child Allowance Reduces Disparities?[xiv]

Child poverty in the US disproportionately affects children of color and children in single-parent households. For example, 12.0 percent of White infants and toddlers under age 3 live in poverty, compared to 36.8 percent of Black and 27.0 percent of Hispanic children of the same age.[51] As an anti-poverty solution, a child allowance could have a significant impact on reducing financial hardship among families of color and could narrow poverty gaps. The Century Foundation's analysis of a US child allowance policy based on Canada's child benefit predicted that it could reduce child poverty among Black children (under age 18) from 23.7 to 9.0 percent, for Hispanic children from 21.7 to 10.1 percent, and for White children from 7.0 to 3.6 percent. Although racial gaps in poverty would still remain, the report noted that the ratio of the Black poverty rate to the White poverty rate could be reduced from 3.4 to 2.5.[34]

[xiii] Results were significant for "any psychiatric disorder," "any substance use disorder," "alcohol abuse/dependence," and "cannabis abuse/dependence," but *not* for "nicotine dependence," "other drug abuse/dependence," "any emotional disorder," and "any behavioral disorder."

[xiv] Disparities are defined here as differential outcomes by race, ethnicity, or socioeconomic status (SES).

As mentioned, Columbia University's analysis of the American Rescue Plan and its expanded child tax credit (enacted in March 2021 on a temporary basis) predicted that the law would cut the poverty rate for Black, non-Hispanic children by 11.8 percentage points, for Hispanic children by 10.3 percentage points, for Asian children by 5.6 percentage points, and for White non-Hispanic children by 5.2 percentage points.[67]

Has the Return on Investment for a Child Allowance Been Studied?

According to an analysis by researchers at Washington University in St. Louis, childhood poverty costs the US up to $1.03 trillion per year in "loss of economic productivity, increased health and crime costs, and…homelessness and maltreatment," and solutions like a child allowance would cost much less than this (depending on the policy design), while reducing child poverty by up to 50 percent.[35,55]

A February 2021 analysis by Columbia University examined the costs and benefits of a permanent child allowance in the US, finding that a $100 billion yearly investment in such a policy[xv] would produce over $800 billion in annual benefits to society.[62] The expected benefits would include increased future earnings (as adults) for current child recipients, increased future tax revenue, better child health and longevity, lower infant mortality, reductions in crime, reductions in child welfare expenditures, and more. The greatest benefit (over $670 billion) would come from improvements in children's health and longevity.

The impacts of the expanded child tax credit enacted in March 2021, once studied, will offer insights into the effects that a permanent child allowance could have on children and families in the US.

A more comprehensive analysis of the return on investment is forthcoming.

What Do We Know, and What Do We Not Know?

Existing evidence on cash transfer programs suggests that they can significantly reduce poverty in the US and internationally, especially for families with children. Small labor market impacts have been found in international studies of child benefit policies, such as mothers slightly reducing weekly work hours in response to the benefit, but evidence from Alaska suggests that universal cash transfers can sometimes increase demand in an economy and create more opportunities for workers. Available evidence suggests positive impacts of cash transfers on child health and parenting outcomes in the US, but more empirical analyses specific to a child allowance policy are needed to build the research base for the eight focal policy goals for the prenatal-to-3 period.

More evidence is needed on how a permanent child allowance could reduce racial disparities in poverty and child outcomes, especially given that such an allowance would be provided to families with a wide range of incomes, rather than just the neediest. In addition, more research is needed on how to best fund a child allowance and whether consolidating and replacing other safety net programs alongside the introduction of a child allowance would have any negative impacts for children and families.

[xv] This analysis used a $3,600 annual allowance for children ages 0 to 5 and a $3,000 annual allowance for children ages 6 to 17 as the basis for their calculations.

Evidence on child allowances and universal cash transfer programs continues to grow as more and more pilot programs are being implemented around the country. For example, the 2021 expansion to the child tax credit closely resembles a child allowance and has the potential to become permanent. Evaluations of this expansion may offer a better understanding of the empirical impacts of a child allowance in the US.

Is a Child Allowance an Effective Policy for Improving Prenatal-to-3 Outcomes?

No causal, empirical evidence exists on federal or statewide child allowance policies in the US because such a policy has yet to be implemented. Therefore, this policy **needs further study** before it can be deemed an effective policy for improving prenatal-to-3 outcomes in the US. However, international evidence and results from unique cash transfer programs in Alaska and North Carolina indicate that a child allowance could significantly reduce child poverty in the US without negative impacts on labor force participation or earned income. Rigorous simulations and analyses by US think tanks and anti-poverty organizations have estimated that a child allowance policy in the US could potentially reduce poverty by more than 50 percent, depending on the generosity and policy design. In addition, as discussed throughout this review, cash transfer programs have been shown to have positive ripple effects on outcomes such as birthweight, child health, and child-parent interactions.

How Do Child Allowance Policies Vary Across the States?

No states or cities in the US have true child allowance policies like those in Canada and other peer countries, but many jurisdictions are currently piloting local UBI programs or conducting small-scale evaluations, and some are targeted at families with children or low-income adults. For example, the program most likely to produce evidence relevant to the prenatal-to-3 period is called Baby's First Years. This program enrolled 1,000 families with infants born at 12 hospitals who are living below the poverty level in four US cities (New York City, NY; New Orleans, LA; Omaha, NE; and Minneapolis/St. Paul, MN), and the families receive a monthly cash transfer of either $333 (treatment group) or $20 (control group) for 40 months.[24] The evaluators will examine how child health and development, parenting behaviors, and other outcomes differ between the groups. Although data collection has been modified from in-person to phone interviews as a result of the COVID-19 pandemic, the researchers are continuing to work with families to assess outcomes to the extent possible. The landmark study plans to investigate the effects of poverty and income relief on the brain functioning of infants and toddlers, including using electroencephalography to measure children's brain development.[27]

As mentioned previously in this review, another basic income program targeted at parents and children is the Magnolia Mother's Trust, based in Jackson, Mississippi. This program is led by a nonprofit called Springboard to Opportunities, and it began with a pilot phase from 2018 to 2019 providing $1,000 monthly to 20 Black mothers in Jackson for 12 months.[26] Although there was no true control group, surveys from this phase of the program showed that the mothers used the income support to increase their educational attainment, pay off debts, and spend more time preparing nutritious meals for their children.[26] The second phase of the program began in March 2020 with 110 participants, and data showed that compared to similar mothers who did not receive the cash, the recipients were "40% less likely to report debt from emergency financing, 20% more likely to have children performing at or above grade level, 27% more likely to seek professional

medical help for sickness or chronic illness, [and] able to budget up to $150 more for food and household costs."[26]

In June 2020, then-mayor Michael D. Tubbs of Stockton, California worked with a group of other mayors to form Mayors for a Guaranteed Income (MGI), which is an alliance of city leaders[xvi] who aim to implement UBI pilots in their cities and advocate for wider adoption of basic income policies. Currently, UBI pilots with rigorous evaluation plans are underway in Stockton and Compton, California, called the Stockton Economic Empowerment Demonstration (SEED) and the Compton Pledge, respectively. SEED began in February 2019 and provided 125 randomly-selected adults in Stockton with a $500 cash transfer for 24 months, alongside any other benefits they may have already been receiving.[47] A control group of 350 people was compared to the cash recipients to determine the impact of the transfers. Preliminary findings from the SEED program, released in March 2021, show that recipients of the cash transfer "transitioned from part-time to full-time employment at over twice the rate of those who didn't receive the cash transfer" and they were better able to secure basic needs for their families including food, clothing, utilities, and transportation.[60] In addition, the recipients reported less anxiety and depression than before the program, and lower levels compared to the control group, as well.[63]

The Compton Pledge began in late 2020 and provides cash transfers to about 800 low-income residents of the city. The Pledge will be evaluated by the Jain Family Institute, a research group that focuses on guaranteed income policies.[28] As of March 2021, St. Paul, Minnesota also had its pilot program underway, distributing $500 per month to 150 families who were all impacted by the pandemic and 80 percent of whom identify as people of color.[59]

Another program, called the Abundant Birth Project, will provide $1,000 each month to 150 Black and Pacific Islander pregnant individuals during the prenatal period and their infants' first 6 months.[69] This privately-funded program will be implemented beginning in spring 2021 by a partnership between a nonprofit, Expecting Justice, and the Preterm Birth Initiative at the University of California, San Francisco.

An additional new project likely to produce evidence for the impact of cash transfers is New York University's Cash Transfer Lab. The Lab will begin its work in 2021 with an analysis of Alaska's Permanent Fund Dividend.[70]

As the above pilot projects conclude and research on their effects is published, this evidence review will be updated to reflect the findings and share policy implications for children and families.

[xvi]As of March 2021, the mayors of the following cities are involved in this initiative: Stockton, Compton, Los Angeles, Long Beach, West Hollywood, and Oakland, CA; Newark and Paterson NJ; Columbia, SC; Atlanta, GA; Shreveport and New Orleans, LA; St. Paul, MN; Seattle and Tacoma, WA; Providence, RI; Flagstaff, AZ; Santa Fe, NM; Hudson, Mount Vernon, Jamestown, and Ithaca, NY; Durham, NC; Chelsea, Cambridge, and Holyoke, MA; Philadelphia and Pittsburgh, PA; Jackson, MS; Madison and Wausau, WI; Baltimore, College Park, and Takoma Park, MD; Gainesville, FL; Gary, IN; San Antonio and Houston, TX; Montpelier, VT; and Richmond, VA.

How Did We Reach Our Conclusions?

Method of Review

This evidence review began with a broad search of all literature related to the policy and its impacts on child and family wellbeing during the prenatal-to-3 period. First, we identified and collected relevant peer-reviewed academic studies as well as research briefs, government reports, and working papers, using predefined search parameters, keywords, and trusted search engines.

Articles were considered relevant if they examined the impact of unconditional income transfers on families with children in the US. Because of limited implementation of such policies at the statewide level, rigorous simulations and experimental or quasi-experimental studies were included even if not at the state level. Articles were considered beyond the scope of the review if they were primarily advocacy or discussion pieces, if they focused on international experiences with child benefits (outside of the US), or if they examined the impact of conditional cash transfers contingent upon certain behaviors.

From this large body of work, we then singled out for more careful review those studies that endeavored to identify causal links between the policy and our outcomes of interest, taking into consideration characteristics such as the research designs put in place, the analytic methods used, and the relevance of the populations and outcomes studied. We then subjected this literature to an in-depth critique and chose only the most methodologically rigorous research to inform our conclusions about policy effectiveness. All studies considered to date for this review were collected on or before March 31, 2021.

Standards of Strong Causal Evidence

When conducting a policy review, we consider only the strongest studies to be part of the evidence base for accurately assessing policy effectiveness. A strong study has a sufficiently large, representative sample, has been subjected to methodologically rigorous analyses, and has a well-executed research design allowing for causal inference—in other words, it demonstrates that changes in the outcome of interest were likely caused by the policy being studied.

The study design considered most reliable for establishing causality is a randomized controlled trial (RCT), an approach in which an intervention is applied to a randomly assigned subset of people. This approach is rare in policy evaluation because policies typically affect entire populations; application of a policy only to a subset of people is ethically and logistically prohibitive under most circumstances. However, when available, randomized controlled trials are an integral part of a policy's evidence base and an invaluable resource for understanding policy effectiveness.

The strongest designs typically used for studying policy impacts are quasi-experimental designs (QEDs) and longitudinal studies with adequate controls for internal validity (for example, using statistical methods to ensure that the policy, rather than some other variable, is the most likely cause of any changes in the outcomes of interest). Our conclusions are informed largely by these types of studies, which employ sophisticated techniques to identify causal relationships between policies and outcomes. Rigorous meta-analyses with sufficient numbers of studies, when available, also inform our conclusions.

References

1. Shonkoff, J., & Phillips, D. (2000). *From neurons to neighborhoods: The science of early childhood development.* Washington, DC: The National Academies Press. https://doi.org/10.17226/9824.
2. Shaefer, H. L., Collyer, S., Duncan, G., Edin, K., Garfinkel, I., Harris, D., Smeeding, T., Waldfogel, J., Wimer, C. & Yoshikawa, H. (2018). A universal child allowance: A plan to reduce poverty and income instability among children in the United States. *RSF: The Russell Sage Foundation Journal of the Social Sciences, 4*(2), 22-42. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6145823/pdf/nihms-982832.pdf
3. UNICEF. (2020). *Universal child benefits: Policy issues and options.* https://www.unicef.org/reports/universal-child-benefits-2020
4. Millán, T. M., Barham, T., Macours, K., Maluccio, J. A., Stampini, M. (2019). Long-term impacts of conditional cash transfers: Review of the evidence. *The World Bank Research Observer, 34*(1), 119-159. https://academic.oup.com/wbro/article/34/1/119/5492445
5. United States Census Bureau. (2019). *Income and poverty in the United States: 2019.* https://www.census.gov/content/dam/Census/library/publications/2020/demo/p60-270.pdf
6. Gertler, P., & Boyce, S. P. (2001). *The impact of PROGRESA on health in Mexico.* J-PAL. https://www.povertyactionlab.org/evaluation/impact-progresa-health-mexico
7. Center on Budget and Policy Priorities. (Aug. 20, 2020). *Chart book: Temporary Assistance for Needy Families.* https://www.cbpp.org/research/family-income-support/chart-book-temporary-assistance-for-needy-families#:~:text=in%20deep%20poverty.-,TANF%20has%20provided%20basic%20cash%20assistance%20to%20fewer%20and%20fewer,and%20deep%20poverty%20remained%20widespread
8. Meyer, L. & Floyd, I. (Nov. 30, 2020). *Cash assistance should reach millions more families to lessen hardship. Center* on Budget and Policy Priorities. https://www.cbpp.org/research/family-income-support/cash-assistance-should-reach-millions-more-families
9. Zero to Three. (2020). *Building for the future: Strong policies for babies and families after COVID-19.* https://www.zerotothree.org/resources/3728-building-for-the-future-strong-policies-for-babies-and-families-after-covid-19#downloads
10. Nguyen, U., Smith, S., & Granja, M. R. (Oct. 2020). *Young children in deep poverty: Racial/ethnic disparities and child well-being compared to other income groups.* National Center for Children in Poverty. https://www.nccp.org/publication/young-children-in-deep-poverty-racial-ethnic-disparities-and-child-well-being-compared-to-other-income-groups/
11. Center on Budget and Policy Priorities. (Feb. 6, 2020). *Policy basics: Temporary Assistance for Needy Families.* https://www.cbpp.org/research/family-income-support/temporary-assistance-for-needy-families
12. Center on Budget and Policy Priorities. (Dec. 10, 2019). *Policy basics: The child tax credit.* https://www.cbpp.org/research/federal-tax/policy-basics-the-child-tax-credit#:~:text=The%20value%20of%20the%20CTC%20increases%20with%20a%20household's%20earnings,receives%20only%20a%20partial%20credit.
13. Tax Policy Center. (2020). *What is the child tax credit?* https://www.taxpolicycenter.org/briefing-book/what-child-tax-credit
14. Wilson, V., & Schieder, J. (2018). *The rise in child poverty reveals racial inequality, more than a failed war on poverty.* Economic Policy Institute. https://www.epi.org/publication/the-rise-in-child-poverty-reveals-racial-inequality-more-than-a-failed-war-on-poverty/
15. Tharoor, I. (April 10, 2020). *The pandemic strengthens the case for universal basic income.* https://www.washingtonpost.com/world/2020/04/09/pandemic-strengthens-case-universal-basic-income/
16. Gordon, N. (Aug. 6, 2014). *The conservative case for a guaranteed basic income.* The Atlantic. https://www.theatlantic.com/politics/archive/2014/08/why-arent-reformicons-pushing-a-guaranteed-basic-income/375600/
17. Duncan, G., Morris, P., & Rodrigues, C. (2011). Does money really matter? Estimating impacts of family income on young children's achievement with data from random-assignment experiments. *Developmental Psychology, 47*(5), 1263-1279. http://doi.org/10.1037/a0023875
18. Raissian, K. M., & Bullinger, L. R. (2017). Money matters: Does the minimum wage affect child maltreatment rates? *Children and Youth Services Review*, *72*, 60–70. https://doi.org/10.1016/j.childyouth.2016.09.033
19. Shonkoff, J. (2017). Breakthrough impacts: What science tells us about supporting early childhood development. *Young Children, 72*(2), 8-16. https://www.jstor.org/stable/90004117?seq=1

20. Watson, B., Guettabi, M., & Reimer, M. (2019). *Universal cash transfers reduce childhood obesity rates.* Institute of Social and Economic Research, University of Alaska Anchorage. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3380033
21. Bibler, A., Guettabi, M., & Reimer, M. (2019*). Short-term labor responses to unconditional cash transfers.* Institute of Social and Economic Research, University of Alaska Anchorage. https://www.researchgate.net/publication/331916985_Short-term_Labor_Responses_to_Unconditional_Cash_Transfers
22. Curran, M., & Minoff, E. (2020). Supporting children and families through the pandemic, and after: The case for a US child allowance. *Social Sciences & Humanities Open, 2*, 1-4. https://doi.org/10.1016/j.ssaho.2020.100040
23. Linke, R. (Feb. 7, 2018). *Negative income tax, explained.* MIT Sloan School of Management. https://mitsloan.mit.edu/ideas-made-to-matter/negative-income-tax-explained#:~:text=Negative%20income%20tax%20experiments.&text=Nixon's%20vision%20never%20came%20to,series%20of%20five%20social%20experiments.&text=Another%20often%20discussed%20report%20concluded,income%20tax%20increased%20divorce%20rates.
24. Baby's First Years. (2018). *About*. https://www.babysfirstyears.com/about
25. Baby's First Years. *Baby's First Years data collection update.* https://98e3faa0-56a3-48bc-a36d-1eb24da5887a.filesusr.com/ugd/88a466_e8d2a1437cc840b4b9c145f4ec6a44c3.pdf
26. Springboard to Opportunities. *Magnolia Mother's Trust*. http://springboardto.org/index.php/page/the-magnolia-mothers-trust
27. Keppler, N. (Jul. 11, 2020). *Covid-19 causes challenges for years-in-the-making study on babies and poverty.* Washington Post. https://www.washingtonpost.com/health/covid-19-upends-major-years-in-the-making-study-on-babies-and-poverty/2020/07/10/6e55176a-b0cd-11ea-8758-bfd1d045525a_story.html
28. Jain Family Institute. (n.d.). *JFI, Mayor Aja Brown, and Fund for Guaranteed Income announce largest city-based guaranteed income initiative.* https://www.jainfamilyinstitute.org/news/jfi-mayor-aja-brown-and-fund-for-guaranteed-income-announce-largest-city-based-guaranteed-income-initiative/
29. Akee, R. K. Q., Copeland, W. E., & Keeler, G. (2010). Parents' incomes and children's outcomes: A quasi-experiment using transfer payments from casino profits. *American Economic Journal: Applied Economics, 2*(1), 86-115. http://www.aeaweb.org/articles.php?doi=10.1257/app.2.1.86
30. Tamm, M. (2009). Child benefit reform and labor market participation. *Ruhr Economic Papers, 97*. https://www.econstor.eu/bitstream/10419/29906/1/597835039.PDF
31. Schirle, T. (2015). The effect of universal child benefits on labor supply. *Canadian Journal of Economics, 48*(2), 437-463. https://doi.org/10.1111/caje.12132
32. Paschall, K., & Bartlett, J. D. (Sept. 12, 2019). *Child poverty declines even as disparities persist among the nation's youngest children*. Child Trends. https://www.childtrends.org/blog/child-poverty-declines-even-as-disparities-persist-among-the-nations-youngest-children
33. Kluth, A. (Oct. 3, 2020). *Would a universal basic income make us lazy or creative?* Bloomberg Opinion. https://www.bloomberg.com/opinion/articles/2020-10-03/would-a-universal-basic-income-make-us-lazy-or-creative-germany-study-explores
34. Garfinkel, I., Harris, D., Waldfogel, J. & Wimer, C. (2016). *Doing more for our children: Modeling a universal child allowance or more generous child tax credit.* The Century Foundation. https://tcf.org/content/report/doing-more-for-our-children/
35. The National Academies of Sciences, Engineering, & Medicine. (2019). *A roadmap to reducing child poverty.* https://www.nap.edu/catalog/25246/a-roadmap-to-reducing-child-poverty
36. Jones, D., & Marinescu, I. (2019). *The labor market impacts of universal and permanent cash transfers: Evidence from the Alaska Permanent Fund.* University of Chicago, University of Pennsylvania, and the National Bureau of Economic Research. Working Paper No. 24312. https://www.nber.org/papers/w24312
37. Murphy, D., & Redd, Z. (Jan. 8, 2014). *5 ways poverty harms children.* Child Trends. https://www.childtrends.org/publications/5-ways-poverty-harms-children#:~:text=Children%20growing%20up%20in%20poverty,%2C%20and%20social%2Demotional%20development.&text=Poor%20children%20are%20more%20likely,to%20obtain%20post%2D%20secondary%20education.
38. Chung, W., Ha, H., & Kim, B. (2016). Money transfer and birth weight: Evidence from the Alaska Permanent Fund Dividend. *Economic Inquiry, 54*(1), 576-590. https://doi.org/10.1111/ecin.12235
39. Miller, C., Miller, R., Verma, N., Dechausay, N., Yang, E., Rudd, T., Rodriguez, J. & Honig, S. (2016). *Effects of a modified conditional cash transfer program in two American cities: Findings from Family Rewards 2.0.* MDRC. https://www.mdrc.org/sites/default/files/CEOSIF_Family_Rewards%20Report-Web-Final_FR.pdf

40. Prenatal-to-3 Policy Impact Center. (2020). *Prenatal-to-3 policy clearinghouse evidence review: State earned income tax credit* (ER 0920.005A). Child and Family Research Partnership. Lyndon B. Johnson School of Public Affairs, University of Texas at Austin. http://pn3policy.org/policy-clearinghouse/state-earned-income-tax-credit
41. Prenatal-to-3 Policy Impact Center. (2020). *Prenatal-to-3 policy clearinghouse evidence review: State minimum wage* (ER 0920.004A). Child and Family Research Partnership. Lyndon B. Johnson School of Public Affairs, University of Texas at Austin. http://pn3policy.org/policy-clearinghouse/state-minimum-wage
42. Costello, E. J., Erklani, A., Copeland, W., & Angold, A. (2010). Association of family income supplements in adolescence with development of psychiatric and substance use disorders in adulthood among an American Indian population. *Journal of the American Medical Association,* 303(19), 1954-60. https://pubmed.ncbi.nlm.nih.gov/20483972/
43. Milligan, K., & Stabile, M. (2011). Do child tax benefits affect the well-being of children? Evidence from Canadian child benefit expansions. *American Economic Journal, 3*, 175-205. http://www.aeaweb.org/articles.php?doi=10.1257/pol.3.3.175
44. Jones, L., Milligan, K. & Stabile, M. (2015). *Child cash benefits and family expenditures: Evidence from the National Child Benefit.* National Bureau of Economic Research Working Paper (No. w21101). https://www.nber.org/papers/w21101
45. Evans, D., & Popova, A. (2014). *Cash transfers and temptation goods.* The World Bank. https://www.worldbank.org/en/research/dime/brief/Cash-Transfers-and-Temptation-Goods
46. Canadian Centre for Economic Analysis. (Sept. 2019). *Economic contribution of the Canada Child Benefit: A basic income guarantee for Canadian families with children.* https://www.cancea.ca/sites/economic-analysis.ca/files/Economic%20Contribution%20of%20the%20Canada%20Child%20Benefit%20-%20Final%20-%2020190916.pdf
47. Holder, S. (2019). *In Stockton, early clues emerge about impact of guaranteed income.* Bloomberg CityLab. https://www.bloomberg.com/news/articles/2019-10-03/stockton-s-universal-basic-income-pilot-so-far
48. Matthews, D. (May 2, 2019). *Democrats have united around a plan to dramatically cut child poverty.* Vox Media. https://www.vox.com/future-perfect/2019/3/6/18249290/child-poverty-american-family-act-sherrod-brown-michael-bennet
49. Columbia University Center on Poverty & Social Policy. (June 17, 2020). *The American Family Act would move 4 million children out of poverty, but continuing to tie the credit to earnings nearly halves that impact.* https://www.povertycenter.columbia.edu/news-internal/2019/3/5/the-afa-and-child-poverty
50. Berman, M., & Reamey, R. (2016). *Permanent Fund Dividends and poverty in Alaska.* Institute of Social and Economic Research. https://iseralaska.org/static/legacy_publication_links/2016_12-PFDandPoverty.pdf
51. Prenatal-to-3 State Policy Roadmap. (2020). Prenatal-to-3 Policy Impact Center. The University of Texas at Austin, LBJ School of Public Affairs. Child & Family Research Partnership. https://pn3policy.org/pn-3-state-policy-roadmap/complete-roadmap/
52. Akee, R., Simeonova, E., Copeland, W., Angold, A., & Costello, E. J. (2013). Young adult obesity and household income: Effects of unconditional cash transfers. *American Economic Journal, 5*(2), 1-28. http://dx.doi.org/10.1257/app.5.2.1
53. Berman, M. (2018). Resource rents, universal basic income, and poverty among Alaska's Indigenous peoples. *World Development, 106*, 161-172. https://doi.org/10.1016/j.worlddev.2018.01.014
54. Holt, S. (Dec. 2015). *Periodic payment of the earned income tax credit revisited.* Brookings Institution. https://www.brookings.edu/wp-content/uploads/2016/07/HoltPeriodicPaymentEITC121515.pdf
55. McLaughlin, M. & Rank, R. (2018). Estimating the economic cost of childhood poverty in the United States. *Social Work Research, 42*(2), 73-83. https://doi.org/10.1093/swr/svy007
56. Kozminsky, E. (2017). *Children and Alaska's Permanent Fund Dividend: Reasons for rethinking parental duty*, 34 Alaska Law Review 85-110. http://scholarship.law.duke.edu/alr/vol34/iss1/
57. Centers for Disease Control. (2020). *Vital statistics rapid release. Births: Provisional data for 2019.* https://www.cdc.gov/nchs/data/vsrr/vsrr-8-508.pdf
58. Ruckert, A., Huynh, C., Labonté, R. (2017). Reducing health inequities: Is universal basic income the way forward? *Journal of Public Health, 40*(1), 3-7. https://doi.org/10.1093/pubmed/fdx006
59. Prather, S. (Feb. 2, 2021). *St. Paul guaranteed income helps families of color.* StarTribune. https://www.startribune.com/st-paul-guaranteed-income-helps-families-of-color/600018236/?refresh=true
60. Piñon, N. (Mar. 3, 2021). *Giving people free money helps them get better jobs, cash experiment shows.* Mashable. https://mashable.com/article/universal-basic-income-stockton-program-results/

61. Turner, C., & Kamenetz, A. (Feb. 26, 2021). *With one move, Congress could lift millions of children out of poverty.* NPR. https://www.npr.org/2021/02/26/970999998/with-one-move-congress-could-lift-millions-of-children-out-of-poverty
62. Garfinkel, I., Sariscany, L., Ananat, E., Collyer, S., & Wimer, C. (2021). *The costs and benefits of a child allowance.* Center on Poverty and Social Policy at Columbia University. https://www.povertycenter.columbia.edu/news-internal/2021/child-allowance/cost-benefit-analysis
63. Stockton Economic Empowerment Demonstration. (2021). *Key findings: Health and well-being.* https://www.stocktondemonstration.org/health-and-wellbeing
64. H.R. 1319. American Rescue Plan Act of 2021. 117th Congress, 1st Session. https://www.congress.gov/117/bills/hr1319/BILLS-117hr1319eh.pdf
65. Marr, C., Cox, K., Hingtgen, S., Windham, K., & Sherman, A. (2021). *House COVID relief bill includes critical expansions of child tax credit and EITC.* Center on Budget and Policy Priorities. https://www.cbpp.org/research/federal-tax/house-covid-relief-bill-includes-critical-expansions-of-child-tax-credit-and
66. DeParle, J. (Mar. 9, 2021). *In the stimulus bill, a policy revolution in aid for children.* New York Times. https://www.nytimes.com/2021/03/07/us/politics/child-tax-credit-stimulus.html
67. Parolin, Z., Collyer, S., Curran, M., & Wimer, C. (Mar. 11, 2021). The potential poverty reduction effect of the American Rescue Plan. Center on Poverty and Social Policy at Columbia University. https://static1.squarespace.com/static/5743308460b5e922a25a6dc7/t/604aa2465cfc4a35b8a1c236/1615503943944/Poverty-Reduction-Analysis-American-Rescue-Plan-CPSP-2021.pdf
68. Baker, M., Messacar, D., & Stabile, M. (2021). *The effects of child tax benefits on poverty and labor supply: Evidence from the Canada child benefit and universal child care benefit.* National Bureau of Economic Research Working Papers. (No. 28556). https://www.nber.org/papers/w28556
69. Abrams, A. & Vesoulis, A. (Mar. 18, 2021). *A San Francisco experiment will give some pregnant women $1,000 a month. Could other cities be next?* Time. https://time.com/5947417/guaranteed-income-pregnant-women/
70. New York University. (2021). *Cash Transfer Lab.* https://as.nyu.edu/cash-transfer-lab.html

Prenatal-to-3 Policy Impact Center
The University of Texas at Austin | LBJ School of Public Affairs
pn3policy.org | pn3policy@austin.utexas.edu | Twitter: @pn3policy #pn3policy

Evidence Review Citation:

Prenatal-to-3 Policy Impact Center. (2021). *Prenatal-to-3 policy clearinghouse evidence review: Child Allowance* (ER 22A.0321). Child and Family Research Partnership. Lyndon B. Johnson School of Public Affairs, University of Texas at Austin. https://pn3policy.org/policy-clearinghouse/child-allowance/