

# Unconditional Cash Transfers Promoted Facemasks' Use During the Pandemic

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**Biography:** Bartholomew Konechni is a PhD candidate at Sciences Po based within the Centre de Recherche sur les Inégalités Sociales (CRIS). His main work revolves around the adoption of new health behaviours during crises, with a particular focus on the COVID-19 pandemic.

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#### Recent Publications:

Konechni. 2023. Unconditional Cash Transfers Impact on Health Behaviours During a Crisis: A Natural Experiment Using the CARES Act 2020. LIEPP Working Paper

Konechni & Van Winkle. 2022. The Role of Non-Pharmaceutical Interventions for the Mental Health Consequences of Widowhood during the COVID-19 Pandemic. SocArXiv. (<https://osf.io/2rc5s>)

For the full paper, follow the QR code:



For more about the Understanding Coronavirus in America Panel, follow the QR code:



Unconditional cash transfers (UCTs) were an important government intervention during the COVID-19 pandemic, with as many as 191 countries adopting some form of UCT between March and June 2020. However, the extant literature evaluating UCTs' impact on individual health behaviours and compliance with public health recommendations has remained limited to low-income countries. To fill this gap, the present article exploits natural variation in Economic Impact Payments' (EIPs) reception in the United States – associated with the CARES Act 2020 – to evaluate UCTs' impact in a high-income country during the crisis using a difference-in-differences design.

## Research Questions

- 1) Do UCTs promote explicitly costly protective health behaviours (i.e. facemasks)?
- 2) Do UCTs promote implicitly costly protective health behaviours (i.e. working from home, avoiding high risk individuals, avoiding public spaces, and handwashing)?
- 3) Do UCTs promote the consumption of demerit temptation goods (i.e. alcohol)?

## CARES Act 2020

- The CARES Act, signed on 27<sup>th</sup> March 2020, included a tax-free, one-time, UCT to all qualifying US households, called Emergency Impact Payments (EIPs).
- Joint-filers with a gross household income under \$150,000 and single-filers with a joint household income under \$75,000 were eligible to receive a UCT of \$1200 per adult.
- However, at least 8-percent of eligible households never received the cheques.
- Around 45-percent of recipients received EIPs more than a week after they were first distributed.

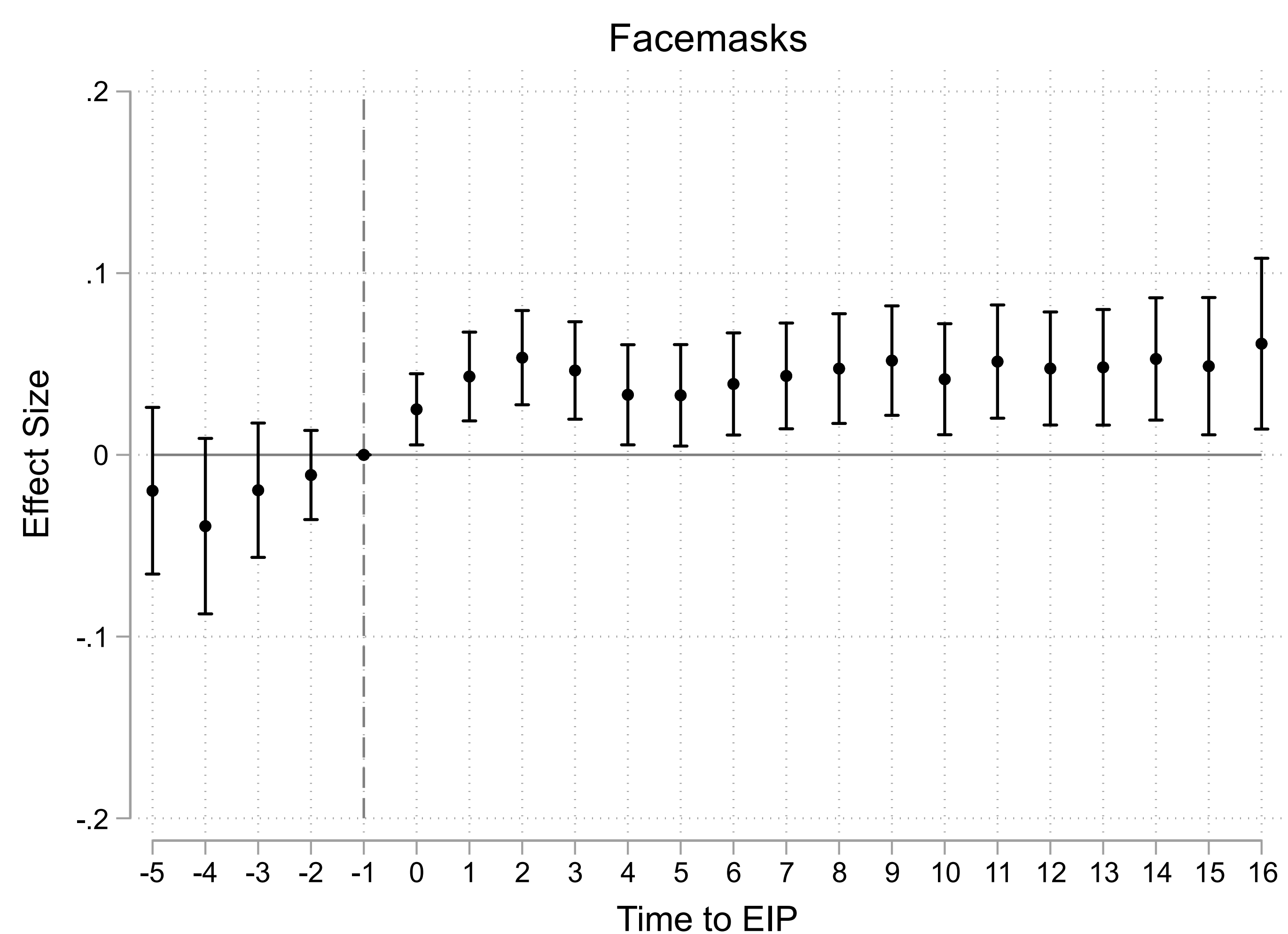
## Data

- This paper uses waves 2-19 of the Understanding Coronavirus in America Panel.
- Respondents re-surveyed approximately every two weeks about a range of health behaviours.
- Households who were not eligible for the full amount excluded from the sample.
- Final sample of 6338 individuals (4874 who received EIPs and 1464 who did not).

## Methods

- Difference-in-differences design, comparing the evolution of individuals who received the transfer against those who never received the transfer.
- Sun and Abraham's IW estimator – which is robust to staggered treatment timings – is used to estimate UCTs' impact.
- Additional controls for contracting COVID-19, local policy differences, and evolving risk perception are included.

## Dynamic Estimates



## Highlighted Results

- Overall, individuals were 5-percentage points more likely to wear a facemask after receiving EIPs.
- UCTs' impact on facemask uptake was stronger amongst poorer households and unaligned voters.
- UCTs did not improve compliance with implicitly costly public health recommendations, such as: working from home, avoiding high risk individuals, avoiding public spaces, and handwashing.
- UCTs did not impact the long-term consumption of demerit temptation goods such as alcohol.

