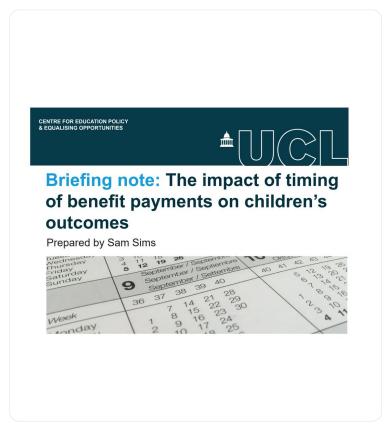


Q: How can govt improve child health, pupil achievement and equality of opportunity at zero cost?

A: By changing the *timing* of benefit payments

Thread on a new <u>@CEPEO UCL</u> briefing paper...

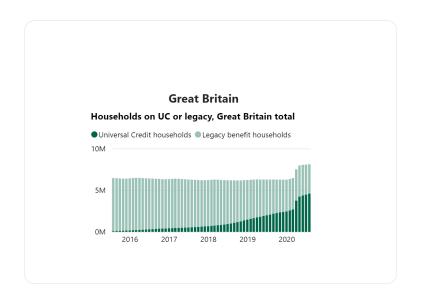
https://repec-cepeo.ucl.ac.uk/cepeob/cepeobn11.pdf



Universal Credit is steadily replacing six 'legacy benefits'.

Under UC, households receive one payment once per month, instead of payments to different people on different dates.

Different households receive UC payments on different dates, depending on when they 1st applied.



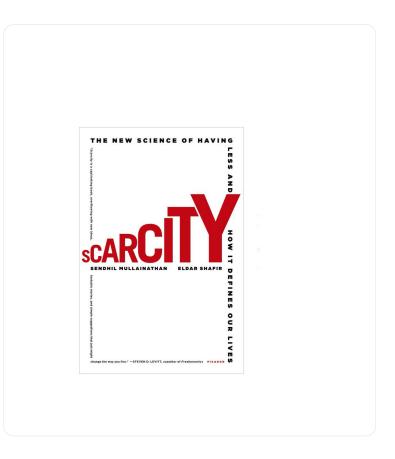
Research shows that families on very low incomes tend not to consume food evenly over the course of the month; they tend to eat less at the end of the monthly benefit payment cycle, as food dwindles (Kuhn, 2018; Sharpiro, 2005; Todd, 2015).

This cyclical hunger (unsurprisingly) has psychological consequences, harming:

- 1) our ability to focus / prioritise / be patient (see Mullainathan & Shafir)
- 2) our ability to retain new learning



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But this cycle looks different for different households

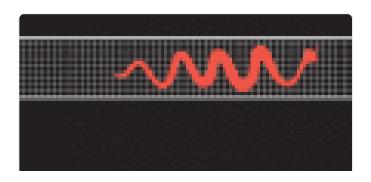
Some receive monthly benefit payments up to two weeks after their wages: "staggered payments"

Others receive benefits & wages at the start of the month: "aligned payments". This creates acute end-of-month shortages.

In the US, SNAP payments ("food stamps") are disbursed monthly, with the day of the month often determined essentially at random by e.g. last digit of recipients' social security no.

Smart researchers have used this to establish the effects of benefit timing on child outcomes...

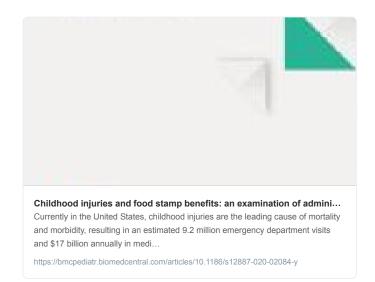
Two truly horrifying studies show that child injuries increase at the end of the benefit/pay cycle (when shortages are most acute) for families with aligned payments:

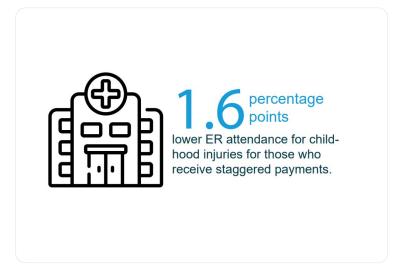


Hunger pains? SNAP timing and emergency room visits

This project uses quasi-random assignment of SNAP receipt dates linked to Medicaid healthcare records to examine whether ER use is affected by the tim...

https://www.sciencedirect.com/science/article/pii/S0167629619301316





Three further studies show that pupils from aligned-payment households score worse on important exams when the test falls at the end of the monthly cycle.

This translates into lower college attendance or attending less competitive/prestigious universities ...

0.06 standard deviations

lower college entrance exam score for disadvantaged pupils who take their exam in the second half of their benefits cycle





Food Instability and Academic Achievement: A Quasi-Experiment Usin...

Although social policies aimed at low-income families are thought to promote children's educational success, little research has examined how these policies are...

https://journals.sagepub.com/doi/full/10.3102/0002831218761337



When does it count? The timing of food stamp receipt and educational...

The effect of poor nutrition has been established as an important determinant of learning and achievement among school-age children. Further, it has b...

https://www.sciencedirect.com/science/article/abs/pii/S0272775718303649

Remember, all of these studies are done in states with essentially-random timing of benefit payments. So these results are the *causal* effect of benefit payment timing.

While important, these effects are arguably quite small.

BUT, remember the cost to govt of changing benefit payment timing is essentially zero, implying a BIG net benefit for such a reform.

Lots of caveats and UK-specific considerations (see image)

And, of course, the best approach to relieving child poverty is to simply increase the value of benefit payments - but that seems unlikely for the time being.

However, three caveats should be kept in mind:

- First, the evidence is more mixed on whether adults benefit from aligned or staggered benefit payments (Carr & Packham, 2019; Carr & Packham, 2020).
- Second, the severity of end-of-month food shortages depends on the overall level of benefit payments, including free school meals, which differs in the UK (Kuhn, 2018; Todd, 2015).
- Third, payments should not be spread too thinly in order to avoid undermining households' ability to access bulk purchase discounts (Zaki & Todd, 2019).

At the very least, the UK government should pilot moving some Universal Credit recipient households onto more staggered payments, and evaluate the effects on child outcomes.

Read the full @CEPEO_UCL briefing note here: https://repeccepeo.ucl.ac.uk/cepeob/cepeobn11.pdf

<u>@threadreaderapp</u> unroll

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