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:

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:
\[ Y_i = \beta_0 + \beta_1 \text{Deposit in days } i + \beta_2 \text{Treated}_i + \beta_3 \text{Treated} \times \text{Deposit in days } i + \epsilon_i \]
where Deposit in days is a dummy variable for receiving the cash gift in a given 5-day interval, Treated is a dummy for being in the high cash gift group, Treated \times Deposit in days is an interaction term, X are baseline covariates, and S are dummies for three of the four sites where the study is conducted. \[\beta_3\] 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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