

Cash Transfers Improve Maternal, Infant, and Child Health Outcomes in the U.S.

The United States has among the **worst** maternal and infant health outcomes of all high-income countries. Moreover, these overall trends obscure stark racial and socioeconomic inequities: Black women are at **highest risk** of experiencing pre-term births, low birthweight, and **maternal** and **infant** mortality. Both the human and the financial costs are **immense**. As the U.S. continues to fall further **behind**, it's clear a new approach is needed—and direct cash transfers show huge promise. This brief synthesizes key research findings and explores why **investing more public dollars in cash could be transformative for infant and maternal health**.

Cash Improves Physical and Mental Health Among Mothers

- **Cash transfers equivalent to at least \$250-\$500 per month reduce maternal stress and its impacts on health.**

More details: Expansions of both the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) have had remarkable impacts on maternal health, including by 1) **decreasing conditions** blood pressure and biomarkers of inflammation, such as high cholesterol, high blood pressure, and of inflammation, which are known to **increase** the **risks** of hypertension, preeclampsia, preterm birth, and low birthweight; 2) improving self-reported health; and 3) **decreasing stress and anxiety**, especially among Black parents. Likewise, early findings from the RxKids program in Flint, Michigan, which provides \$1,500 during pregnancy and \$500 per month during the first year of a child's life, **suggest** that the transfers are reducing maternal symptoms of depression and anxiety.

Cash Makes Childbirth Safer and Newborns Healthier

- **An extra \$1000 — or more — in direct cash during pregnancy increases full-term births and improves birthweight.**

More details: \$1000 increases in both the **CTC** and **EITC** have been shown to reduce low birthweight by 2%-3.5%; higher **state-level tax credits** also increase birthweight and reduce preterm births. Studies of two longstanding guaranteed income programs—the Eastern Cherokee casino dividend and the Alaska Permanent Fund—have likewise found sizeable reductions in low birthweight linked to receipt of roughly **\$5000** and an **extra \$1000** per year, respectively. In Flint, the \$1500 in prenatal cash provided by **Rx Kids** reduced preterm births by up to 18%, low birthweight by up to 27%, and NICU stays by up to 29%. Cash works because it makes it easier for families to invest in maternal and infant health. While the specific findings vary, evidence indicates that cash transfers **increase** mothers' access to **prenatal care**, successful efforts to quit smoking, establishment of **breastfeeding**, and food and financial security, all of which may reduce stress during pregnancy and postpartum.

Cash Supports Nurturing Care and Reduces Child Maltreatment

- **Cash in early childhood improves child wellbeing by facilitating more engaged parenting, improving nutrition, and reducing exposure to neglect and abuse.**

More details: While child maltreatment occurs at all income levels, financial stress is a documented and addressable risk factor. A series of studies have found a link between more [generous CTC](#) and [EITC](#) payments and [lower risks](#) of child abuse and neglect, particularly when tax credits are [fully refundable](#) and designed to reach the lowest-income households. The Alaska Permanent Fund has had similar [impacts](#). Meanwhile, mothers who received \$333 per month through the [Baby's First Years](#) program spent more time reading and telling stories to their children, playing with their children, and taking their children to play groups, all activities known to support early childhood development. At the same time, the transfers [cut food insecurity](#) by nearly half and had no significant impacts on mothers' choices about if or when to engage in paid work in the year after birth.

Cash to Families Strengthens Economies

- **Economists estimate that providing cash to families with young children yields an over eight-fold return on investment.**

More details: Research suggests that direct cash to mothers and babies easily [pays for itself](#), with one cost-benefit analysis of a universal child allowance estimating that each \$1000 provided to households would generate [\\$8342 in social benefits](#), such as reduced health expenditures, higher earnings, and increased longevity.

Policy Recommendations

- **Cash transfers should be provided during the prenatal period and after pregnancy** to make birth safer for mothers and babies and stabilize financial security during a period of increased costs. 14 states now have at least one maternal-infant cash pilot program with 24 having some form of unrestricted cash transfer program.
- **Cash transfers should be provided without work requirements** to ensure that the benefits reach the most vulnerable families, while also facilitating job search and access to education and training. Twelve states--California, Colorado, Illinois, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New Mexico, New York, Oregon, and Vermont — [already take this approach](#) with their CTCs.
- **Higher cash amounts lead to better outcomes** — Colorado [already takes this approach](#), and several other states — New York, Minnesota, Oregon, Vermont, and Utah--provide at least \$1000 per young child per year.

What Federal Policymakers Can Do

- **Reinstate an expanded Child Tax Credit**, which [cut child poverty in half](#), and make it fully available to all low- and middle-income families
- **Create maternal-infant cash pilots** using [Special Projects of Regional and National Significance](#) (SPRANS) procedures

- **Restore funding for Medicaid**, which is [foundational](#) to infant and maternal health and a critical complement to cash

What State Policymakers Can Do

- **Use TANF dollars to fund maternal-infant cash programs** through the non-recurrent short-term ([NRST](#)) benefits mechanism, as Michigan has done for [RxKids](#)
- **Create statewide maternal-infant cash programs using the Section 1115 Medicaid waivers**, building on [state efforts](#) using these waivers to address other social determinants of health
- **Exclude maternal and infant cash programs from countable income for [public benefits](#)**, as states such as [California](#) have done
- **Reject [efforts](#) to ban local governments from implementing guaranteed income pilots**, as [Texas](#) recently did
- **Enact or expand their own versions of the CTC and the EITC** that are generous, fully available to all low- and middle-income families, and inclusive of all family types

Preparation of this memo was made possible through the contributions of Aleta Sprague and Dr. Kamaria Taylor, Children's Hospital of Philadelphia.