

Prenatal transfers and infant health

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Abstract

We estimate the impact of a cash transfer to women on their (future) children's birth outcomes, exploiting the introduction of a universal child benefit in Spain. Using administrative data from birth records and a regression discontinuity approach, we find that low-income women who received the benefit were much less likely to give birth to low birthweight children, several years down the road. A 2,500-euro transfer led to a 1.2 p.p. decline in low birthweight status (<2,000 grams at birth) among children born in poor households. Given that about 1.7% of children were low birth-weight, this represents a 73% reduction. We find no impact on gestational length, suggesting that the effect is due to faster intrauterine growth, possibly related to improved maternal nutrition. Previous evidence on the causal effect of cash transfers to poor families on child health and development has been mixed. Some recent research suggests that targeting pregnant women may be more effective than later interventions, given the strong persistence of foetal health effects. Our results suggest that the impact may be stronger if women are targeted even earlier, before conception.