

GiveDirectly

Transfer Project Workshop

Addis Ababa April 2016

Key messages for today

- 1 - GiveDirectly is an NGO exclusively devoted to delivering cash transfers to the poor
- 2 - We want to answer questions about cash that are important for policymakers
- 3 - Example 1 RCT: How do large one-time transfers compare to monthly streams? How do impacts differ by beneficiary gender? Large v. small transfers? Impact on stress, violence?
- 4 - Example 2 RCT Baseline: What are recipient preferences about transfer schedule structure and timing?

1 - GiveDirectly is an NGO exclusively devoted to delivering cash transfers to the poor

- **Founded 2009. Rural Kenya, Uganda, Rwanda.**
- **We've committed or distributed >\$30M in unconditional cash transfers. Will commit >\$40M more this year.**
 - Scale ~doubling annually
- **We're known for large, one-time cash transfers targeted via PMT**
 - ~\$1000/household in 3 payments within 4 months
 - Targeting via proxy means tests and poverty scorecards.
 - Recipients live on an estimated average \$0.65/day.
 - Delivery through mobile money (m-PESA and MTN)
 - ~90% of budget ends up in recipient hands
- **Funding is mostly philanthropic with high degree of flexibility**

2 - We want to answer questions about cash that are important for policymakers

Question

Do men and women use money differently?

Are larger transfers used differently?

Do lumpy transfers have different impacts?

What are the macro effects of cash transfers? Long term household effects?

How does showing cash recipients an inspirational video change impacts?

Behavioral aspects – timing, information provision, recipient transfer preferences

Benchmarking a major govt aid funder's programs against cash

Operational experimentation as well – targeting methods, biometric identification, payment delivery methods, remote environments, leaner models

Answer we found

Not very

More investment, less stress

More durables purchases, less stress, lower food security

(in progress)

(in progress)

(in progress)

(in progress)

3 - Example 1

2011-2013 RCT in Rarieda, Kenya

Endline an average of 4.3 months after receiving last transfer, but up to 14 months.

Variations

1372 Endlined households

- **Treatment** (471)
 - **Male v. Female** (174 ,195)
recipient (single, 102)
 - **Monthly v. Lump-sum** (235 ,
236)
 - **Large (\$1520) v. Small (\$404)**
(128 , 343) transfer sizes
- **Spillover** (469)
- **Pure control** (432)

Outcome Variables

- Assets
- Consumption
- Revenue
- Food Security
- Health
- Education
- Psychological Wellbeing
(incl. cortisol level)
- Female Empowerment
- Spillover effects

3 – Overall Results

Large and statistically significant improvements across a number of indicators

Non-land assets	↑	\$279/58%
Non-durable expenditure (mo)	↑	\$36/23%
Total revenue (mo)	↑	\$17/35%
Food security index	↑	0.25 SD
Psychological wellbeing index	↑	0.20 SD

No aggregate impacts found for education, health or female empowerment indices

3 – Results by treatment arm

Few significant differences between male and female recipients

(Greater improvement in psychological well-being at 10% significance for female recipients)

Monthly transfers: Greater food security, smaller asset increases

Food security: +0.26 SD

Assets: -\$75 (10% level)

Large transfers: Greater asset increases, greater psychological well-being improvements, improvements in female empowerment

Assets: +\$253

Psychological Well-being: +0.35 SD

Female Empowerment: +0.21 SD

Spillover effects: female empowerment (+0.23 SD), nothing else

3 – More results

Cortisol (stress hormone):

- Less stressed when recipient is a female (-0.22 SD, 5%),
- when transfers are lump sum (-0.27 SD, 1%),
- and when transfers are large (-0.16 SD, 10%)

Domestic violence:

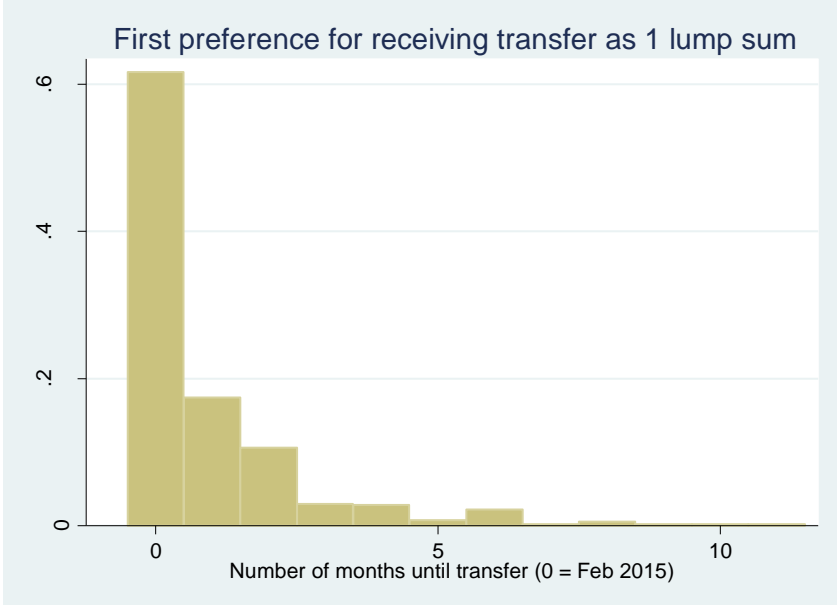
- While we didn't see aggregate treatment effects for female empowerment, we did for some of the domestic violence subcomponents.
- In aggregate, there were meaningful reductions in physical domestic violence, and - mostly directionally- those were bigger with larger transfers.

4 - Example 2 – Recipient transfer preferences

As part of an ongoing behavioral study, we asked recipients about their preferences about (1) timing and (2) number of pieces to split transfers into.

Most Recipients want **larger** transfers **ASAP**, but lots of variation.

		Number of Transfers			
		1	2	4	12
# Tranches	1 st	35	63	1	0
	2 nd	27	36	36	1
	3 rd	26	1	61	12
	4 th	12	0	1	86
Total		100	100	100	100



- Most prefer **larger** transfers (2 and 1 installments)
- However 1 installment also least preferred option among 1/8 of respondents

- Most (60%) want the transfer ASAP
- 40% prefer to receive at least 1 month later
- 10% prefer to receive at least 3 months later