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An experiment examining the effects of $0, $500, or $2000 on financial, psychological, cognitive capacity, and health outcomes among low-income American households

Submission date
28/06/2026

Recruitment status
No longer recruiting

Registration date
30/06/2026

Overall study status
Completed

Last Edited
30/06/2026

Condition category
Other

[_] Prospectively registered
[_] Protocol
[X] Statistical analysis plan
[_] Results
[_] Individual participant data
[X] Record updated in last year

Plain English summary of protocol
Background and study aims
Unrestricted and unconditional cash transfers are "no strings attached" payments of money that people can spend however they like. Governments and charities increasingly use them to help people on low incomes, but there is still little evidence on how well they work in high-income countries such as the United States, or on whether the size of the payment matters. This study tested whether giving low-income Americans a one-time cash payment improved their financial situation, mental wellbeing, memory/thinking, and physical health, and whether a larger payment helped more than a smaller one.

Who can participate?
Adults (aged 18 years and over) living in the United States who had low incomes, had been financially harmed by the COVID-19 pandemic, and had previously applied to a non-profit organization for COVID-19 relief funds. Both men and women could take part.

What does the study involve?
A computer randomly placed each participant into one of three groups. One group received no cash payment, one received a one-time payment of $500, and one received a one-time payment of $2,000. Participants could use any money they received however they wished. All participants were asked to complete four online surveys: one before the payment and three afterwards (about one week, one month and one week, and three months and one week after the payment). Each survey asked about the same four areas: financial wellbeing, psychological wellbeing, thinking and memory (cognitive capacity), and physical health. Participants were also invited, but not required, to share data from their bank accounts.

What are the possible benefits and risks of participating?
Benefits: Participants in the $500 and $2,000 groups received money they could spend as they chose. All participants were paid up to $100 for completing the surveys and were entered into a draw to win $1,000 after the study ended. Taking part also contributes to research that can

inform charities' actions and public policy.
Risks: The risks were low. Some survey questions asked about personal financial and emotional circumstances, which some participants may have found uncomfortable to answer. Sharing bank account data carried privacy considerations; this was optional, and the data were handled under data-protection safeguards.

Where is the study run from?
Harvard University (USA), working in close collaboration with a national non-profit organization that provides cash transfers to people with low incomes. The non-profit handled all contact with participants and delivered the payments.

When is the study starting and how long is it expected to run for?
The first participants enrolled on 24 July 2020. Data collection continued until 12 May 2021, so the study ran for about 10 months.

Who is funding the study?
The study was funded by the partner non-profit organization who wish to remain anonymous.

Who is the main contact?
Prof Ania Jaroszewicz, aniaj@ucsd.edu

Contact information

Type(s)
Principal investigator, Public, Scientific

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AEA RCT Registry
AEARCTR-0006149

Study information

Scientific Title
Randomizing unconditional cash transfer amounts among low-income American households

Study objectives
1. To estimate the effect of receiving a one-time unconditional cash transfer, compared with receiving no cash transfer, on the financial wellbeing, psychological wellbeing, cognitive capacity, and physical health of low-income adults in the United States
2. To test whether the size of the cash transfer mattered, by comparing the outcomes of participants who received $2,000 with those of participants who received $500
3. To examine how the effects of the cash transfers changed over time, by measuring outcomes one week, one month and 1 week, and 3 months and 1 week after the transfer
4. To use participants' bank account records to measure how much, how quickly, and on what recipients spent or saved the cash transfers

Ethics approval required
Ethics approval required

Ethics approval(s)
Approved 06/05/2020, Harvard University Institutional Review Board (44-R Brattle, Suite 200 (2nd floor), Cambridge, 02138, United States of America; +1 (617) 496-2847; cuhs@harvard.edu), ref: IRB20-0813

Primary study design
Interventional

Allocation
Randomized controlled trial

Masking
Open (masking not used)

Control
Dose comparison

Assignment
Parallel

Purpose
Program evaluation

Study type(s)

Health condition(s) or problem(s) studied
Effects of cash on financial well-being, psychological well-being, cognitive capacity, and physical health (general physical health, sleep quality, food security, nutrition, and exercise) for low-income individuals.

Interventions
Participants were randomly assigned by computer (using random numbers generated in Stata) to one of three groups, in unequal proportions chosen to maximize statistical power given the study budget. The allocation sequence was concealed from both the participants and the non-profit organization that delivered the payments.

Control group (N = 3,170): received no unconditional cash transfer.
$500 group (N = 1,374): received a single unconditional cash transfer of $500, roughly half of the median participant's monthly household income.
$2,000 group (N = 699): received a single unconditional cash transfer of $2,000, roughly two months of the median participant's household income.

The cash transfers were one-time payments that recipients could use however they wished. They were paid about 3.5 weeks after the participant completed the baseline survey. The non-profit organization delivered each payment either by sending the money to the participant's own bank account or by making it available for the participant to withdraw from the organization's online platform.

Outcomes were measured using four online surveys that all participants were invited to complete: one before the payment (baseline) and three afterwards, about one week, one month and one week, and three months and one week after the cash transfer. Each survey measured the same four outcome areas: financial wellbeing, psychological wellbeing, cognitive capacity, and physical health. In addition, participants who agreed shared their financial data, which were used to measure their spending and saving.

At the partner organization's request, participants were also separately randomly assigned to receive, or not receive, access to certain non-financial features of the organization's online platform. These features were not the focus of this study but were controlled for in the analyses.

Intervention Type
Other

Primary outcome(s)
1. Financial well-being measured using Composite index (method in Anderson 2008) of: Employment status: "Which of the following describe your work situation in the last week?" (employed vs. not). Work performance, for those who worked in the past week: "How would you rate your performance at your job in the last week that you worked?" (1 = Very poor to 5 = Excellent). Work satisfaction, for those who worked in the past week: "How satisfied do you currently feel with your job?" (1 = Not at all satisfied to 5 = Extremely satisfied). Household savings: "Approximately how much savings does your household currently have?" (dollars). Household earned income: "Over the past month, approximately how much has your household received in earned income?" (dollars). Subjective financial well-being (average of five questions, 1-5 scales): "I feel secure about my financial future"; "I am behind with my finances" (reverse coded); "Giving a gift for a wedding, birthday, or other occasion would put a strain on my finances for the month" (reverse coded); "I can currently meet my and my household's basic needs"; "I can currently afford many of the things I and my household want". Ability to raise cash in an emergency: "Imagine that you have an emergency and you need to pay $500. How possible is it that you could come up with $500 within the next 3 days?" (1 = Not at all possible to 5 = Completely possible) at 1 week, 1 month and 1 week, and 3 months and 1 week after the cash transfer

2. Psychological well-being measured using Composite index (method in Anderson 2008) of: Agency (average of two questions, 1-5 scales): "What happens to me in the future mostly depends on me"; "I often feel helpless in dealing with the problems of life" (reverse coded). Positive well-being and life satisfaction (average of five questions): a "best possible life" ladder rating ("Please imagine a ladder... On which step of the ladder would you say you personally feel you stand at this time?", 1 = worst to 10 = best possible life); "Over the past week, I have often

been carefree and in good spirits"; "Over the past week, I have been satisfied with my life"; "Over the past week, I have been in a good emotional condition"; "Over the past week, how happy have you felt?". Psychological distress, reverse coded (average of anxiety, loneliness, and the eight-item PHQ depression scale): "Over the past week, how anxious, afraid, or distressed have you felt?"; "Over the past week, how lonely have you felt?"; and the PHQ-8 ("how often you have been bothered by the following over the past week": little interest or pleasure in doing things; feeling down or hopeless; trouble sleeping; feeling tired; poor appetite or overeating; feeling bad about yourself; trouble concentrating; moving/speaking slowly or being restless) at 1 week, 1 month and 1 week, and 3 months and 1 week after the cash transfer

3. Cognitive capacity measured using Composite index (method in Anderson 2008) of: Fluid intelligence: total score on nine Raven's Standard Progressive Matrices (short form), in which the participant chooses the tile that best completes a visual pattern (measured only at the post-transfer timepoints, not baseline). Money on the mind, reverse coded (average across two scenarios per timepoint): participants read two everyday scenarios and rated how much they would think about a cost-related thought in each (1 = wouldn't think about it at all to 5 = would think about it a lot); for example, "How much will this unexpected cab ride cost me?". Lower scores indicate less preoccupation with money. (Full scenario wording is in the survey instrument.) Everyday memory, reverse coded (average of four questions, asking how often in the past week the participant experienced each, 1 = once or less to 4 = more than once per day): having to check whether they had done something they should have; forgetting something they were told a day or a few days ago; a word being "on the tip of your tongue"; and completely forgetting to do things they planned to do at 1 week, 1 month and 1 week, and 3 months and 1 week after the cash transfer

4. Health measured using Composite index (method in Anderson 2008) of: General physical health: "How would you rate your overall physical health in the past week?" (1 = Poor to 5 = Excellent). Sleep quality: "How would you rate your overall sleep quality in the past week?" (1 = Terrible to 5 = Excellent). Food security: "Which of these statements best describes the food eaten in your household in the past week?" (1 = Often not enough to eat to 4 = Enough of the kinds of food we wanted to eat). Nutrition: "In the past week, how many days did you eat 5 or more servings of fruits and/or vegetables?" (0-7 days). Exercise: "In the past week, how many days did you exercise for 30 or more minutes?" (0-7 days) at 1 week, 1 month and 1 week, and 3 months and 1 week after the cash transfer

Key secondary outcome(s)
1. Financial data (spending, saving) measured using bank account balances and transaction-level spending at continuously throughout the study

Completion date
12/05/2021

Eligibility

Key inclusion criteria
1. Adults (age 18 or over)
2. Live in the US
3. Low-income
4. Adversely affected by the COVID-19 pandemic
5. Had previously applied to the partner non-profit organization for relief funds

Healthy volunteers allowed
No

Age group
Mixed

Lower age limit
18 Years

Upper age limit
150 Years

Sex
All

Total final enrolment
5243

Key exclusion criteria
We originally preregistered to exclude participants who had previously received money from the non-profit. This exclusion criterion was later relaxed.

Date of first enrolment
24/07/2020

Date of final enrolment
04/01/2021

Locations

Countries of recruitment
United States of America

Sponsor information

Organisation
Harvard University

ROR
https://ror.org/03vek6s52

Funder(s)

Funder type

Funder Name
Non-profit organization who wish to remain anonymous

Results and Publications

Individual participant data (IPD) sharing plan

IPD sharing plan summary
Not expected to be made available

Study outputs

Output type	Details	Date created	Date added	Peer reviewed?	Patient-facing?
Statistical Analysis Plan	Qualitative analysis plan		30/06/2026	No	No