

ABSTRACT

This paper compares five unconditional or less conditional cash-transfer programs to evaluate their implications for welfare policy. Across Kenya, SEED, ORUS, Alaska, and Finland, financial-security and well-being outcomes were generally more positive than employment effects. However, differences in program design prevent these studies from isolating unconditionality itself as the cause.

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What Cash-Transfer Trials Establish About Conditionality

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INTRODUCTION

Millions of Americans struggle to afford basic needs such as food, housing, and health care. Cash assistance can help families cover these costs, but welfare programs often have complicated rules that can make support harder to get or keep.

What do existing cash-transfer experiments establish about reducing conditionality in welfare policy?

METHODS

5 PROGRAMS STUDIED
Kenya – Stockton – Finland – ORUS - Alaska

PUBLISHED EXPERIMENTAL EVIDENCE

EMPLOYMENT FINANCIAL STABILITY WELL-BEING

CROSS-PROGRAM COMPARISON

RESULTS

STUDY	EMPLOYMENT EFFECTS	FINANCIAL SECURITY AND WELL-BEING
KENYA	No overall decline	More business activity
SEED	No significant long-term change	More stable income & less distress
ORUS	Modest decline; fewer hours worked	Earnings fell 1900 year
ALASKA	No overall decline;	Not studied here
FINLAND	Little overall change	Greater life satisfaction

WHAT THE EVIDENCE SHOWS

FINANCIAL SECURITY / WELL-BEING
Generally more consistently positive

LABOR-MARKET EFFECTS
Mixed across studies and contexts

CAUSAL EFFECT OF UNCONDITIONALITY
Not isolated by existing evidence

DISCUSSION

Financial well-being improved more consistently than employment.

Results varied across programs.

The studies cannot show whether fewer conditions caused the changes.

CONCLUSION

Unconditional cash can improve financial well-being, but existing studies do not show that removing conditions causes these benefits.

Why it matters:
Program design matters as much as whether cash is conditional.

Future research:
Directly compare otherwise-identical conditional and unconditional programs.

REFERENCES

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