



Evidence at Your Fingertips Series

Evidence Briefs on Cash Transfers: Overview and Ten Key Messages

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To help policy makers make practical programmatic design choices, this series summarizes recent literature on cash transfers and explains how the design of cash transfer programs can **affect outcomes**.

The series is launched with an initial set of five thematic briefs on **benefit size**, **timing** (frequency and duration), **transfer modality** (cash versus in-kind), **payment mechanism** (physical versus digital), and **gender**. The evidence is largely based on impact evaluations published in the past decade.¹ Although the impacts of cash transfers can vary depending on the context, this overview brief aims to present main key take aways on how design features can impact cash transfer outcomes.

1. **Broadly speaking, greater impacts come with higher costs.** Making larger or more frequent transfers or providing complimentary support² to beneficiaries are often associated with greater impacts but also cost money. Policy makers must consider cost and complexity when designing programs and the confluence of these key design parameters (e.g., number of beneficiaries, amount per beneficiary). With a given budget, they must make these decisions based on the program objectives and context.
2. **The evidence favors cash over in-kind or vouchers.** Although there is some evidence that in-kind transfers increase food consumption, overall,

¹ The analysis relied on heavily <https://doi.org/10.1016/j.econbase.2019.01.001>. Select references from older studies (dating back to 2008) are included where newer evidence is not available. These can be found in the topic specific briefs.
² Some programs provide complimentary support (sometimes called cash plus) such as training or asset transfer to improve the development outcome of the programs. Also, communications on key development issues, such as increase awareness on using health and education services, shows to be key for some context.



Overview



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Cash Transfer Size: How Much Is Enough?

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Key Messages

1. Recent data underscores previous findings that high- and low-value transfers both increase household **consumption** and have the potential to increase asset accumulation and savings. When comparing two transfers, the **higher relative value transfer** typically produces greater impacts on economic indicators such as investment as well as consumption and food security.
2. **Higher-value lumpsum transfers may allow households to invest or save more than lower-value cumulative transfers.** The value of the transfer can influence the choice of investment, with higher lumpsum transfers enabling larger, long-term investments and lower value transfers enabling smaller, short-term investments.
3. **Lower-value transfers can be valuable.** Even those less than 10 percent of average annual income or consumption per capita have measurable impacts, particularly when **accompanied by behavior change communication** messages to improve health, nutrition, and education outcomes.
4. **Cash transfers offer greater agency over time-use decisions.** They do not necessarily discourage work but offer the possibility of substituting wage work for care, self-employment, and education for children.
5. High-value transfers and cumulative low-value transfers can both offset the associated costs of seeking and achieving **health and nutrition outcomes** if they are proportional to key cost factors such as the cost of travel to the clinic or purchase of a diverse food basket and if accompanied by messaging or conditionalities in the case of



Transfer Size



Evidence at Your Fingertips Series
**Cash Transfer Timing: How Transfer
Duration and Frequency Contribute
to Outcomes**

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Summary

1. Studies from 2016 on demonstrate that the **impact of cash transfers varies based on duration**, depending on whether they are distributed over a short (24 months or less) or long (more than 24 months) period.
2. **Cash transfers distributed over a long period provide predictability** that is associated with greater impact, particularly with transfers distributed to improve children's health, nutrition and education, and employment and labor. Therefore, policy makers and implementers should consider duration as an influential factor, especially for smaller, more-frequent transfers (e.g., monthly or quarterly cash-transfer programs).
3. **Longer duration of transfers allows for households to plan for the future**, which in turn allows households to engage in riskier yet more-profitable income-generating activities, when available. Longer duration of transfers, such as through universal basic income experiments, may especially benefit children when timed to pivotal developmental periods such as the first 1,000 days of life.
4. **Evidence suggests that frequency of cash disbursements alone does not significantly affect** outcomes such as health, nutrition and food security, saving and investment, education, or gender-based violence. One-time transfers may be



Duration and Frequency



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**Cash Transfer Payment Mechanisms:
Do Outcomes Vary According to
Payment Mechanism?**

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Summary

1. Based on the most recent impact evaluation evidence, on its own, the payment mechanism used to distribute cash—whether physical or digital—**does not have notably different impacts** on how recipients use cash or on outcome indicators such as consumption and food security, gender equity and empowerment, and financial inclusion and savings.
2. That said, **digital transfers are a potentially cost-effective mechanism** to reduce transaction costs for implementers—by reducing distribution costs and leakage—and for households—by reducing time spent collecting cash and providing a potential gateway to financial services.
3. More than the method of distribution, access to predictable and easy transfers, low transaction costs, available services infrastructure, and social norms drive outcome indicators; at times, **recipients may prefer what is familiar** to what is presumably more efficient or equitable.
4. A host of **ecosystem factors must be considered** when gauging the appropriate transfer payment mechanism, including the costs of physical payments, leakage, mobile network coverage and saturation, available agent operator network, digital literacy, gender and rural gaps in mobile access and financial services, know-your-customer (KYC) requirements to open an account, security



Payment



Evidence at Your Fingertips Series
**Cash or In-Kind Transfers:
Do Outcomes Vary According to
Transfer Modality?**

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Summary

- Cash transfers in general appear to be more effective** than in-kind transfers or vouchers at improving a range of outcomes, including decreasing monetary poverty, improving health and nutrition, and increasing food security, across diverse country contexts, program objectives, and design features.
- However, identifying a superior modality is challenging due to the heterogeneity** in context, program design, and objectives of the studies reviewed, despite evidence generally favoring the effectiveness of cash transfers and acknowledging the enhanced effectiveness of a combination of modalities, referred to as “cash plus,” in specific cases.
- The cost of in-kind transfers, such as food, presents a potential limitation to the scalability of programs,** despite evidence suggesting their impact on outcomes; these transfers tend to be more expensive than cash alternatives.
- Health, nutrition, and food security outcomes** are overwhelmingly the focus of the transfer programs included in this review, although a few studies also assess income and wealth outcomes. Further evidence for other outcomes is needed.



Modality



Evidence at Your Fingertips Series Can Safety Nets Reduce Gender-Based Violence? How?

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Summary

1. A growing body of evidence finds that cash transfers reduce intimate partner violence (IPV) in various contexts, even when the cash transfer was not designed to do so. The effects are comparable with standalone violence-prevention interventions and consistent with various forms of IPV (physical, emotional, controlling behavior).
2. Researchers hypothesize that safety nets curb gender-based violence (GBV) via three impact pathways: by reducing poverty and food insecurity, empowering women, and increasing women's social capital.
3. Average results mask heterogeneity: some groups of women are at higher risk of GBV than others. For example, women whose partners have low levels of education and abuse alcohol tend to be at greater risk of GBV.
4. There is little systematic evidence on how specific design features, such as size and frequency of transfers, affect GBV. Existing evidence suggests that digital payments may be more convenient for women and more likely to allow them to retain control over the transfers, reducing risk of GBV.
5. Evidence also suggests that, when cash transfers are combined with group-based accompanying measures, they are more likely to reduce IPV, even if GBV prevention is not an explicit objective of the accompanying measures.



Gender

Evidence at your Fingertips Series: Operational and Design Choices of Social Assistance Programs

To help policymakers make practical programmatic design choices, the “Evidence at Your Fingertips Series” explains how the design of cash transfer programs can affect outcomes. The review is largely based on impact evaluations published in the past decade. The series is launched with an initial set of five thematic briefs on benefit size, timing (frequency and duration), transfer modality (cash versus in-kind), payment mechanism (physical versus digital), and gender. While the impacts of cash transfers can vary depending on the context, the overview brief aims to present key takeaways on how design features can impact cash transfer outcomes.

Evidence at Your Fingertips Series:

- [Evidence Briefs on Cash Transfers: Overview and Ten Key Messages](#)

- Cash Transfer Size: How Much Is Enough?
- Cash Transfer Timing: How Transfer Duration and Frequency Contribute to Outcomes?
- Cash Transfer Payment Mechanisms: Do Outcomes Vary According to Payment Mechanism?
- Cash or In-Kind Transfers: Do Outcomes Vary According to Transfer Modality?
- Can Safety Nets Reduce Gender-Based Violence? How?

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