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**NORTH AMERICA**  
**MONTHLY NEWSLETTER**

August 2024

Good afternoon,

Policymakers and philanthropists are increasingly turning to direct cash payments as a means to reduce poverty and solve urgent social issues in the United States. The Covid-19 pandemic heightened the focus on cash, as federal programs such as increased unemployment insurance, the expanded child tax credit, and Covid-19 relief payments put cash directly into the hands of many Americans. At the same time, [guaranteed income pilots](#) popped up across the country, funded by both public and private entities. This renewed policy interest led me and other researchers to wonder what these transfers can—and can't—accomplish in the lives of the beneficiaries who receive them.

Proponents of cash transfer programs often tout cash as a panacea, while detractors worry that direct cash could result in decreased participation in the labor market or spending the money on drugs, alcohol, or other “temptation goods.” These debates have led a number of state and local governments to [ban guaranteed income pilots](#), while others have taken steps to make these programs permanent. High quality research is needed to inform national narratives and policy decisions.

Recent results from one of the largest evaluations of guaranteed income, the [OpenResearch Unconditional income Study \(ORUS\)](#), sheds light on the effects of guaranteed income across several measures. This study—co-led by researchers in the J-PAL network like myself, Alex Bartik (Urbana-Champaign), and Eva Vivalt (Toronto) along with several other coauthors—evaluated a program in which participants were randomly assigned to receive either \$1,000 per month for three years (the treatment group) or \$50 per month over the same period (the comparison group).

The study found that neither the most extreme proponents nor extreme critics were wholly right about the effects of a guaranteed income. The negative consequences that some feared—such as spending on drugs, alcohol, tobacco, or gambling—did not materialize. A J-PAL funded study of participants' consumption showed that participants mostly [used the money on food, housing, transportation](#), and other core expenses. While treatment participants did [work fewer hours](#) than those in the comparison group, these effects were relatively modest, an average of 1.3 fewer hours per week. Meanwhile, those in favor of cash did not find everything for which they had hoped. Participants who received the intervention had [no better physical health](#) by the end of the program and short-term improvements in stress and mental-health faded out over the course of the study. Taken

together, these findings suggest that cash payments may not be a “silver bullet” for all of the challenges associated with poverty, but they can increase the possibilities available to recipients.

Given the increasing attention on basic income, it will be important to look to the growing body of evidence on cash transfers (e.g., [Chelsea Eats](#) and [Baby’s First Years](#) ) to deepen our understanding of not only if cash works, but how, on what outcomes, and for whom. 2024 is a major year for elections locally and globally; as candidates build out their policy platforms and priorities, rigorous evidence can be a key tool for understanding the nuances of what actually works to reduce poverty. While it can be easy to get caught up in value judgments, better decision making—and better policies—are possible when we leverage research insights.

Sincerely,

Sarah Miller

Associate Professor, University of Michigan Ross School of Business



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## **New research results: OpenResearch unconditional income study publishes new results on health, consumption, and labor outcomes**

Unconditional cash transfers provide money to people to spend at their own discretion, offering autonomy and decision-making power to the recipient. A series of working papers from the OpenResearch team, including researchers in the J-PAL network—Sarah Miller

(Michigan), Alex Bartik (Urbana-Champaign), and Eva Vivalt (Toronto)—evaluated the effect of \$1,000 monthly cash transfers for three years on adults with low incomes. Three recently published papers, providing the most comprehensive look into the impacts of unconditional cash in the United States to date, examine the effects of the intervention on [household expenditures](#), [health](#), and [labor outcomes](#). Study participants experienced mixed results, showing the need for continued research on cash transfers. [Learn more about these results »](#)

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## **Beyond the Incubator: Building a community of practice to foster housing stability in the San Francisco Bay Area**

In 2021, J-PAL North America launched the [Bay Area Evaluation \(BAE\) Incubator](#) to assist organizations combating the housing crisis with designing evaluations of their cash transfer programs, resulting in the launch of three randomized evaluations. In 2023, we established the BAE Community of Practice to provide partners and researchers with a place to learn from peers engaged in similar work under a shared mission of reducing homelessness in the San Francisco Bay Area. [On the J-PAL blog](#), we share lessons learned in our first year »

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Photo credit: J-PAL North America

## **Sharing progress on J-PAL North America's DEI Working Group to increase transparency and accountability**

J-PAL North America is committed to fostering diversity, equity, and inclusion (DEI) in our workplace, in the field of economics, and in the region. Founded by staff in 2017, J-PAL North America's DEI Working Group plays a critical role in ensuring all staff have the requisite knowledge and tools to do their work equitably and inclusively. Visit our updated [webpage](#) and read our inaugural annual [blog post](#) to learn more about the Working Group's efforts and goals. If you have questions about our DEI work or ideas for ways

we can further bolster these critical efforts, please contact [dei\\_na@povertyactionlab.org](mailto:dei_na@povertyactionlab.org).

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## FEATURED EVALUATION SUMMARY



Photo credit: Lewis Geyer, Longmont Times Call

### Evaluating the impact of a tech-based early childhood vocabulary program in the United States

Vocabulary is critical to literacy development in early childhood. However, large disparities in vocabulary knowledge persist between children from high-income and low-income families. Educational media, or “edutainment,” is an engaging method to potentially increase vocabulary knowledge in young children. Researchers in the J-PAL network—[Ariel Kalil](#) (UChicago), [Susan Mayer](#) (UChicago), and [Phil Oreopoulos](#) (University of Toronto)—and coauthor [Rohen Shah](#) (UChicago) evaluated the impact of an edutainment program, the Big Word Club (BWC), on children’s receptive vocabulary. After four months, children in classrooms who received the BWC program increased their knowledge and retention of words included in the BWC curriculum. [Read more about this evaluation](#) »

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## FEATURED RESEARCH RESOURCE

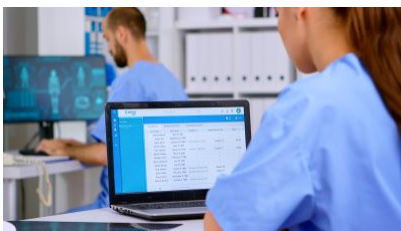


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### Data security procedures for researchers

Data security is critical to protecting confidential data, respecting the privacy of research participants, and complying with applicable protocols and requirements. Even seemingly de-identified data may be re-identified if enough unique characteristics are included. [This research resource](#) provides guidance on basic data security themes, context on elements of data security that are particularly relevant for randomized evaluations using individual-level administrative and/or survey data, and offers suggestions for describing

data security procedures to an Institutional Review Board (IRB) or in an application for data use.

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