Child Allowance/Unconditional Cash Transfer

Title	Author	Year	Publication Source	Sample Size (N)	Sample Composition	Data Source	Independent Variable(s)	Dependent Variable(s)	Summary of Findings
A universal child allowance: A plan to reduce poverty and income instability among children in the United States	Shaefer, H. L., Collyer, S., Duncan, G., Edin, K., Garfinkel, I., Harris, D., Smeeding, T., Waldfogel, J. Wimer, C., & Yoshikawa, H.	2018	*The Russell Sage Foundation Journal of the Social Sciences*	Not stated	2016 Current Population Survey	2016 Current Population Survey Annual Social and Economic Supplement, Supplemental Poverty Measure (measuring family income for 2015)	• Three simulated child allowance policies: 1. Monthly payments of $250 per child per month under age 18 2. Tiered payments - $300/month for children under age 6, and $250/child for 6-17 years old 3. Tiered and equivalized payments - $300 for first child under age 6, $250 for first child 6-17, but then reduced per additional child	• Child poverty rates (using the Supplemental Poverty Measure)	• This article uses estimates based on the Supplemental Poverty Measure to simulate how child poverty would change as a result of a child allowance of three different structures/generosity levels. • The authors found that with Policy #1 (a $250 per child per month policy), child poverty would fall from 16.1 percent to 9.7 percent, and deep child poverty would fall from 4.8 percent to 2.5 percent. • With Policy #2 (tiered payments of $300 per child under age 6, and $250 per child ages 6-17), child poverty would fall to 9.2 percent. With Policy #3 (reduced payments per additional child), the drop would be a bit more modest, from 16.1 percent to 11.1 percent. • Costs: the simplest monthly policy would cost $190 billion per year, and the tiered model would cost $202 billion. The tiered and equivalized policy would cost $163 billion/year. However, all three plans would see $97 billion in cost savings as a result of eliminating the child tax credit and child tax deduction.
Parents' incomes and children's outcomes: A quasi-experiment using transfer payments from casino profits	Akee, R. K. Q., Copeland, W. E., Keeler, G., Angold, A., & Costello, E. J.	2010	*American Economic Journal*	1,420	The study followed children ages 9, 11, and 13 years old from 11 counties in western North Carolina. American Indian children from the Eastern Band of Cherokee Indians were over-sampled. The cohorts of children were survered annually up to age 16, and then re-interviewed at ages 19 and 21.	Data from the Great Smoky Mountains Study of Youth - a longitudinal study of child mental health in rural North Carolina in which both American Indian and non-Indian children were sampled. GSMS is a longitudinal survey of 1,420 children ages 9, 11, and 13 from 11 counties in western North Carolina. Survey began in 1993 and followed 3 cohorts of children through 16, then interviewed them at 19, 21, and 24 and 25.	• Additional income (average of $4,000) as a result of the new casino	• Educational, social, and justice system outcomes	• Found that an average of $4,000 in additional household income for the poorest families results in an additional year of education for a child from a treatment household. They also have statistically significantly lower likelihood of criminal behavior for minor offenses. The poorest households experience the greatest impacts in child outcomes. Found that mothers who received the payment influenced the child's educational outcomes, whereas fathers who received the income affected the children's justice involvement.
Doing more for our children: Modeling a universal child allowance or more generous child tax credit	Garfinkel, I., Harris, D., Waldfogel, J., & Wimer, C.	2016	The Century Foundation	139,415	Sample of households from the 2014 March Current Population Survey	Data from the 2014 March Current Population Survey Annual Social and Economic Supplement	• Child tax credit and child allowance policies	• Child poverty outcomes	• This paper ran 10 simulations, 5 relating to more generous versions of the child tax credit and 5 related to possible child allowance policies. • Overall, the authors found that the anti-poverty effects of the child allowance policies would be greater than the current child tax credit. • The most generous child allowance scenario was a $4,000 annual per child universal allowance, in which the current child tax credit would be eliminated. The authors found that it would reduce poverty from 18.8 percent to 7.8 percent. • An expansion of the child tax credit may be more politically palatable because it is tied to earnings and work and because the credit already exists as a policy. • The most generous child tax credit scenario was to expand it to $4,000 per child and make the phase-in rate 60 percent instead of 15 percent. This would reduce poverty to 12.1 percent and lift 4.9 million children out of poverty. • The authors found that child allowances that achieve equal reductions in poverty when compared to expansions of the child tax credit actually cost less to implement. For example, the $4,000 child allowance for children under age 6 reduces poverty to 13.2 percent, and the child tax credit expansion to $4,000 for children under age 6 and $2,500 for those age 6 and older reduces poverty to 13.1 percent. The child allowance would cost 2/3 of the child tax credit expansion - $63 billion vs. $102 billion. • Some reasons for this include the fact that the child allowance gets taxed when higher-income families receive it.
The labor market impacts of universal and permanent cash transfers: Evidence from the Alaska Permanent Fund	Jones, D. & Marinescu, I.	2019	University of Pennsylvania, University of Chicago, and National Bureau of Economic Research	48,686,169	Adults ages 16 and older in all 50 states whose data are available in the Current Population Survey	Current Population Survey and IPUMS from 1977 to 2015	• Alaska Permanent Fund Dividend cash transfer	• The employment-to-population ratio and the share working part-time	• Found no significant effect on employment, but the authors did find a 1.8 percentage point increase in the share of all Alaskans who work in part-time jobs. They argue that the increase in labor demand for non-tradable jobs as a result of the extra cash in the economy (services, etc.) offsets any potential reduction in labor supply.
Money transfer and birthweight: Evidence from the Alaska Permanent Fund Dividend	Chung, W., Ha, H., & Kim, B.	2016	*Economic Inquiry*	7.7 million births, of which 52,346 occurred in Alaska	Births taking place from Jan. 1978 to June 1984. All states except for Connecticut, Hawaii, Mississippi, New Jersey, and Georgia because of data availability. Alaska was the treatment state and the others were the control states.	Natality Datafile - all live births in the US. Their dataset allows them to look at possible mechanisms linking income to birth outcomes, including prenatal visits and the gestation period.	• Alaska Permanent Fund Dividend cash transfer	• Newborn health outcomes including birthweight, gestational age, and APGAR scores.	• The authors found that an additional $1,000 in income increases birthweight by 17.7 grams and decreases likelihood of low birthweight by 14 percent or 0.7 percentage points (some of the effect could be explained by greater gestation periods). The effect is highest for less-educated mothers. The PFD was found to increase APGAR scores by 0.063 (the average 5-min. score is 8.87).
Universal cash transfers reduce childhood obesity rates	Watson, B., Guettabi, M., & Reimer, M.	2019	Institute of Social and Economic Research, University of Alaska, Anchorage	3,298	Children born between January 2009 and December 2011	Data from the Alaska Longitudinal Child Abuse and Neglect Linkage project and administrative data from vital records and the Alaska Permanent Fund Dividend Division	• Alaska Permanent Fund Dividend cash transfer	• Childhood obesity	• The authors found that an additional $1,000 in PFD payments decreases the probability of an Alaskan child being categorized as obese by up to 4.5 percentage points (a reduction of 22.4 percent in the number of 3-year-olds classified as obese). They found the strongest effect within middle income families, whose earnings were between $25,000 to $75,000. Effects were not significant for other income ranges. They extrapolated that if this type of dividend were offered throughout the US, up to 66,000 annual cases of childhood obesity might be avoided, saving up to $310 million by the time those children reach 18.
Resource rents, universal basic income, and poverty among Alaska's Indigenous peoples	Berman, M.	2018	*World Development*	14,000 Alaska households in 2000 and 10,300 households in 1990	Alaska households	Alaska Long-Form Survey PUMS data sets from the Census Bureau for 1990 and 2000, and ACS annual PUMS data sets for 2005 through 2015	• Alaska Permanent Fund Dividend cash transfer	• Poverty rates among Alaskan residents, with a particular focus on Native American populations and rural residents	• The authors found that the PFD mitigates poverty; for example, for all Alaska residents, the poverty rate without the PFD income would have been 11.4 percent, but with the extra income, it was 9.1 percent. For rural Native children under age 18, the poverty rate without the PFD would have been 32.9 percent, but with the income it was 24.8 percent.
Young adult obesity and household income: Effects of unconditional cash transfers	Akee, R., Simeonova, E., Copeland, W., Angold, A., & Costello, J.	2013	*American Economic Journal*	1,420	1,420 children ages 9, 11, 13 at survey intake recruited from 11 counties in western North Carolina - children from the Eastern Band of Cherokee were over-sampled	Great Smoky Mountains Study of Youth - longitudinal survey begun in 1993	• Income transfers (about $3,900 per year per family) for American Indian households in North Carolina	• Adolescent BMI	• The study found that the income transfers led to *increased* BMI among adolescents from families with average incomes below $30,000, but not for those with higher family incomes.
Short-term labor responses to unconditional cash transfers	Bibler, A., Guettabi, M., & Reimer, M.	2019	Institute of Social and Economic Research, University of Alaska, Anchorage	81,490 men and 91,570 women	Sample restricted to respondents to the Current Population Survey who were ages 20 to 55 and were either the head of the household or the spouse of the head of household. Excluded cohabiting couples and those who were not US citizens.	Data from the Current Population Survey from 1994-2017	• Alaska Permanent Fund Dividend cash transfer	• Employment and hours worked conditional on being employed	• The authors found that an additional $1,000 in dividend funds led to an average decrease of one half-hour of work per week in the months following the disbursement, conditional on being employed. The reduction in hours was mostly driven by women, with an average reduction of 0.91 hours worked per week. However, they found no significant impact on the probability of employment at all. Interestingly, for men, the authors found a 1.6 percentage point increase in the probability of employment. They explained that this could be evidence of a demand shock created by the additional income. Overall, the annual labor contraction is just 0.2 percent, which the authors consider to be a very small impact.

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Association of family income supplements in adolescence with development of psychiatric and substance use disorders in adulthood among an American Indian population	Costello, E. J., Erklani, A., & Copeland, W.	2010	*Journal of the American Medical Association*	1,185	A representative sample of children ages 9, 11 or 13 in 1993 living in North Carolina	Great Smoky Mountains Study of Youth - longitudinal survey begun in 1993	• Cash transfers from the casino income	• Prevalence of adult psychiatric disorders and substance use disorders	• The study found that significantly fewer of the Native American adults (treatment group) had psychiatric disorders compared to the control group (non-Native Americans). Effects were greatest for the youngest cohort, who had been exposed to the income transfer for the most years.
Permanent fund dividends and poverty in Alaska	Bearman, M. & Reamey, R.	2016	Institute of Social and Economic Research, University of Alaska, Anchorage	14,000 Alaska households in 2000 and 10,300 households in 1990	Alaska households	Alaska PUMS data sets from the Census Bureau for the 1990 and 2000 US Census Long-Form Surveys well as for the ACS for all years available (2005 through 2015).	• Alaska Permanent Fund Dividend cash transfer	• Poverty rates among Alaskan residents	• The estimates found that the dividend had reduced poverty rates in Alaska by 2.3 percentage points over the previous 5 years - 25 percent more people would have fallen below the poverty threshold without the dividend, and 28 percent of rural Alaska Native individuals would have been in poverty (compared to 22 percent with it). The authors also estimated that the dividend reduces the number of children living below the poverty threshold by more than one third.
Earnings requirements, benefit values, and child poverty under the child tax credit: Eliminating the earnings requirement does more to impact child poverty than increasing benefit levels	Collyer, S., Wimer, C., & Harris, D.	2019	Columbia University Center on Poverty and Social Policy	Not stated	Households in the Current Population Survey	2018 data from the Current Population Survey Annual Social and Economic Supplement	• Modifications to the child tax credit to resemble a child allowance	• Child poverty and deep poverty rates in the US	• The authors found that increasing the value of the child tax credit to the levels proposed in the American Family Act, and eliminating the minimum earnings requirement, could move 4 million children out of poverty and move 1.6 million children out of deep poverty. The study found that eliminating the minimum earnings requirement would have a greater impact on poverty than increasing the credit amounts.
A roadmap to reducing child poverty	National Academies of Sciences, Engineering, and Medicine	2019	National Academies of Sciences, Engineering, and Medicine	Not stated	Varied for each simulation	Current Population Survey data, 1976-2016	• Various anti-poverty policies aimed at families with children. In particular, the child allowance policies simulated were of $2,000 or $3,000 per year.	• Child poverty rates	• 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 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.