

The Long-Term Effects of Cash Transfers to Disadvantaged Youth*

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Abstract

This paper studies the long-run effects of additional income provided during adolescence. We exploit the January 1 birthdate cutoff for extra conditional cash benefits, which results in otherwise similar disadvantaged youth obtaining different amounts of income. We identify the impacts through a difference-in-discontinuity design applied to linked administrative data. We document precisely estimated zero effects on educational attainment, labor market outcomes, welfare dependency, and fertility rates over an 11 year period. Our results suggest that providing prolonged exposure to cash transfers to disadvantaged youth has limited role in improving their long-term economic outcomes and breaking the poverty cycle.

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