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# IMPROVING CHILD POVERTY THROUGH UNCONDITIONAL CASH ALLOWANCES

A research brief from the nation's largest  
cash allowance program for mothers  
and infants

**THE BRIDGE  
PROJECT**

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# Significant research already exists around the importance of the earliest days of life and the effectiveness of cash allowances

## The US leads other high-income nations in child poverty rates

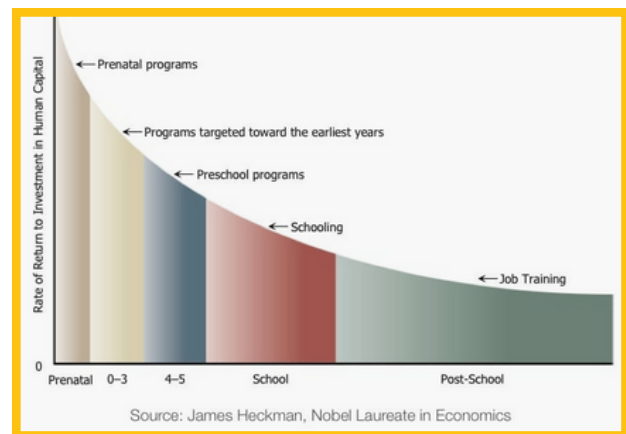
In the US in 2022, 1 in 5 children live in poverty, representing the highest rate among high-income countries.

Children born and raised in poverty are exposed to compromised brain development and physical growth, poor living standards, psychological distress, and lack economic prospects in their adulthood (Weissman et al, UNICEF, 2023).

## Previous studies have highlighted the positive effect of a cash allowance on both the mother and child

## Early investments really, really matter

The earlier the investment, the higher the Return on Investment ("ROI") (Heckman Curve, James Heckman Nobel-prize winning economist); yet the US invests the least during these formative years.



- Improved health of infant: The Manitoba Study (Canada, 2010) demonstrated the positive effect of cash on low birth weight, preterm, small and large gestational age, and neonatal readmission
- Improved infant brain activity: Baby's First Years Study found improved brain activity in babies receiving unconditional cash which they attribute to a decrease in maternal stress (Noble et al, 2022)
- Improved maternal mental health: In the Okeke et al study, mothers had a 24% lower probability of experiencing post-partum depression compared to the control group (Okeke, 2021)
- Improved long term educational attainment: Kids whose families received the earned income tax credit (EITC) are significantly more likely to stay in school longer, more likely to enroll in college and more likely to stay there (various studies including Maxfield, Michelmore, Milligan and Stabile). For every \$1000 a family receives in tax credits, students' test scores improve by 6% (Chetty, et al)
- Improved long term earning potential: In families with incomes boosted by \$250/month through the EITC, children under five go on to earn 17% more each year than kids from families with no boost (Marr, et al)
- Strong ROI: Columbia University found that if made permanent, the Expanded Child Tax Credit would generate 10x the revenue that it cost (Wimer, et al 2022)

# Cash allowances build more stable households, healthier babies, and stronger communities

*Quantitative results from The Bridge Project*

## Cohort 1 Findings

### 100 mothers in treatment group

University of Pennsylvania's Center for Guaranteed Income is conducting an RCT on our first cohort. Early results include:

#### Increased savings

- Savings increased by 242% for the group receiving \$1000/month while it decreased by 23% for the control group
- The ability to pay \$400 for an emergency increased by 13% for the \$1000/month group while it decreased by 29% for the control group

#### Improved stability in the home at 18 months

- Both the CHAOS scores and HARMONY scores (clinical scales) show improvement for the treatment vs the control group

#### Increased ability to access outside childcare

- 63% increase in accessing childcare for recipients, while the control group remained roughly the same

## Cohort 2 Findings

### 500 mothers in treatment group

For Cohort 2 onwards, we are conducting our own research in-house. Results after 12 months of payments include:

#### Improved housing security

- 63% of mothers living in transitional housing had moved to more permanent housing

#### Improved food security

- 53% increase in food security

#### Improved ability to meet day-to-day needs.

- 46% of the cash was used for baby expenses (diapers, formula, cribs, strollers)
- 20% used to pay bills
- 13% used for other expenses
- Remainder was used to pay down debt, increase savings, etc.

#### Increased sense of purpose

- 73% reported that this cash helped them find a purpose in life

### Demographics of Cohort 2 Mothers

85% Black or mixed-race; 56% identified as Hispanic  
32% first time moms  
48% single moms  
Average household income at time of enrollment: \$15,520/year

At time of enrollment, families were facing significant material hardship, increasing household stress levels:

78% couldn't afford daily expenses  
63% had less than \$100 in savings  
30% were living in transitional housing  
63% did not have enough to eat every day

## Cohort 3 Early Findings

### 400 mothers in treatment group

#### Addition of a \$1,500 prenatal stipend

- 92% felt behind on expenses prior to joining the program
- 97% felt the stipend helped them catch up on their bills to some extent
- 89% felt either fully or mostly secure & prepared financially for their baby as a result of the stipend
- 88% reported that their stress levels have decreased as a result of the stipend

# Cash allowances empower moms in their short and long-term decisions

*Qualitative results from The Bridge Project*

**“Room to Breathe”** Cash allowances alleviate the burden of making ends meet and increase moms’ ability to focus more on their child’s well-being, and provide for their babies, setting them up for a better start in life.

- “What has been more important about the Bridge Project program for me is being able to support my child and giving her anything she needs and not having to struggle because now I am receiving additional income. It has had a big impact on my life because I can save and pay my debt.” - First-time mom, living with a partner, employed.
- “This program has been a safety net for these hard times. It has allowed me to pay and buy much-needed things for my son.” - First-time mom, divorced, employed.

**“The Power to Choose”** With the addition of a cash allowance, mothers have a newfound ability to decide whether to stay home longer or return to the workforce on their terms, without any guilt. When returning to the workforce, they can avoid extra shifts and afford childcare for their baby. Moms shared that program did not only provide them money—but time. Those staying longer at home had more time to recover, breastfeed, bond, and enjoy quality time with their babies. They also have more leverage to look for jobs and return to or continue school.

- 95% of participants reported that the monthly allowance guided their choice to return to work immediately or to spend more time with their baby.
- “I have been able to breastfeed for over a year because I could stay home to care for my baby. With my first child, I was so stressed I had to go back to work that I couldn’t breastfeed for too long.” - Mom of 3, married, employed.
- “Being able to spend time with my children guilt-free of missing work and having the security of knowing there are funds saved in case of emergency or baby necessities are readily at hand.” - Mom of 2, single, employed.

**“Getting back on their feet”** Cash allowances offer mothers the ability to save, acquire new training leading to higher income, secure new jobs, or create safer environments for their children by planning to buy a house. As they explained, financial support can help mothers get back on their feet, strive, and plan a better future for their children.

- “This program allowed me to stay home during the week to study, take care of my baby, and go to nursing school during the weekend. I am almost done and hope to make better money in the future. It was a massive blessing. - First-time mom, single, unemployed. ”
- “It [Bridge project] has impacted my child’s future because I was able to save and not struggle daily.” -Mom of 3, single, employed.
- “I came from not working for 2 years, with no plan to prepare for my baby to be a full-time working mom who has slowly gotten back on her feet. It was an adventurous journey. Just want to continue to strive in all areas of life and better myself daily. -First-time mom, single, employed.



# Conclusion and Acknowledgments

Most of the New York study participants were Black and mixed-raced moms with low household annual incomes and significant material hardships. The survey respondents, even though living in deep poverty before the program showed significant improvement in their saving capacity, their food security, and their capacity to afford childcare while enrolled in the program. Mothers feel empowered to spend more time with their children, afford childcare when returning to work, and plan a better future for themselves and their children.

Ongoing and future projects intend to explore child health (e.g., birth weight, born to term, hospitalizations), more family parenting investments, mothers' pre/post natal nutrition and mothers' physical and mental health.

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Research and data collection on The Bridge Project's program was performed and analyzed by Vanessa Jaëlle Dor, MD, MMSc, DrPh candidate, Research Director at The Bridge Project (for cohorts 2 and 3) and Stacia West, MSSW, PhD., Director at the University of Pennsylvania's Center on Guaranteed Income Research (for cohort 1).

This brief was authored by Vanessa Jaëlle Dor and Holly Fogle of The Bridge Project.

**The Bridge Project, Inc.**  
**481 Greenwich Street, #1C, New York NY 10013**  
**[business@bridgeproject.org](mailto:business@bridgeproject.org)**

