Studying the Effects of a Generous Welfare Program for Disadvantaged Families

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Nasp & CCA Workshop
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Where did the (initial) idea come from

- We were asked to provide an evaluation of a program called “Accoglienza Orientamento Sostegno”
- The program is financed and managed by Ufficio Pio, a philanthropic institution in the city of Turin
- The program is targeted to very disadvantaged families with children
- It used to provide a cash transfer (2,500€-3,500€) and the possibility of attending courses
- The program had been repeated every year for about twenty years
Outline

- Preparation (2015)
- Implementation of the program (2016)
- Data collection (2017)
- First analyses (2018)
- Presentations to workshops and conferences (analyses and writing), and submission to journals (2019-2021)
1. Preparation

- Meetings with Ufficio Pio on
  - The evaluation method
  - The intervention itself
  - Some organizational issues
The evaluation method

- The aim was to estimate the **causal impact** of the program
- Ideally, we would like to compare the outcomes of a family who participate in the program with the outcomes of the **same family** in case it does not participate
  - Not possible!
- We need to have a **counterfactual**: families – who do not participate in the program (control group) – similar to the ones who participate (treatment group)
  - Somewhat risky...
The evaluation method (2)

- Suppose the control group is **less in need** than the treatment group
  - We can estimate **negative** effects of the program!

- Suppose the control group is **more in need** than the treatment group
  - We can estimate **larger positive** effects of the program!

- The problem is in the **self-selection** in the program (based on unobservables)

- The best way is to **randomize**: among the potential participants, divide randomly between treated and control families (observable and unobservable characteristics balanced across the two groups)
The evaluation method (3)

- Randomization is difficult to implement:
  - Fear that there will be no effect
    - Risk of estimating negative effects
    - Questionnaires with “good” questions
  - Ethical considerations
    - Sense of discomfort in allowing less needy families to enter
    - Importance of measuring the causal effect of the program
    - Access to the program for control families at the end of the evaluation, if still in need
    - Ethical Committee
The evaluation method (4)

- Randomization is not only more robust methodologically, but also easier for data collection
  - You do not have to look for the control group (privacy)
  - You have the personal contacts (privacy)
  - You can give some incentives to answer the questions

- Important to remember
  - RCT need to be registered (AEA RCT Registry https://www.socialscienceregistry.org/)
The intervention itself

- Disadvantaged families (ISEE < 7,000€), with young children
- Cash transfer: 2,500-3,500€ (number of household members)
- Possibility of attending courses
  - Endogenous
  - If adults attending courses have better outcomes than the ones who do not attend them
    - Courses? Ability or motivation?
The intervention itself (2)

- We proposed to randomized into three groups
  - One treated group who receives the cash transfer only if attends the courses (conditional cash transfer group – CCT)
  - One treated group who receives the cash transfer without the possibility of attending courses (unconditional cash transfer group – UCT)
  - One control group (CG)

[idea supported by the literature]
The intervention itself (3)

- The courses were already established
  - Job seeking
  - Reconciliation of work and family
  - Parenting skills
  - Use of money
The intervention itself (4)

- Pairs of courses were **assigned** (instead of **chosen**):
  - Reconciliation of work and family + use of money
    - At least one unemployed adult, difficulties in reconciling
  - Job-seeking + parenting
    - At least one unemployed, no difficulties in reconciling cited
  - Parenting + use of money
    - No unemployment
2. Implementation of the program

- We would have expected
  - An announcement of the program
  - A window of time in which families apply
  - The selection of 1,500 families more in need (instead of the usual 1,000)
  - The randomization into three groups
Implementation of the program (2)

- But the institution used to work in a continuous way
  - The window of time for application is long (8 months)
  - Admission of the families happens every two weeks
  - Families meet social workers
  - Families participate in the courses

- From April 2016 to December 2016, for 16 times, every 2 weeks,
  - Ufficio Pio provided the names of the 90 families more in need in that moment
  - CCA randomized them
  - Ufficio Pio contacted the 60 families to include in the program
Implementation of the program (3)

- N families apply
- Randomization: 90 families assigned to the CCT, UCT, or CG
- Families in the CCT or UCT receive the first installment of the cash transfer

March 2016

April 2016

July 2016

- Families in the CCT attend the first course
- Families in the CCT or UCT receive the second installment of the cash transfer

October 2016

- Families in the CCT attend the second course
- Families in the CCT or UCT receive the third installment of the cash transfer

April 2017

- Survey (12 months)
The courses

- Each course was made by five two-hour meetings, or by four three-hour meetings
- Only one family member was required to participate in the meetings
- S/he can skip at most one meeting
- The course instructors was helped by translators assisting individuals with imperfect knowledge of the Italian language
The course on **job-seeking** aims to enhance participants' labor market opportunities in two main ways:

- **First**, the course has the objective to provide participants with information on how to find suitable job opportunities, with appropriate CV.

- **Second**, the course aims to improve participants' labor market opportunities by fostering their ability to recognize, evaluate, and improve their own individual skills and competencies.
The courses (3)

- The course on **work-family reconciliation** aims to provide families with useful information on how to reconcile work and family tasks.

- The idea is to provide participants with basic information on services offered by the city, e.g. formal childcare, potentially reducing time devoted to family tasks.

- And to make them think how to construct a network of parents and friends in case of (reciprocal) need.

- At the same time, participants are given information on how to find suitable job opportunities, how to write their CV,...
The courses (4)

- The course in **parenting skills** was dedicated to parents and their children: at the same time, parents and children were involved in parallel activities on the same topics.

- The meetings were held in part by psychologists, in part by doctors.

- The aim was to talk with parents of different ethnic and cultural backgrounds on several topics relating to the challenging task of being parents and to provide information about healthy nutrition.
The courses (5)

- A fourth course regards the use of money, as part of the process of supporting the family, to help improve their family budgeting.
- The course aims to raise awareness within families about using money to improve their living conditions.
- The training program involves the following themes: analyzing the dynamics that lead to debt, use of a financial diary, learning to manage the resources owned, making a household budget.
3. The data collection

- Interviews were carried out between April and December 2017 - about **12 months after** the (non) admission into the program
- They were carried out by University **students** (in Economics & Statistics) together with cultural mediators (in case of language difficulties)
- Families were first contacted with a **letter**, then they received a phone-call
The data collection (2)

- The interview was carried out at home or at another place chosen by the family.
- The interviewed person was the mother of the youngest child in the household.

✓ Response rates are:
  ✓ 76% CCT group
  ✓ 78% UCT group
  ✓ 74% Control group (100€ voucher given as an incentive)

✓ Final sample: 1,155 families
The data collection (3)

- Work
- Job-seeking activities
- Financial difficulties
- Savings
- Consumption
- Eating habits
- Child-parent relationship
- Use of time
4. First analyses

- Balance of the pre-intervention characteristics
  - Before the intervention (at the time of randomization)
  - After the intervention (at the time of the interview)

- Non-response
  - Natives less likely to answer the questionnaire
## Balance at the randomization

<table>
<thead>
<tr>
<th></th>
<th>CCT group</th>
<th>UCT group</th>
<th>Control group</th>
</tr>
</thead>
<tbody>
<tr>
<td>In a couple</td>
<td>0,675</td>
<td>0,644</td>
<td>0,639</td>
</tr>
<tr>
<td>Mother's age</td>
<td>34,9</td>
<td>35,0</td>
<td>35,2</td>
</tr>
<tr>
<td>Father's age</td>
<td>41,6</td>
<td>41,5</td>
<td>41,2</td>
</tr>
<tr>
<td>Mother's secondary education</td>
<td>0,403</td>
<td>0,385</td>
<td>0,382</td>
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<tr>
<td>Mother's education in Italy</td>
<td>0,352</td>
<td>0,371</td>
<td>0,341</td>
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<tr>
<td>Father's secondary education</td>
<td>0,422</td>
<td>0,411</td>
<td>0,388</td>
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<tr>
<td>Father's education in Italy</td>
<td>0,256</td>
<td>0,297</td>
<td>0,295</td>
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<tr>
<td>In a couple, both work</td>
<td>0,025</td>
<td>0,032</td>
<td>0,030</td>
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<tr>
<td>In a couple, one works</td>
<td>0,475</td>
<td>0,443</td>
<td>0,450</td>
</tr>
<tr>
<td>In a couple, no work</td>
<td>0,500</td>
<td>0,525</td>
<td>0,520</td>
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<tr>
<td>Single parent works</td>
<td>0,260</td>
<td>0,242</td>
<td>0,314</td>
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<tr>
<td>Number of children</td>
<td>2,09</td>
<td>2,13</td>
<td>2,06</td>
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<tr>
<td>Age of the youngest child</td>
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<tr>
<td>Father in good health</td>
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<td>0,452</td>
<td>0,452</td>
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<tr>
<td>Mother in good health</td>
<td>0,582</td>
<td>0,560</td>
<td>0,590</td>
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<tr>
<td>No Italian citizenship</td>
<td>0,715</td>
<td>0,734</td>
<td>0,699</td>
</tr>
<tr>
<td>ISEE (Equivalent economic indicator)</td>
<td>893</td>
<td>908</td>
<td>956</td>
</tr>
</tbody>
</table>
# Balance at the interview

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</tr>
</thead>
<tbody>
<tr>
<td>In a couple</td>
<td>0.662</td>
<td>0.649</td>
<td>0.634</td>
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<tr>
<td>Mother's age</td>
<td>35.3</td>
<td>34.9</td>
<td>35.4</td>
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<tr>
<td>Father's age</td>
<td>41.7</td>
<td>41.1</td>
<td>41.3</td>
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<tr>
<td>Mother's secondary education</td>
<td>0.407</td>
<td>0.388</td>
<td>0.375</td>
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<td>Mother's education in Italy</td>
<td>0.360</td>
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<td>Father's secondary education</td>
<td>0.413</td>
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<td>Father's education in Italy</td>
<td>0.242</td>
<td>0.296</td>
<td>0.298</td>
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<tr>
<td>In a couple, both work</td>
<td>0.028</td>
<td>0.035</td>
<td>0.029</td>
</tr>
<tr>
<td>In a couple, one works</td>
<td>0.474</td>
<td>0.471</td>
<td>0.444</td>
</tr>
<tr>
<td>In a couple, no work</td>
<td>0.498</td>
<td>0.494</td>
<td>0.527</td>
</tr>
<tr>
<td>Single parent works</td>
<td>0.307</td>
<td>0.252</td>
<td>0.307</td>
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<tr>
<td>Number of children</td>
<td>2.02</td>
<td>2.09</td>
<td>2.06</td>
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<tr>
<td>Age of the youngest child</td>
<td>3.01</td>
<td>3.58[**]</td>
<td>3.36</td>
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<tr>
<td>Father in good health</td>
<td>0.398</td>
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<tr>
<td>Mother in good health</td>
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<td>0.562</td>
<td>0.609</td>
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Comparison - estimation

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<th>CG</th>
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<td>Excluded category</td>
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## Comparison - estimation

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<th>CG</th>
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<td>Test the difference</td>
<td>Excluded category</td>
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## Comparison - estimation

<table>
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<th>CCT</th>
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<th>CG</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>reconciliation + money</td>
<td>reconciliation + money</td>
<td>reconciliation + money</td>
</tr>
<tr>
<td></td>
<td>job-seeking + parenting</td>
<td>job-seeking + parenting</td>
<td>job-seeking + parenting</td>
</tr>
<tr>
<td></td>
<td>parenting + money</td>
<td>parenting + money</td>
<td>parenting + money</td>
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Test the difference

Excluded category
## Comparison - estimation

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Excluded category

Test the difference
## Outcomes

<table>
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<tr>
<th>Sample</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole sample (1,155 families)</td>
<td>Financial hardship Consumption Work</td>
</tr>
<tr>
<td>Families assigned to the JOB-SEEKING or RECONCILIATION courses (1,071 families)</td>
<td>Job-seeking activities Work</td>
</tr>
<tr>
<td>Families assigned to the USE OF MONEY course (553 families)</td>
<td>Financial difficulties and savings Expenditure diary</td>
</tr>
<tr>
<td>Families assigned to the PARENTING course (686 families)</td>
<td>Eating habits Child-parent relationship and use of time</td>
</tr>
</tbody>
</table>
## Summary results

<table>
<thead>
<tr>
<th>Sample</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole sample (1,155 families)</td>
<td>Financial hardship + Consumption + Work +</td>
</tr>
<tr>
<td>Families assigned to the JOB-SEEKING or RECONCILIATION courses</td>
<td>Job-seeking activities + Work +</td>
</tr>
<tr>
<td>(1,071 families)</td>
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<td>Eating habits + Child-parent relationship and use of time</td>
</tr>
</tbody>
</table>
Too much?!  

- We had too many results  
- In different areas of research  
- Results from “different” sub-samples  
- The paper was too long.....  
  - Not easy to present  
  - And very difficult to publish!
How to decide what to keep

- We decide to focus on the work dimension
  - Work
  - Financial wellbeing
  - Mechanisms

- Why?
  - Robust results
  - Families characterized by very low work attachment
  - 93% of the families took either the course in job-seeking or in reconciliation of family and work
## Work

<table>
<thead>
<tr>
<th></th>
<th>Mother</th>
<th>Father</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Work one hour (1) Days work (2) Hours work (3) Hourly wage (4) Regular contract (5)</td>
<td>Work one hour (6) Days work (7) Hours work (8) Hourly wage (9) Regular contract (10)</td>
</tr>
<tr>
<td>CCT</td>
<td>-0.02 (0.03) -0.05 (0.15) 0.03 (0.77) -0.45 (1.53) -0.03 (0.03)</td>
<td>0.08** (0.04) 0.47** (0.20) 4.55*** (1.61) -1.05 (1.37) 0.05 (0.04)</td>
</tr>
<tr>
<td>UCT</td>
<td>-0.02 (0.03) -0.08 (0.14) 0.19 (0.74) -0.04 (2.31) 0.00 (0.03)</td>
<td>0.02 (0.04) 0.03 (0.20) 0.36 (1.38) 0.53 (1.53) 0.02 (0.04)</td>
</tr>
<tr>
<td>Mean CG</td>
<td>0.30 (0.94) 1.10 (1.10) 4.48 (4.48) 9.10 (9.10) 0.17 (0.17)</td>
<td>0.56 (0.04) 2.36 (2.36) 13.29 (13.29) 9.56 (9.56) 0.35 (0.35)</td>
</tr>
<tr>
<td>p-value</td>
<td>0.94 (0.79) 0.79 (0.84) 0.84 (0.84) 0.81 (0.81) 0.28 (0.28)</td>
<td>0.09 (0.09) 0.02 (0.02) 0.01 (0.01) 0.26 (0.26) 0.37 (0.37)</td>
</tr>
<tr>
<td>(β\textsubscript{CCT} − β\textsubscript{UCT}) Observations</td>
<td>1071 1071 1070 219 1070</td>
<td>874 874 856 268 850</td>
</tr>
</tbody>
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## Work

<table>
<thead>
<tr>
<th></th>
<th>Mother</th>
<th></th>
<th></th>
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<th>Father</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Work</td>
<td>Days work</td>
<td>Hours work</td>
<td>Hourly wage</td>
<td>Regular contract</td>
<td>Work</td>
<td>Days work</td>
<td>Hours work</td>
<td>Hourly wage</td>
<td>Regular contract</td>
</tr>
<tr>
<td></td>
<td>one hour (1)</td>
<td></td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
<td>(8)</td>
<td>(9)</td>
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<tr>
<td>($\beta_{CCT} - \beta_{UCT}$)</td>
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<tr>
<td>Observations</td>
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<td>874</td>
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<td>856</td>
<td>268</td>
<td>850</td>
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### Work

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<thead>
<tr>
<th></th>
<th>Work one hour</th>
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<th>Hours work</th>
<th>Hourly wage</th>
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## Financial wellbeing

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## Mechanisms: courses

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<th>Prof. course</th>
<th>Look for job</th>
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Mechanisms: network

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One question from the audience: positive response bias

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One question from the referee: multiple hypothesis testing

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<tr>
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<td>Worried future</td>
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One question from the referee: multiple hypothesis testing

<table>
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<th>Family Improved conditions (3)</th>
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<tr>
<td>Observations</td>
<td>1071</td>
<td>874</td>
<td>1051</td>
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One question from the referee: randomization inference

As a further check, we have performed randomization inference and permutation tests as described in He& (2017). P-values obtained through 500 replications mimic those in the tables. Given this similarity, we do not report randomization p-values in the tables.
In the last few decades, the majority of programs targeted to reduce poverty have taken the form of unconditional cash transfers.

Although these programs have helped to reduce poverty in low-income families in the short-term, their long-term effects are more mixed (Fernald, 2013).

Recent literature has shown that a more effective way to reduce the persistence of poverty is to link income support to “productive” behaviors, such as investments in human and physical capital.

Disadvantaged families are also often uninformed of the returns of these investments (Cunha et al., 2013).
In lower- and middle-income countries, the “conditions" potentially benefit the children in the household and usually involve education and health services (Attanasio et al., 2012; Attanasio et al., 2015; Behrman et al., 2011; Behrman et al., 2012)

Fiszbein and Schady (2009), Baird et al. (2011), and Baird et al. (2014) show that the effectiveness of a particular CCT depends on several characteristics of the program design and the target groups

CCT programs appear more effective in contexts in which school enrollment and health center attendance requirements are relatively low and where services are easily available and of higher quality (Saavedra and Garcia, 2017)

CCT programs appear to have longer-term effects on educational and health outcomes than UCTs (Baez and Camacho, 2011; Macours et al., 2012)
Only very recently have CCTs been implemented in high-income countries where the economic situation of families with children, especially minorities and immigrants, has worsened since the 2007 economic crisis.

In these contexts, where the large majority of families already use educational and health services, CCT programs are designed to provide more-accessible information concerning education and health services and their impacts on child outcomes to incentivize a better use of resources.

Family Rewards in New York City was the first CCT program to be implemented and evaluated in the United States. Designed for low-income families, to support children's educational efforts and achievements, family preventive health care practices, and parents‘ employment (Aber and Rawlings, 2011; Miller et al., 2015)
Conclusions

- Happy about the publication
- Happy about the policy implications
- Happy about the process