

The Baby's First Years Study:

*The First Randomized Controlled Trial of
Poverty Reduction in Early Childhood*

Alliance for Early Success

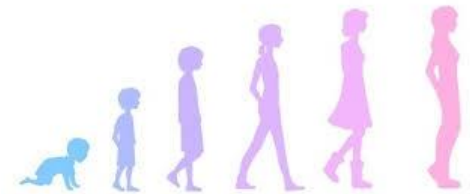
Kimberly Noble, MD, PhD Professor of Neuroscience &
Education, Teachers College, Columbia University

Katherine Magnuson, Ph.D., Vilas Achievement Professor,
School of Social Work, University of Wisconsin-Madison

We are incredibly grateful to the communities and families who have trusted and partnered with us for the past five years, and for what we hope will be years to come to make this project possible.

Small income differences in childhood predict better outcomes

- \$4,000 difference in early childhood annual family income predicts:
 - Cognitive development
 - Adult earnings
 - Employment
 - Health
- But no causal evidence on the effects of income in early childhood



Can we move past correlations to understand if income early in life is causing these differences?

Baby's First Years

- First randomized controlled trial of poverty reduction in early childhood
- 1000 low-income mothers recruited in hospital shortly after giving birth
- 4 sites: NYC, Omaha metropolitan area, Twin Cities and New Orleans
- All participants receive unconditional cash gift for first several years of life
 - High-cash gift group: \$333/month (\$4000/year)
 - Low-cash gift group : \$20/month (\$240/year)
- Monthly reload via debit card
- Launched in July 2018
- To date, BFY has put more than \$5 million into the pockets of low-income mothers in our study.
- Will be able to assess the causal impact of poverty reduction on children's cognitive, emotional, and brain development

How do we measure the impact of poverty reduction on the developing brain?

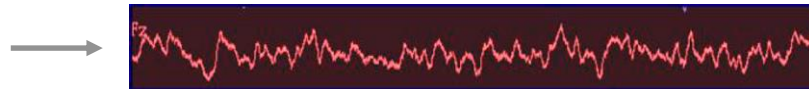




Electroencephelography (EEG) is used to measure infant brain activity

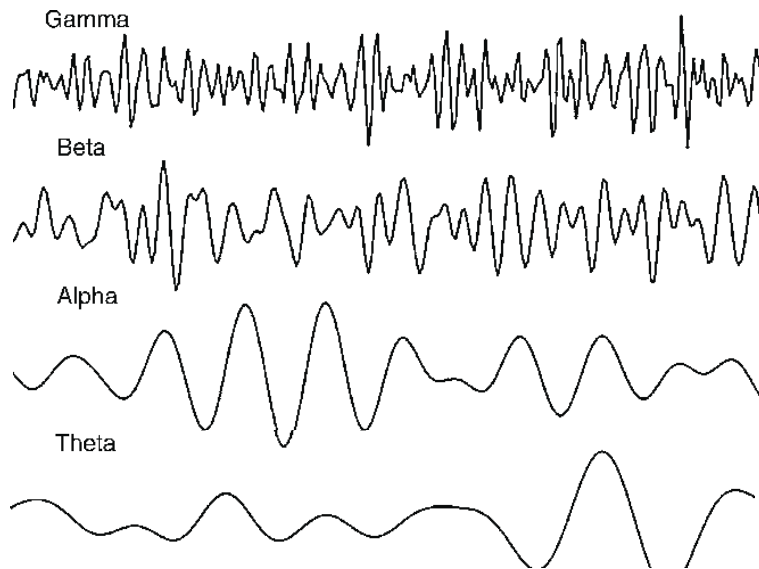


Great for young children: safe, fast, relatively simple to capture



How does poverty
change how brain
activity develops?

Past work suggested that poverty relates to brain development



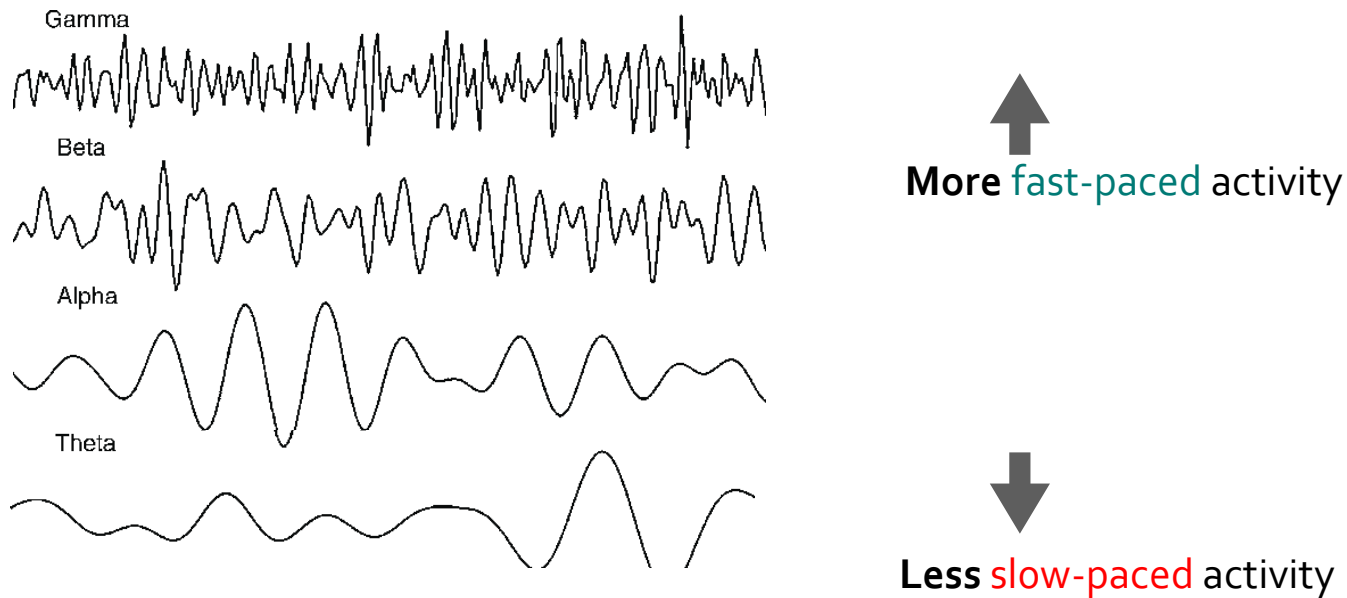
Less fast-paced activity



More slow-paced activity

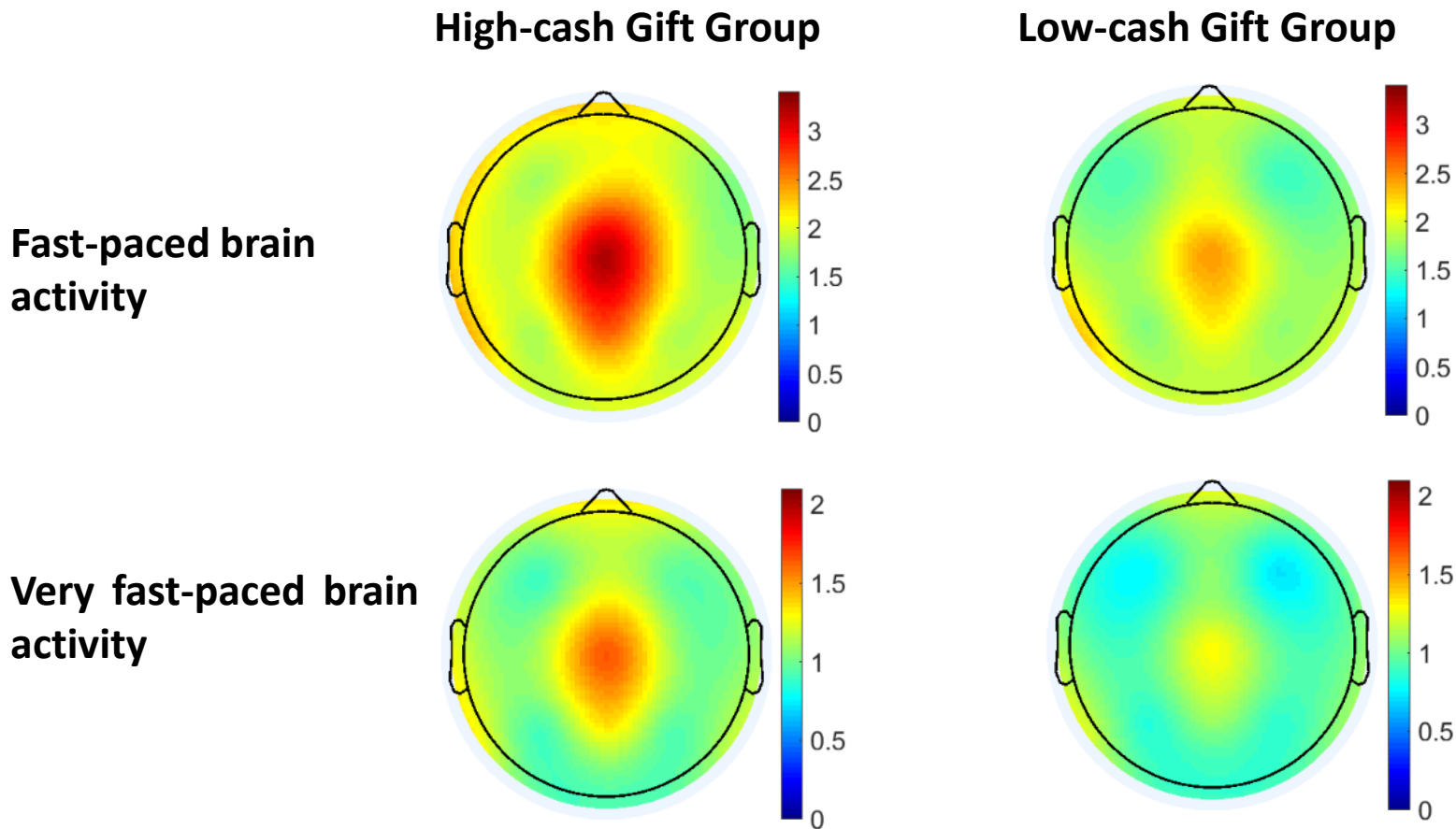
- This pattern has been associated with subsequent learning and attention difficulties in school.

Will cash gifts reverse this pattern?



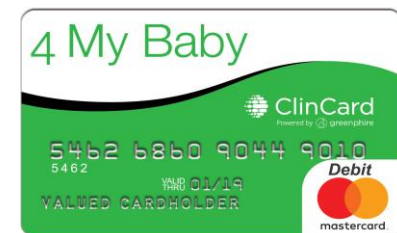
We predicted more fast-paced and less slow-paced brain activity in the high-cash gift group relative to the low-cash gift group

High-cash gift group had more fast-paced activity, especially in some regions of the brain



Policy implications

- Our cash payments were designed to provide evidence that could inform about range of public investments
 - Tax credits, paid parental leave, etc
- Closest to the monthly child tax credit of 2021, but differs in key ways
 - 4MyBaby is the same for families of all sizes
 - Branded “4MyBaby” card from philanthropy vs. government payment



Policy thoughts

- EEG outcomes for 1-year olds is not the outcome we care most about

- Suggestive correlations between high-frequency power and later thinking and learning
- But no strong causal evidence
- Let's look again when the children are four years old!
- Let's look also at how the cash gifts affect community and families more broadly!

**=> It's too early to draw confident policy conclusions,
STAY TUNED!**

Baby's First Years Team and Funders

Principal investigators:

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Andrew and Julie Klingenstein Family Fund

BILL & MELINDA GATES foundation

Bill Hammack and Janice Parmelee



Esther A. and Joseph Klingenstein Fund



4 Anonymous Donors



Investing in New Families: The Lasting Effects of a Cash Transfer during a Critical Window

Andrew Barr¹ and Jonathan Eggleston² and Alex Smith³

¹Texas A&M University, ²U.S. Census Bureau, ³West Point

February 16, 2022

Census Disclaimer: *This report is released to inform interested parties of ongoing research and to encourage discussion of work in progress. The views expressed on statistical issues are those of the authors and not necessarily those of the U.S. Census Bureau. The Census Bureau's Disclosure Review Board and Disclosure Avoidance Officers have reviewed this product for unauthorized disclosure of confidential information and have approved the disclosure avoidance practices applied to this release. CBDRB-FY2021-CES010-002/003.*

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Family Income and Child Outcomes



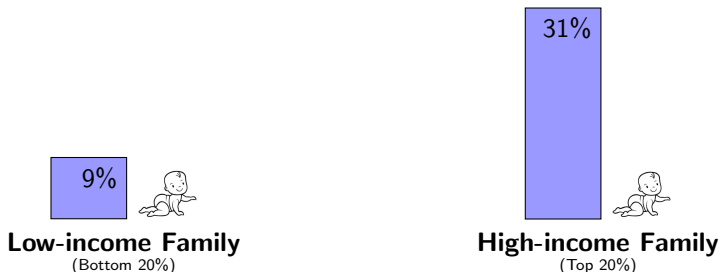
Low-income Family
(Bottom 20%)



High-income Family
(Top 20%)

Family Income and Child Outcomes

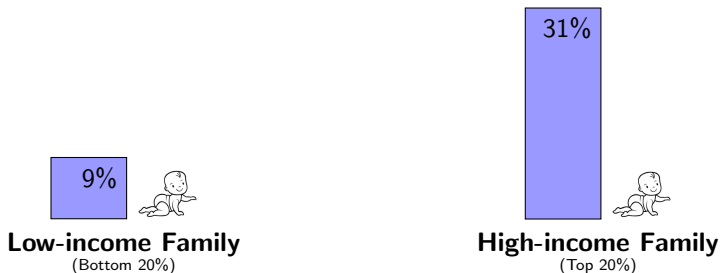
Chance of Adult Earnings in Top 20%



Source: Chetty et al (2014)

Family Income and Child Outcomes

Chance of Adult Earnings in Top 20%



Other Differences:

- School/neighborhood quality
- Family stability
- Parenting style

Source: Chetty et al (2014)

Will Cash Transfers Help?

Yes

- Better insured against negative shocks
- Improved nutrition
- Improved access to high-quality healthcare/education/child care
- Reduced parental stress

No

- Reduced incentive to work
- Increased spending on potentially harmful items
 - ▶ e.g. alcohol, narcotics, cigarettes
- Alters incentive to have children

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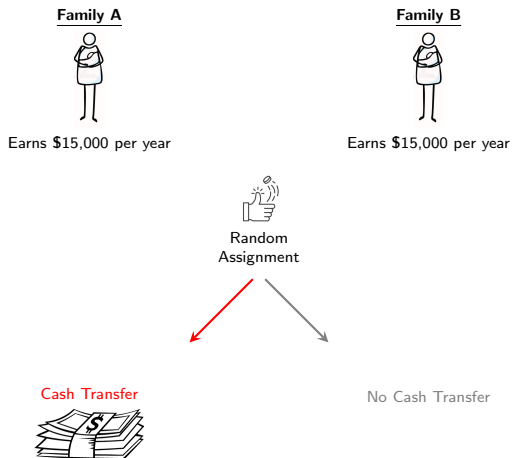
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- Increased spending on potentially harmful items
 - ▶ e.g. alcohol, narcotics, cigarettes
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- Growing evidence that resources targeted to early childhood are very cost-effective (Hendren and Sprung-Keyser 2020)
 - ▶ Primarily focused on in-kind rather than cash transfers.

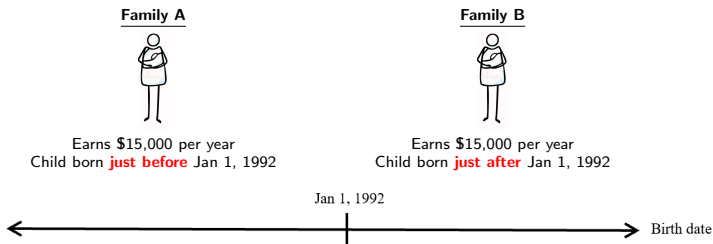
Our Research

What is the long-run causal effect of a cash transfer after the birth of a first child on that child's later outcomes?

Ideal Experiment (Example)

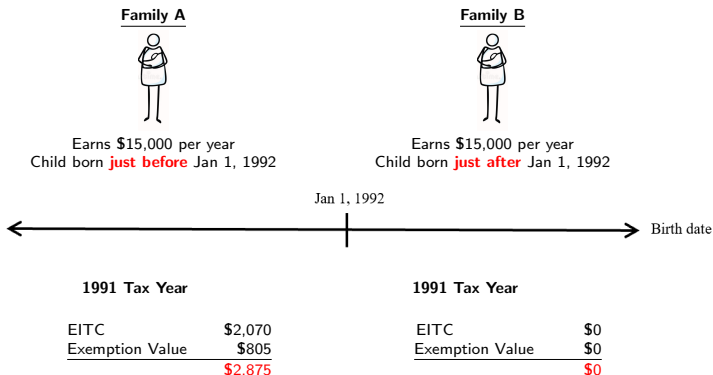


Natural Experiment: Birthdate Cutoff in Tax Benefits (Example)



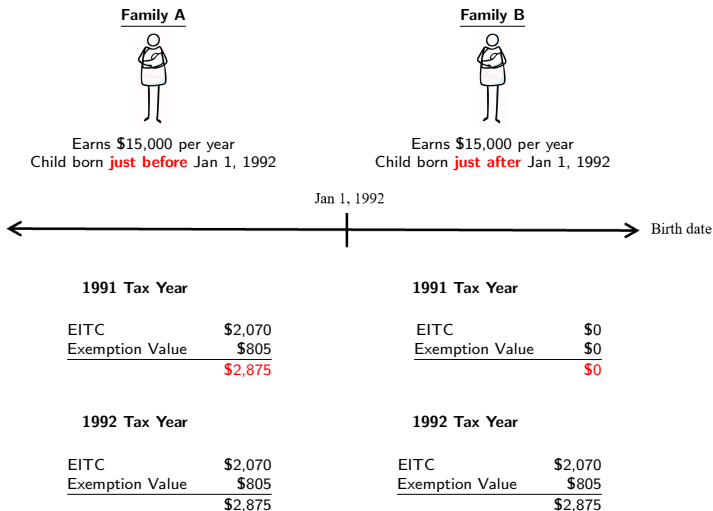
*All calculations using 2015 Dollars.

Natural Experiment: Birthdate Cutoff in Tax Benefits (Example)



*All calculations using 2015 Dollars.

Natural Experiment: Birthdate Cutoff in Tax Benefits (Example)



*All calculations using 2015 Dollars.

Summary of Main Results

- Universe of tax records (selected years) with child-parent links
- Average transfer of $\sim \$1,300$ ($\sim 10\%$ of income) in infancy for low-income families of first-born children
- Earnings increase of $\sim 2\%$ at age 23-28
 - ▶ Effects persist into early 30s
- Substantial improvements in educational outcomes (NC public schools)
 - ▶ 3-8 grade test scores
 - ▶ Suspensions
 - ▶ High school graduation

Takeaways

- Results indicate that a cash transfer during infancy can have profound and long-lasting effects.
- \uparrow discounted tax receipts implies this transfer *pays for itself*
- Caveats:
 - ▶ Specific to low-income working parents after the birth of the first child
 - ▶ Effects could differ for:
 - ★ Higher-income families
 - ★ Non-first born children
 - ★ Children at older ages

Where do we go next?

- More detailed picture of pathways through which cash affects families and kids
 - ▶ We find sustained improvement in family environment
 - ★ ↑ family income → no evidence of a work disincentive
 - ★ ↑ marital stability (suggestive)
- How does more cash for families interact with other government-provided resources (e.g. early childhood education)?
 - ▶ Substitutes or complements?
- Excited to talk to any interested in these or related questions

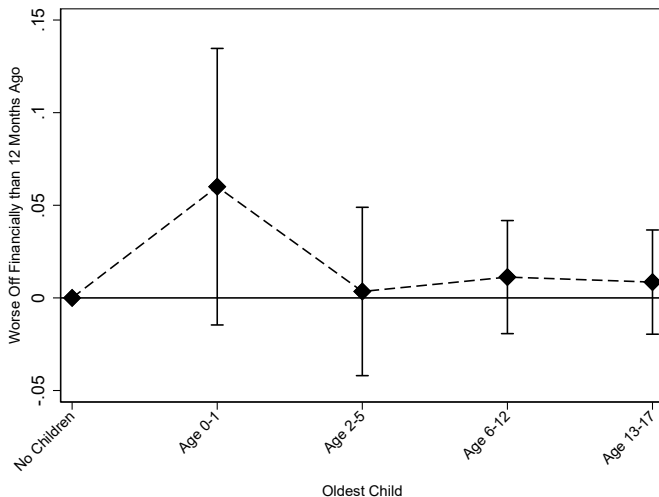
Thanks!

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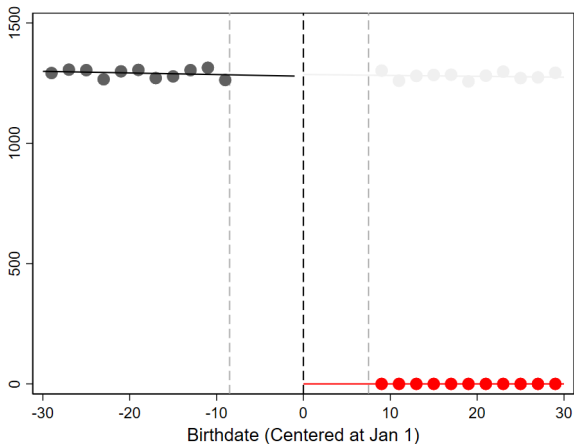
Check out the [paper](#)
(Forthcoming in *Quarterly Journal of Economics*)

Families Worse-off Financially After Birth of First Child



Source: Survey of Household Economics and Decisionmaking

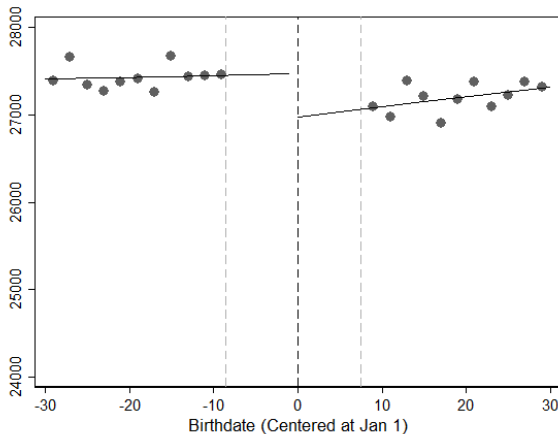
Predicted Cash Transfer in Infancy



Average Transfer: \$1,291 (10% of Family Income)

Sample: First-born children from EITC income-eligible families.

Earnings (Age 26-28)

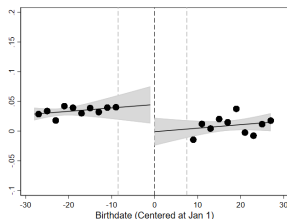


Average Increase in Earnings: \$455 (1.7%)

Sample: First-born children from EITC income-eligible families.

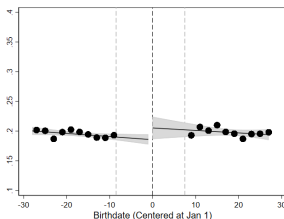
Effects on Student Outcomes

Test Score Index



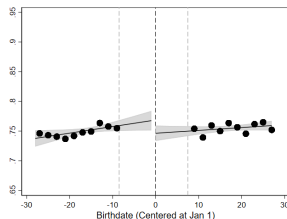
Estimate: 0.046 (0.020)

Ever Suspended



Estimate: -0.020 (0.011)

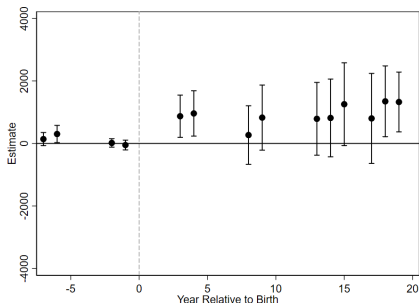
HS Graduation



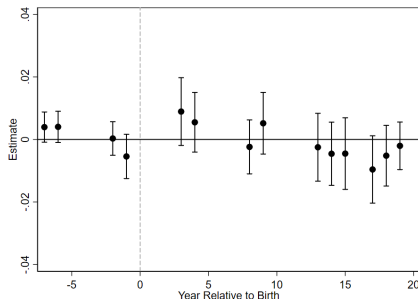
Estimate: 0.022 (0.011)

Effects on Early Family Environment

Parent Income



Parent Marital Status



Liquidity increase generates sustained improvement in family environment



Half in Eleven: New York Commits to Cutting Child Poverty Starting Now

February 2022



Schuyler Center for Analysis & Advocacy

2

Since 1872, the Schuyler Center for Analysis and Advocacy has advanced policies that improve child health and well-being, enable families to achieve economic security, and augment quality early childhood opportunities with a focus on equity, so all New York children have a fair opportunity to thrive.

In 2022, the Schuyler Center celebrates the 150th anniversary of our founding by Louisa Lee Schuyler. Today, our work remains grounded in her ideals of compassion, advocacy, leadership, and partnership.

There are more than 6,000 registered lobbyists in New York State; most of them are not focused on disenfranchised children and families. We are.



Child Poverty Reduction Act Chaptered January 2022

3

Declares NYS should take steps necessary to reduce child poverty by 50% in 11 years with attention to racial equity.

Establishes Child Poverty Reduction Advisory Council, tasked with developing a plan to cut New York's child poverty rate in half over 11 years, measuring and publicly reporting on progress over time.

Requires an evaluation of the effects on child poverty of the Governor's State Budget proposal, to be made available to the public.



Why the Child Poverty Reduction Act?

4

- Every year, Schuyler Center and allies advance policies to address and mitigate child poverty.
- Every year, policymakers cut, increase, or maintain critical child and family-serving programs, making decisions in silos with limited understanding of holistic and long-term impacts of budget and policy decisions on families and communities.
- CPRA instills holistic perspective, focus on equity, accountability via measurement of progress over time, linking state budget decisions to child poverty.



Child Poverty in New York

5

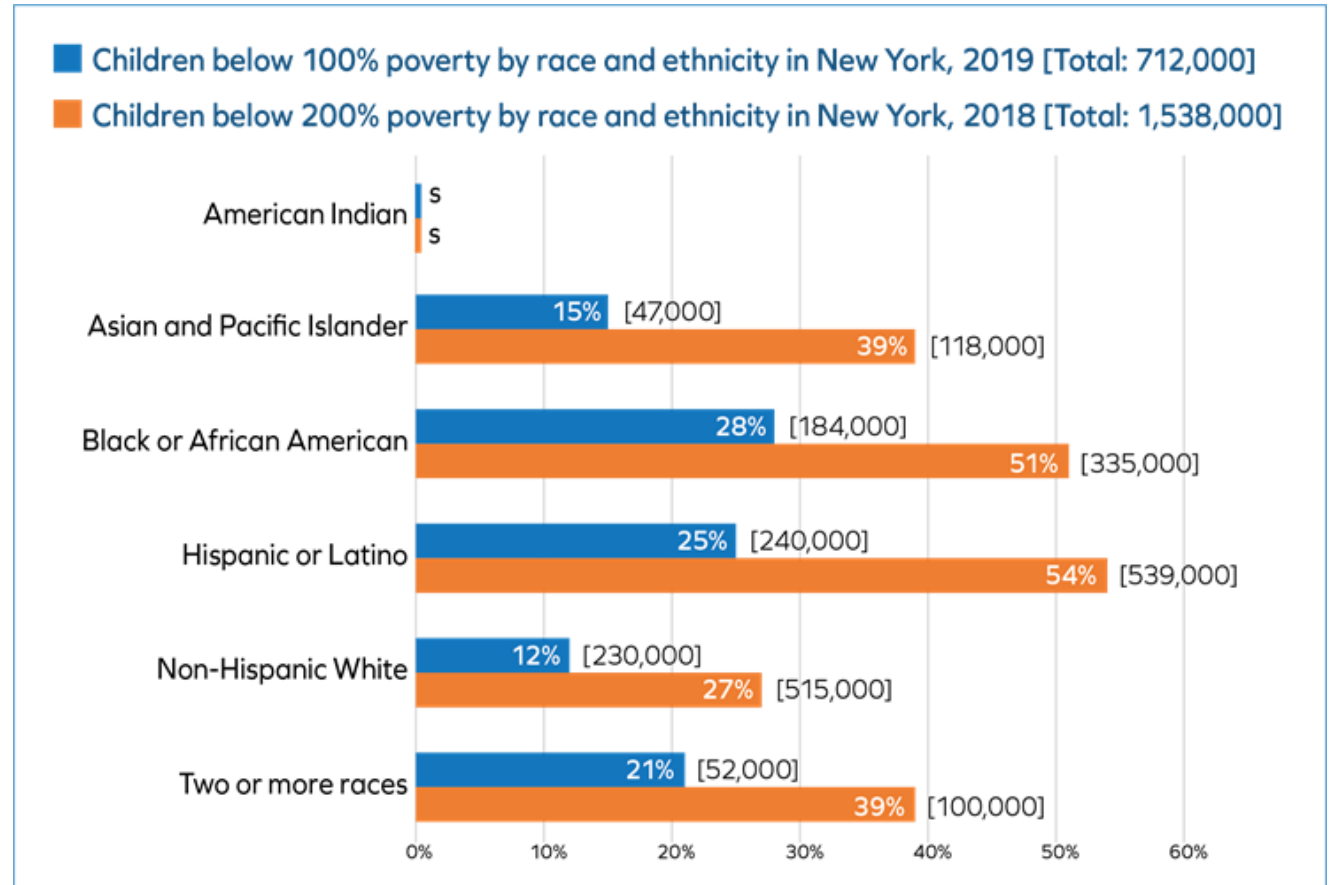
- Before the pandemic, over [2 million New Yorkers](#), including [712,000 children](#), lived in poverty (2019).
- New York children are more likely to live in poverty than in [32 other states](#), with 18% (nearly 1 in 5) experiencing poverty in 2019.
- In 2020, a family (2 adults, 2 children) fell below the [poverty threshold](#) if annual income fell below \$26,246 (\$2,187/month).

New York State's Constitution says "The aid, care and support of the needy are public concerns and shall be provided by the state."



Child Poverty in New York

- The poverty rate approaches 1 in 3 among [children of color](#) and in [some communities](#).
- Due to structural and systemic racism, child poverty among New York State children of color [approaches 30%](#).
- Black and Latino children are more than twice as likely to live in poverty than their white peers.





The need to be intentional about reducing child poverty

7

- New York's child poverty after the Great Recession rose to 23% in 2011, where it stayed until 2014.
- For Black children, child poverty hit a post-Great Recession peak of 35% in 2013.
- For Latino/Hispanic children, child poverty hit a high of 36% in 2011.

It was a decade before New York's child poverty rate returned to pre-Great Recession levels. New York State must be intentional this time, post-pandemic.



Steps we took to achieve this legislative win

8

■ Tilling the soil

- Op Eds + other earned media, social media; testimony; raising the issue of child poverty and its sharp impacts at every table – health, child welfare, early childhood, tax

■ Building a powerful coalition; a deep bench of experts; concentric circles of engagement.

- Arming this group with data; coordinating public speaking opportunities

■ Educating as many policymakers as possible



Our work has just begun

9

- We launched this effort understanding that passage of the bill was just the first step of a ten-year campaign.
- For this goal to be realized, we are gearing up to engage from within the Advisory Council and from the outside, to ensure the state honors its statutory commitment to cutting child poverty in half in a manner that reduces racial inequities.
- For this year, we have arrived at our top three child poverty reduction priorities:
 - Strengthen and expand New York's child tax credit
 - Take large steps toward implementing universal child care
 - Secure three-year continuous Medicaid coverage for mothers and babies



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