

# Regular Monthly Cash Gifts in the Baby's First Years Study: Program Design and Families' Experiences

## THE BABY'S FIRST YEARS STUDY

Baby's First Years (BFY) is a randomized control study designed to identify the causal impact of a poverty reduction intervention on early childhood development. One thousand mothers with incomes at or near the official federal poverty line and their newborns were recruited from 12 hospitals in four ethnically and geographically diverse U.S. communities in 2018 and 2019.



Families were randomized to receive a high-cash (\$333/month) or low-cash (\$20/month) gift for the first several years of their child's life, with payments beginning right after birth. The BFY cash gift is automatically deposited each month to a debit card on the day of the child's birth. More about the study, pre-registration of measures, and analyses can be found [here](#).



## OVERVIEW

Currently many communities across the United States are considering or piloting programs that provide some level of unconditional cash support to people (see table 1). In 2021, many families with children were also eligible for a type of unconditional cash support via a temporary expansion of the existing child tax credit by the federal government. This expansion of the child tax credit was in the form of monthly cash payments to families many of whom had not been previously eligible, or who had previously received the child tax credit but only as an annual lump sum. Although there is high interest in such programs, there are limited unconditional cash or income support programs within the U.S. from which to draw lessons about program design and implementation. How families use and experience unconditional cash programs may depend on how money is provided and who provides it.

## BFY DESIGN FEATURES

In the Baby's First Years (BFY) study families receive a monthly unconditional cash gift. The study offers insights on design and implementation. Data from BFY tell us about recipients' ease of receipt and use of cash gifts. The BFY cash gift comes from philanthropic sources and does not require recipients to complete certain tasks or behaviors as a condition of receipt (i.e., it is "unconditional"). Families started receiving the cash gift in 2018 and will be receiving it for 76 months through 2024. Mothers are trusted to be the best decision makers on how to spend the money to meet their and their children's needs. While the cash is unconditional and mothers are not given any guidance on how to use or spend the money, the cash gift experience is intertwined with the broader child development focus of the study. The specific design and messaging of the BFY cash gift also centers the child who was born at the time when cash gift receipt started. For example, mothers are told "The [cash] gift is coming from charitable foundations that want to help support families with new babies" and the BFY debit cards include the phrase "4 My Baby" on them.

The BFY cash gift was designed with features to make it easy-to-receive and user-friendly. The intention of these features was to make it more likely that families can and will utilize the BFY cash gift money. The BFY cash gift is:

- Frequent cash that is distributed predictably every month on the date of the child's birthday (e.g., the 23rd of every month for a child born on October 23) with a text message reminder.
- Automatically activated at the time of the child's birth.
- Distributed on a debit card that is widely accepted and allows ATM cash withdrawals as well as in-store and online transactions.
- Color coded green and co-branded as "4 My Baby," distinct from other electronic benefit cards on which families might receive government benefits.
- Supported by a customer service line in English and Spanish.

## KEY FINDINGS

Over the first 36 months of high-cash gift disbursement (totaling approximately \$12,000 among BFY high-cash gift families), nearly all families used the BFY cash gift debit card at least once and few families reported any problems using the debit card. Over these 36 months, 4MyBaby debit card transactions among high-cash gift recipients averaged:

- \$3,900 in direct cash withdrawals from ATMs.
- \$8,100 in in-store/online point of sale transactions or purchases (representing 68% of total high-cash gift disbursement over the first 36 months).
- One third of these in-store/online point of sales transactions can be traced to food specific venues.

## BABY'S FIRST YEARS HIGH CASH GIFT MONEY TRANSACTIONS

(over 36 months)



### \$ CASH

Nearly all families used the BFY cash gift debit card at least once. Families averaged \$3,900 in direct cash withdrawals from ATMs.

### IN-STORE/ONLINE PURCHASES

Families spent \$8,100 on in-store or online transactions or purchases.

### IN-STORE/ONLINE FOOD

1/3 of in-store/online transactions or purchases were food related.

For more details on how families spent their BFY cash gift, see [Regular, Monthly Unconditional Cash Gift Increases Families' Investments in Young Children](#).

## FAMILIES' VIEWS OF BFY

The cash gift was greatly appreciated by mothers, described by some as a "blessing." In particular, mothers appreciated receiving the same amount of money on a set day each month. Mothers were aware of the day they received their gift each month. Some reported feeling relief when they received their first cash gift and others spoke about the benefits of its regularity.

*"I could have just cried because it was a total relief... We got food, a lot of food... [I]t just seemed like that money always come when we're at our lowest... It just be like a weight be lifted off my shoulders."*

—Mother in the high-cash gift group

*"I'm still struggling with bills... [B]ut... at my worst-most times when I was just like down and out with nothing, I was able to get this money."*

—Mother in the low-cash gift group

In interviews, mothers discussed how their spending of the BFY cash gift money was oriented around their children. Many mothers described the BFY monthly cash gift as “the baby’s money,” whether it was spent directly on the child or used in other ways to support the child. This included spending on child-specific expenses like clothing, strollers, and diapers, as well as purchases they saw as improving their child’s broader environment, such as on cleaning supplies.

“*I feel like that’s my baby’s money for the month. I make sure she gets her Pampers and wipes, everything she needs out of it.*”  
— Mother in the high-cash gift group

“*It’s for the baby, so it’s for her. So, I just spend it only on her... I mean it’s just \$20.... Whatever; it helps.*”  
— Mother in the low-cash gift group

BFY mothers also talked about being discreet in telling others about it. Some told the BFY child’s father or another family member. Many BFY mothers said they did not talk about the BFY cash gift often or seek advice about how to use or spend it. Another mother in the high-cash gift group mother shared that while her child’s father knew about BFY, she generally didn’t talk about BFY “[b]ecause my family just nosy and I don’t like them all in my business....when people know you have stuff, they [want] more from you....you already be giving them enough, and then they know you have some extra, they want more....so, I just keep my business to myself.”

For more details on how families experienced the BFY cash gift, see [Monthly Unconditional Income Supplements Starting at Birth](#).

## TAKEAWAYS

The design and delivery of cash transfers and similar programs matter for how families experience and use these programs and how well the program can reach eligible populations.<sup>1</sup> BFY’s key features are that the cash gift is predictable, unconditional, automatically activated right after the child’s birth, and available on a widely accepted debit card. The BFY cash gift design emphasizes ease of access and use. Nearly all BFY mothers received the monthly cash gift as intended with few problems. Mothers receiving the high-cash gift (\$333/month) were able to invest more in their young children. BFY high-cash gift families used the BFY money in many ways, including more money spent on child-specific goods like books and toys for the first three years of the BFY child’s life. The BFY cash gift design provides an example of how cash transfers can be delivered in a way that can center families and entrust them with using the money as they see fit to support their families.



<sup>1</sup> Gennetian, L.A., E. Shafir, J.L. Aber, and J. de Hoop (2021). Behavioral insights into cash transfers to families with children. *Behavioral Science & Policy* 7(1): 71-92.

**Table1: Examples of Policies, and Programs that Provide Income Support in the U.S.**

TERM	DEFINITION	PROGRAM/ POLICY	CONDITIONAL/ UNCONDITIONAL	IN-KIND/ CASH	UNIVERSAL/ TARGETED	SELECTED FEATURES
<b>Universal basic income</b>	An income floor as a human right; the provision of an income supplement regardless of existing income	The Alaska Permanent Fund	Unconditional	Cash	Universal	Varies
<b>Guaranteed income</b>	Regular, unconditional cash allotments intended to supplement existing programs or services	Mayors for Guaranteed Income Pilots	Unconditional	Cash	Targeted	Varies (typically monthly, preset amount, and time limited)
<b>Direct income support</b>	Cash assistance to qualifying families based on income and meeting certain other requirements	Temporary Assistance for Needy Families	Conditional	Cash	Targeted, means tested	Varies by family size, relationships of household members, earnings
<b>Indirect income support</b>	In-kind government assistance to subsidize goods or services, such as food, housing and health care	Supplemental Nutrition Assistance Program	Conditional	In-kind	Targeted, means tested	Varies by family size, relationships of household members, existing income
<b>Tax credits</b>	Money granted to reduce one's tax obligations. Conditioned on earnings, presence of qualifying children, etc.	Earned Income Tax Credit, Child Tax Credit; 2021 expanded Child Tax Credit	Both	Cash	Both	Lump sum, direct deposit/check, typically once a year

### ADDITIONAL REFERENCES

Gennetian, L.A., S. Halpern-Meekin, L. Meyer, N. Fox, K. Magnuson, K. G. Noble, H. Yoshikawa (2023). Cash to U.S. families at scale: Behavioral insights on implementation from the Baby's First Years Study. [www.babysfirstyears.com/files/ugd/88a466\\_d7e869d2ed0640d3881ccb6c6bfff83fe.pdf](http://www.babysfirstyears.com/files/ugd/88a466_d7e869d2ed0640d3881ccb6c6bfff83fe.pdf). In D. Soman, J. Zhao, and S. Datta (Eds.), Using Cash Transfers to Build an Inclusive Society: A Behaviorally Informed Approach. Toronto: University of Toronto Press. Available at: <https://www.biorgpartnership.com/books>. For a two minute video clip, see <https://www.youtube.com/watch?v=QbPuz8JU2uc&list=PLG8y1Bk481eknlWkwSffbhlGptXff7ESn&index=3>

Halpern-Meekin, S., Gennetian, L. A., Hoiting, J., Stilwell, L., & Meyer, L. (2024). Monthly unconditional income supplements starting at birth: Experiences among mothers of young children with low incomes in the U.S.. Journal of Policy Analysis and Management, 1–28. <https://doi.org/10.1002/pam.22571> [PDF]