The Long-term Impact of PROGRESA on Education, Income, and Mobility in Mexico

Researchers:

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Sector(s): Education, Social Protection

Fieldwork: Berumen Asociados

Location: Mexico

Sample: 6,750 individuals

Target group: Children Children under five Students

Outcome of interest: Earnings and income Enrollment and attendance Fertility/pregnancy

Intervention type: Conditional cash transfers

Partner organization(s): Inter-American Development Bank (IDB), Prospera

Governments around the world use conditional cash transfer (CCT) programs to improve children's health and education, supported by strong evidence of their short- and medium-term effectiveness. However, less is known about the long-term effects. Researchers conducted a randomized evaluation to test the impact of earlier exposure to PROGRESA, a national CCT program implemented in Mexico. Twenty years later, children who grew up with PROGRESA had stayed in school longer and earned more as adults.

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Governments around the world use conditional cash transfer (CCT) programs to improve children's health and education, supported by strong evidence of their short- and medium-term effectiveness. The hope is that these early gains can help children enter adulthood better prepared than previous generations.

But do these benefits last into adulthood? Children who grow up in poverty are more likely to face structural barriers later in life that can limit the long-term impact of early investments. Moreover, education has been increasing across income levels. When children from families not receiving the program reach higher levels of education, those who benefited from a CCT may not gain an advantage in the job market. While children may stay in school longer while their families receive CCTs, are they also more likely to earn a higher income as adults? Whether early exposure to CCTs leads to lasting improvements in education, income, and geographic mobility is critical for assessing the full value of these programs.

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In 1997, the Mexican government introduced PROGRESA, a national CCT program for rural families with young children living in poverty. Within communities where PROGRESA was rolled out, 78 percent of households were eligible. The program was designed to break the cycle of poverty by improving children's health and education. Mothers of eligible households received monthly cash transfers of 105-660 Mexican pesos (about US$13-$83) if they took part in regular health checkups, attended health

and nutrition workshops, and kept their kids in school. Over the first few years after families began receiving the CCTs, infant mortality decreased, health and nutrition improved among young children, and older children were more likely to attend school for longer. Since PROGRESA's early evaluation, CCT programs were adopted in 17 Latin American and Caribbean countries and, by 2013, had reached 137 million people. PROGRESA was one of the first large-scale CCT programs to be rigorously evaluated, making Mexico a critical setting for understanding the long-term impacts of such programs.



Students walk to class at a school in Mexico.

Dany Bejar photography, Shutterstock.com

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Researchers evaluated the long-term impact of early exposure to Mexico's CCT program, PROGRESA, on education, income, and mobility. The study focused on whether receiving the program during key developmental periods—early childhood and the transition to secondary school—led to different outcomes later in life.

To do this, researchers leveraged PROGRESA's original randomized rollout:

1. *Early treatment group*: 320 villages began receiving transfers in May 1998.
2. *Late treatment group*: 186 villages began receiving transfers 18 months later, in November 1999.

Once enrolled, families could continue receiving transfers for up to 20 years.

In 2017, researchers surveyed two cohorts of individuals from both of these groups to compare the long-term effects of earlier versus later exposure to the program during key developmental periods:

- *Early childhood cohort* (4,461 individuals): Children born between 1997 and 1999. The first 1,000 days of a child's life are formative for their future health and well-being. Those in the early treatment group were exposed to PROGRESA during this sensitive period, while those in the late treatment group were exposed after early infancy. They were 18-20 years old at the time of the survey.
- *School cohort* (2,289 individuals): Children enrolled in sixth grade in 1998. The transition from primary to secondary school is a critical crossroads in a child's life. Children in this cohort in the early treatment group benefited from PROGRESA during this transition, while those in the late treatment group started receiving transfers after the transition point had passed. Individuals in this cohort were around 30 years old at the time of the survey.

Researchers gathered data on people's education, income, geographic mobility, occupation, income expectations, asset ownership, and demographics.

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Children who received PROGRESA during early childhood attained more years of education and expected to earn higher incomes. Children who received PROGRESA during the transition to secondary school attained more education, earned higher incomes, were more likely to migrate, and started families later than children who received the program after the transition.

Educational attainment: Children who received PROGRESA during key developmental periods stayed in school longer. Those who received the CCT during early childhood completed 0.35 more grade levels than their peers who received the program after infancy. They were also more likely to finish secondary school and go to college. Children who received the program during the transition to secondary school completed about 0.30 more grade levels and were 7 percentage points more likely to finish lower secondary school. Girls in both groups saw particularly high educational gains.

Income and income expectations: At the time of the survey, individuals in the early childhood cohort were 18-20 years old, and many were still in school and had not entered the labor market. Researchers asked them what they expected to earn by age 30. Those who received PROGRESA during early childhood expected to earn more than those who received it later.

On the other hand, most individuals in the school cohort had completed their education and entered the labor market. Those who received PROGRESA during the transition to secondary school earned 8,761.30 Mexican pesos (US$462.83) more per year—about 15 percent more—than those who received the CCT later. Women in this group earned 31 percent more than their peers.

Migration: Individuals in the school cohort who received PROGRESA during the transition to secondary school were generally more likely to move away from their hometown. They were 4.9 percentage points less likely to still be living in the villages they grew up in, 7 percentage points more likely to have ever migrated outside of their municipality, and 3.7 percentage points more likely to have migrated and returned to their municipality. PROGRESA's impact on mobility may explain the school cohort's increased incomes, as people migrated to regions in Mexico or the United States where they could earn more.

Fertility: Individuals who were exposed to PROGRESA during or after their transition to secondary school were just as likely to be married and have children. However, individuals who were exposed during the transition started their families slightly later in life. On average, they got married and had their first child about half a year later than those who received the program after that transition period.

Receiving PROGRESA 18 months earlier, during key developmental periods, seems to have led children to gain more education and earn more as adults. These gains may be facilitated by increased geographic mobility. These effects are plausibly an underestimate of the full impact of growing up with PROGRESA.