Mid-month Income Supplements Improve Couples' Relationships

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Goals of the study

To analyze the effects of the timing of disbursement of an income supplement on intra-family relationships, specifically between the mother, her partner, and her child.

RQ: Compared with participants who receive the cash gift at the beginning of the month, do other participants:

- *Report better quality relationships with their partners?*
- *Report higher levels of parent-child activities?*

Background

Evidence that timing of cash disbursement matters:

- Higher consumption and expenditures after receiving Social Security check (Stephens ,2003)
- Higher caloric intake after receiving SNAP benefit (Shapiro, 2005)
- Differential test scores and disciplinary incidents by timing of SNAP within a month (Gassman-Pines and Bellows, 2018; Gennetian et al, 2016)

Evidence that supports the "instrumental violence" hypothesis (income creates conflict, violence as an instrument to gain control over resources):

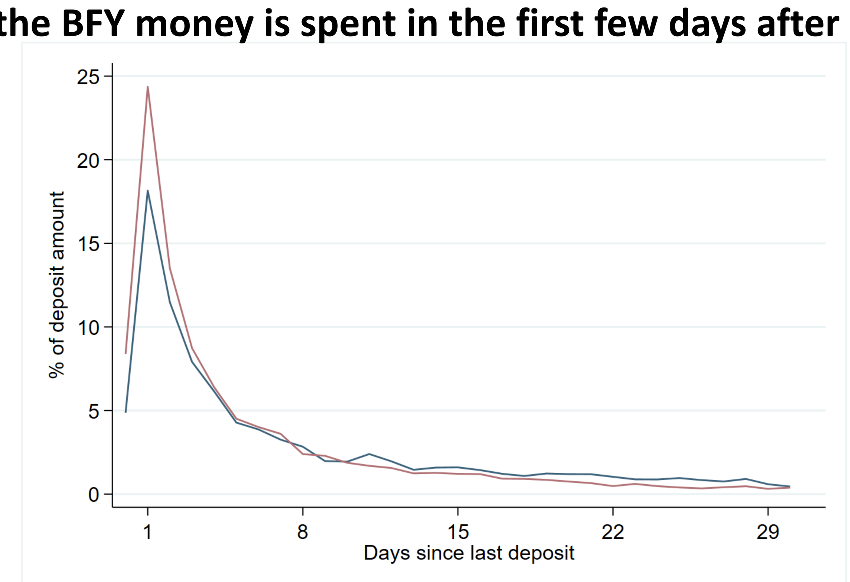
- More reports of domestic violence after SNAP schedule changed in Illinois (Carr and Packman, 2020)
- Causal relationship between timing being close to TANF payments and violence against women (Hsu, 2016)

Context of this study: Baby's First Years (BFY)

Baby's First Years (BFY) is an on-going RCT that studies the causal effect of a monthly, unconditional cash gift to low-income mothers in the first three years of the child's life.

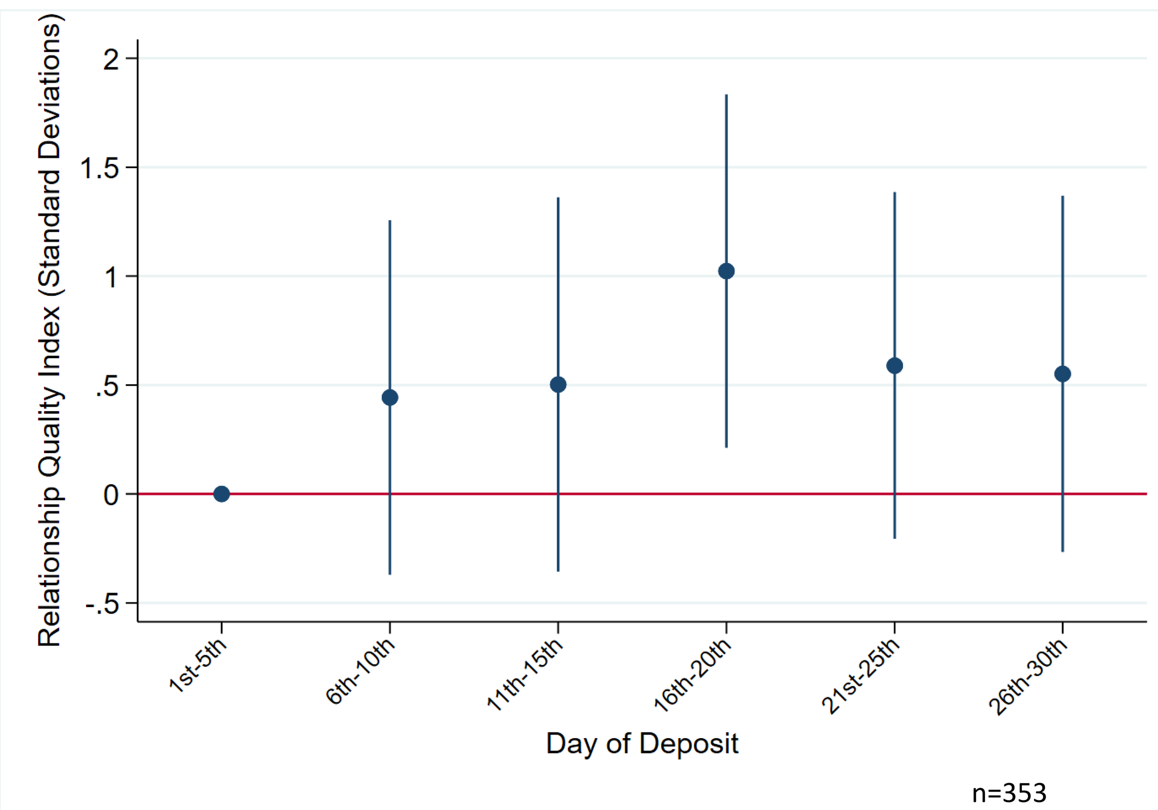
- 1000 participants recruited in hospitals and randomly assigned to a low cash gift ($20/month) or a high cash gift ($333/month).
- Gift deposited monthly on the evening before the day of the baby's birthday.

Most of the BFY money is spent in the first few days after disbursement

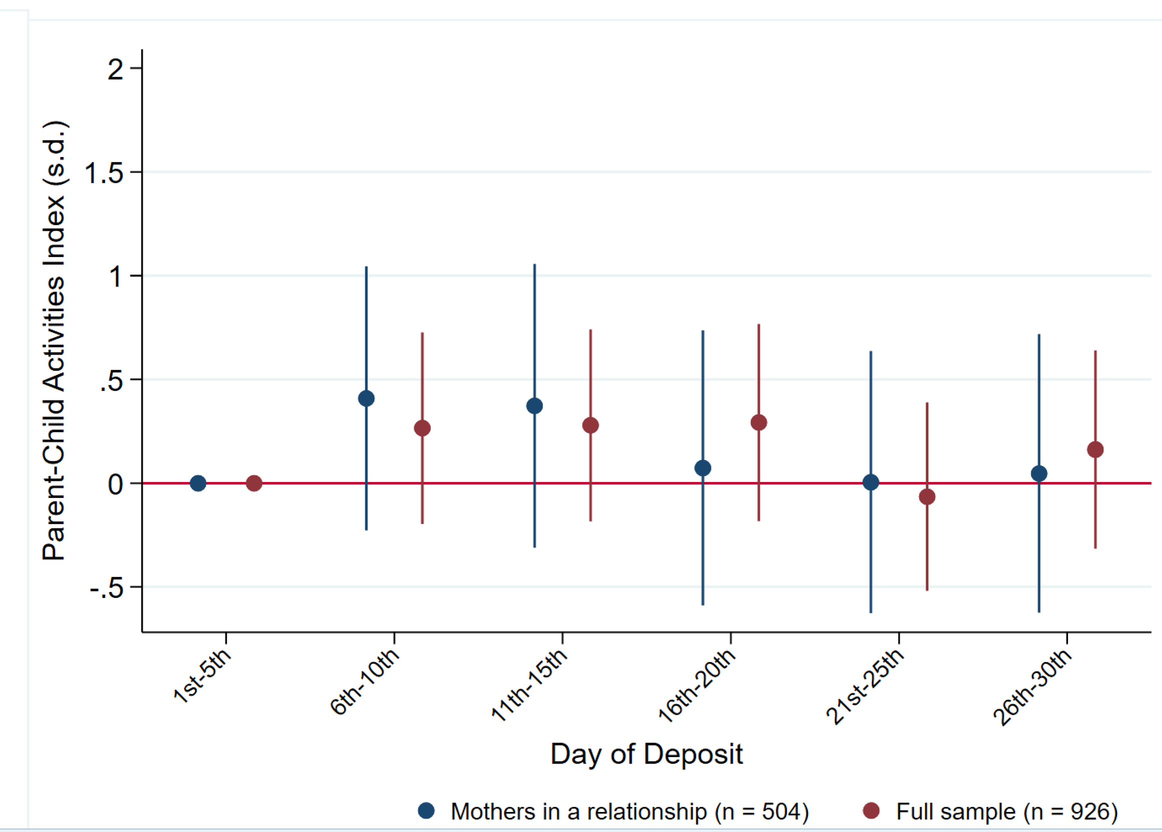


Results

$333 BFY gift deposit in the middle of the month improves relationship quality:



No effects on parent-child activities:



Snapshot from the Qualitative Study

Mom is 26 and lives with her three children and her partner in New Orleans. Other sources of income in the household include Social Security check (received 1st day of the month), SNAP, and partner's part-time job.

- Like I see coming 13 we probably are broke, because then the first check is gone probably around the 4th, the 3rd or the 4th if we hold --could hold on to it. (…). Like it just seemed like that money (*BFY*) always come when we're at our lowest, so. (…) It just be like weight be lifted off my shoulders, because knowing that I'd be here stressing like how I'm going to get it done, how I'm going to do it. And it'd be like so much weight lifted off my shoulders. So much weight lifted off my shoulders, like a lot.

(…) And does anybody else give any input in terms of how you spend the Baby's First Years money?

- No, because nobody know we get it besides *(partner's name)*. I mean, you know, he's okay with us with how I spend money because I don't spend it on unnecessary things. He's okay with my spending as long as he knows it's for things that we need, you know.

Do you all discuss finances?

- We do, we do. I mean, that's a big issue. It's not an issue, like I'm not going to say it's an issue but that's something we always talk about.

Methods

Sample considerations:

- Sensitive questions were asked using audio-enhanced, computer-assisted self-interviewing (Audio-CASI). In March 2020, data collection transitioned to phone interviews, and did not include Audio-CASI questions. Items about relationship with partner and other sensitive issues have a smaller sample size.

Main specification:

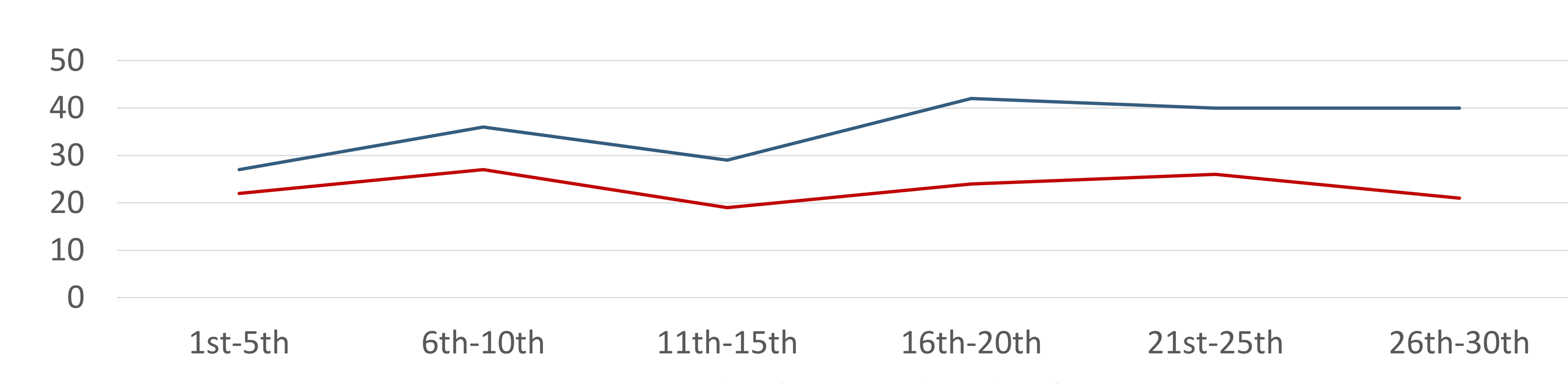
$$Y_i = \beta_0 + \beta_1 Deposit\ in\ days\ [i\ j]_i + \beta_2 Treated_i + \beta_3 (Treated\ * Deposit\ in\ days[i\ j])_i + X_i + Site_i + \varepsilon_i$$

where *Deposit in days [i j]* are dummy variables for receiving the cash gift in a given 5-day interval, *Treated* is a dummy for being in the high cash gift group, *Treated * Deposit in days [i j]* are interaction terms, *X* are baseline covariates, and *Site* are dummies for three of the four sites where the study is conducted. **β_3 are the coefficients of interest.**

Identification assumption: In the absence of the cash gift, the high cash gift group would have a variation throughout the month that is similar to the low cash gift group.

Both the treatment assignment and the day of deposit are random by design, but this model adds another layer of control.

Frequency distribution of participants by day of deposit
(Analytic sample of moms in a relationship and in-person interview, n = 353)



Next steps

Robustness checks:

- Are the results sensitive to covariates?
- Are the results sensitive to methodological decisions regarding the intervals of days?
  - Length of the interval: 5 days vs. 3 days or 7 days.
  - Day when the interval starts: 1st vs 3rd day of the month.

Intensive vs. extensive margin:

- DiD assumption: the timing of a $20 deposit wouldn't have an effect (control). Need to explore the possibility that even receiving $20 could also affect intra-family relationships.

Mechanisms:

- What can be driving the results? (financial worry, environment at home, alcohol consumption, etc.).

Interpretation of results:

- What are the policy implications?
- How are these results different/similar to Carr and Packham and Hsu's findings?

References

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Acknowledgments

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