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After the Transfers Stop

Cash transfers directed to female caregivers in Nicaragua led to gains in child-development outcomes that persisted beyond the duration of the program.

Early childhood is a critical period for investment in human development, the circumstances of which can have lifelong impacts. Physical, cognitive, or behavioral delays in development can result in long-term negative effects on health, educational attainment, labor-market outcomes, and other indicators of well-being.

Conditional cash transfer (cct) programs are one way to help parents who lack resources invest more in their children. These programs provide families with cash grants as long as they undertake certain activities such as having their children attend regular health checkups. While there is a large body of evidence on the short-term impacts of ccts on children’s development, there is less evidence on their long-term impacts. To better understand the effects of ccts later in life, researchers evaluated two distinct cct programs in Nicaragua.

In the first evaluation, researchers Tania Barham (University of Colorado Boulder), J-PAL affiliate Karen Macours (Paris School of Economics), and John A. Maluccio (Middlebury College), examined the long-term impacts of ccts on child development. In this study, they tested whether there is a critical window of time (the first 1,000 days from in utero to age two) for cognitive and physical development by taking advantage of the random assignment of households to receive cash transfers in either an “early” or “late" treatment group. In the second evaluation, Karen Macours, Norbert Schady (Inter-American Development Bank), and Renos Vakis (World Bank) studied a cct program with three variations to understand the channels through which different program components impacted early childhood development.

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