

Income & Maternal Mental Health: What Do We Know from Research

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Introduction

- Theory predicts that higher income would lead to improved psychological wellbeing for mothers (and others).
- But estimating the causal impact of income on maternal mental health is challenging.
- The best evidence comes from natural experiments (e.g. policy reforms) and randomized controlled trial experiments (RCTs).



Evidence from natural experiments

- Several studies have found that more generous EITCs lead to improved maternal mental health (see e.g. Evans and Garthwaite 2014; Boyd-Swan et al., 2016; Gangopadhyaya et al (2020); Shields-Zeeman et al., 2021; Qian, H., & Wehby, G. L. (2021); Morgan et al., 2020 and 2022).
- A recent NBER working paper by Schmidt, Shore-Sheppard, and Watson (2021) provides two important findings:
 - A more generous safety net improves maternal mental health: a \$1000 increase in combined food and cash benefits is estimated to reduce severe psychological distress by 5.5%.
 - This improvement is entirely driven by tax credits: they estimate that a \$1000 increase in tax credits reduces severe psychological distress by 45%.



Evidence from the recent CTC expansion

- The CTC checks that were delivered monthly from July to December 2021 were large but also temporary.
- Curran's (2021) research round-up finds the CTC reduced poverty, hardship, food insufficiency, and related outcomes, but with little evidence to date of improvements in mental health.
- However, more recently:
 - Kovski, Pilkauskas, Micheltmore, and Schaefer (2022) found improvements in maternal mental health (anxiety & depression) in a sample of SNAP recipients: a \$500/month increase in CTC reduced mental distress by nearly 20%.
 - Collyer et al. (2022) also found improvements in maternal mental health in their sample of New York City families. They estimate that a \$300/month increase in CTC reduced psychological distress by 14%.



Evidence from RCTs

- RCTs that provide income to mothers are rare but several are underway. For example:
 - Babies First Years provides a monthly allowance to families with young children. Results published to date show impacts on infant development but do not provide evidence on maternal mental health (<https://www.babysfirstyears.com/publications>).
 - Room to Grow provides a package of parent coaching, service referrals, and material goods (worth \$10,000 over 3 years) to families with children age 0-3. Wimer et al. (2021) find reductions in mothers' aggravation in parenting and perceived stress when children are age 1 (but no significant effects on maternal depression).
- We will know more as future waves of data from these studies and others become available.



Conclusions

- The evidence to date supports what theory would predict – providing more income to low-income mothers improves their mental health.
- The evidence also suggests that how that income is delivered matters:
 - Cash is more beneficial than restricted in-kind assistance
 - Regular income is more beneficial than temporary income
 - Providing material goods for children is also beneficial

Stay tuned! This is an active area of research and we will learn more as additional results come in from CTC expansions and RCTs.

