



A BEHAVIORAL APPROACH TO **CASH TRANSFERS FOR EARLY CHILDHOOD DEVELOPMENT**

Please note that when using this guidance, special attention should always be paid to the specific context in which programs operate.

The purpose of this document is to provide guidance on how to introduce behavioral insights into cash transfer programs to optimize early childhood development outcomes. Below, we outline the key steps in the recipient's journey to accessing and spending the transfer in line with good ECD practices. Following each step, we offer guidance for program designers to reduce the barriers recipients may face in making optimal use of the cash they receive.

UNDERSTAND THE TRANSFER

To achieve optimal outcomes from transfers, potential recipients must understand and process the purpose of the transfer.

Relevant Literature:

- ▶ Turning a Shove into a Nudge? A "Labelled Cash Transfer" for Education [\[PDF\]](#)

Include clear messaging or labeling about the purpose of the cash

Clearly framing and labeling cash transfers can inform potential recipients about such transfers and clarify what they should be used for, and can create a moment for recipients to consider their needs and goals. Framing the transfer as for early childhood development activities can prompt potential recipients to begin to consider what kind of investment they would like to make in their children's future. Such labeling can also create an expectation about what the cash should be used for, further increasing the likelihood that the recipient will use the cash toward that goal when they receive it. For example, such labeling could include "Child Growth Transfer" and can be included in branding for the program, such as posters or radio announcements.

ENGAGE WITH ACCOMPANYING TRAININGS

Alongside cash transfers, programs may include additional training to provide new skills and/or information to help recipients use the cash they receive. The program should determine if such trainings are necessary, and if so, design them thoughtfully.

Relevant Literature:

- ▶ Using Behavioral Insights to Increase Parental Engagement: The Parents and Children Together (PACT) Intervention [\[PDF\]](#)

□ Assess the need for additional trainings

Before scheduling and developing a curriculum for accompanying trainings or measures, it is necessary to identify if a training is truly necessary. To determine if such trainings are necessary, an assessment of the reasons recipients are not undertaking the desired behaviors should be undertaken. If the case is that a lack of knowledge or information is a barrier to taking up the desired behaviors, a training would be useful to implement, however if information is not the reason they are not undertaking the behavior, consider not including any accompanying trainings.

□ Reduce hassles in engaging with accompanying trainings

If accompanying trainings are deemed necessary, they should be created so the hassles to participants are minimized. Scheduling the training close to home and at a convenient time can increase the chance that they participate. For example, a convenient time to hold the training could be at a transfer site when recipients are waiting for their cash, as recipients often have many demands for their attention in their daily life, but this moment often generates a moment when the program has their undivided attention. In addition, the longer and more complicated trainings are, the more likely recipients are not to pay attention to the entire training. Keeping the training short by prioritizing the most important and actionable information can make it more likely that recipients pay attention to and act on the content.

□ Make the benefits clear

If an additional training has been deemed necessary, making the benefits of an accompanying training salient can increase uptake of the training. For example, for a training that supports participants in engaging in early stimulation activities with their children, consider framing the training as a 'Child Engagement Session' and highlighting how participants will learn how to help their child do better in school and life may be more effective at encouraging take-up than a training that is simply highlighted as a session that must be completed before cash is provided.

CONSIDER AND PREPARE FOR ACTIONS TO IMPROVE CHILD DEVELOPMENT

Before cash disbursement, programs create a period where recipient's undivided attention is captured by the program. This additional attention and mental space creates an opportunity for recipients to determine actions they can take to improve their child's development.

Relevant Literature:

- ▶ Can Positive Psychology Improve Psychological Well-being and Economic Decision-Making? [\[PDF\]](#)

□ Include activities in which recipients affirm their values and skills

Recipients of cash transfers are often living in a state of poverty, and being a recipient may reinforce that identity. This can cause recipients to believe they have no real control over their life, which can make it difficult for them to set realistic, achievable goals to work toward. However, affirming the skills and values recipients already have, as well as reinforcing their identity as a caretaker, can tackle the mindset of powerlessness or stagnation. Such an activity could include prompting recipients to think of, write, or draw their values before thinking of, writing, or drawing a goal they have.

Note that literacy and available facilitation of all designs can differ based on the context. Making such materials as simple as possible and accessible to a low literacy population by using context-specific images or symbols can increase impact.

Provide a tool for recipients to make a plan

Guidance in making a plan can help parents follow through on taking actions that improve the wellbeing of their child. Thinking through these actions will also help parents consider how they can spend some of the cash for their child's development. In addition, including a way to track if they have been able to take the steps in their plan can increase the likelihood that they follow through. Examples of such a design could include a simple drawing activity where recipients draw or visualize their goal, draw action steps they will take to get there, and draw or discuss risks they may face along the way and how they will mitigate those risks. The activity could include checking the steps off when they complete them, and where regular touchpoints exist, sharing their progress on the plan when the recipients meet next.

RECEIVE AND APPORTION THE CASH

Upon receipt of the cash, recipients must partition the cash they receive between consumption and investments in their child to fully realize the benefits from the program.

Consider the timing and location or method of cash disbursement

Planning the timing, amount, and location of the transfer or options for cash-out based on the context recipients face can make it easier for them to spend the cash in line with their plans and child development goals. Disbursing the cash at a time the recipient can easily use it toward their goals can be useful- for example, if the transfer aims to increase pre-school attendance, disbursing in the weeks before tuition is due can make it easier for the recipient to spend it accordingly. In addition, consider the amount of disbursements. For example, if the cash is for something like school fees, ensure that the disbursement around enrolment can cover the fees, but if the cash is meant for nutritious food, more frequent but smaller disbursements can support consistent access to nutritious foods. In addition, when it comes to receiving the transfer, the method and location of disbursement can affect how recipients partition and spend the transfer. For example, if the location of disbursement or points where recipients can obtain cash from a digital payment are particularly close to a market, recipients may be more likely to be tempted to spend all of the cash in the market immediately after receiving their cash. Selecting a disbursement site further from the local market or on a day when the market is not open can decrease this temptation if the cash is disbursed physically. If the cash is disbursed digitally or through mobile money, ensuring points for cash-out are accessible and paying attention to the environment around cash-out points is important.

Attention should be paid to the context in deciding the optimal method of disbursement. For example, if mobile money is commonly used in the context for transactions, ease of use may make it a good option for disbursement. If cash is most commonly used for transactions, physical or account-based disbursements may be a better option.

Provide tools to separate the money once it is received

Even when recipients have a clear plan, when they receive the cash, urgent needs can be more salient than future goals, causing them to not follow through with apportioning for immediate spending and child development spending if they have not separated their cash. A small pouch or envelope can be a simple way for transfer recipients to separate the money they plan to use for consumption from the money they plan to use toward child development immediately upon receipt if they receive the cash physically, so that they can keep the cash

Relevant Literature:

- ▶ Mobile text messaging for health: a systematic review of reviews [\[PDF\]](#)
- ▶ Consumption Smoothing and Frequency of Benefit Payments of Cash Transfer Programs [\[PDF\]](#)

separated until they can use it according to their plan. If they receive the cash over mobile money or an account-based system, making it easy for recipients to immediately separate the cash into separate accounts can be effective.

APPLY WHAT WAS LEARNED THROUGH THE PROGRAM

Once recipients have received and spent their cash, they must continue taking actions that support their child’s development to reach better development outcomes.

Provide reminders of positive ways to engage with children

The influx of cash provides recipients with resources to cover their basic needs that they did not have before, providing parents with the ability to focus on investing in their child. Reminders of ways parents can productively engage with their child can be useful. For example, such a reminder could include a home visit after the transfer from another mother in the community, during which they can provide examples of productive ways to stimulate children. Where in-person meetings are not possible, other ways to highlight and make key activities salient include messages such as SMS or IVR, or take-home materials such as posters or calendars that parents can hang in a place in the home they will often see it.

Create a way for recipients to hold themselves and their peers accountable

An accountability or commitment aspect—where recipients can track their progress with a group and hold each other accountable for continuing to act on their plan—can increase the likelihood that recipients will continue to follow through. In situations where regular touch points exist between transfer recipients, some of that time could be used for the group to check-in. For example, if each of the recipients had previously identified a plan they intended to follow to improve their child’s development, the time could be used for each participant to review their plan and share the steps they have taken.

Provide rules-of-thumb for following children’s growth and development

Providing parents with simple rules of thumb to follow or measure their child’s growth can create a way for parents to see if their actions are contributing to their child’s development. It can be difficult to identify how a child is developing—especially for parents who see their children every day. Providing simple heuristics parents can use to identify their children’s growth can keep their children’s development salient—and in turn can make it more likely that they continue to persist in spending their cash and taking actions to improve their child’s development, ultimately forming lasting positive habits.