

Parents' Future-Orientation

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CHILD PROTECTION



HIV / AIDS



SOCIAL INCLUSION



HEALTH



WASH



NUTRITION



EDUCATION

Outline of the talk

- Project Genesis
- Research questions
- **Experiment 1:** A Randomized Control Trial to boost patience in parents and increase investments in children
- **Experiment 2:** A Lab-in-the-Field experiment to measure the impact of parents' time-preferences on investments in children

Project Genesis

Project Genesis: Social Cash Transfer Program

- UNICEF has contributed to the roll-out of a large-scale SCT program targeting 10% of the Malawian ultra-poor.
- The program had a lot of positive benefits.
- But there is room for improvement in terms of the available public services (such as nutrition programs or under-5 clinics), or investing in preventative health care, in particular for the children.
 - **How to maximize the impact of the SCT for children?**

Piloting results: investments in children

Variable	Mean
Ever attended ECDP	48%
Ever attended school (6-18)	94%
Currently attending school (6-18)	84%
Spent on school expenditures (6-18)	4813
Received supplementary feeding (past 7 days)	29%
Received vitamin A supplements (past 3 months)	43%
Spent on preventative healthcare (past month, child under 12)	111

Project Genesis: our hypothesis

- Investing in children's education, health or investing the time to go to a clinic to get a health check-up are all

inter-temporal decisions

you pay a cost now (money, time) \Rightarrow the benefits come later

- Could time-preferences influence investments in children?
- If time-preferences change, could investments in children increase?

Research questions

Research questions

H1: Is making parents more future-oriented an effective way to promote investments in children's human capital?

H2: Are parents likely to make plans to invest more in their children “in the future” but are tempted to renege on them when the time comes?

Boosting patience in parents to increase investments in children

First experiment

Experimental design

Two sets of trainings that will be randomly assigned to villages.

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1. Increase patience when making decisions involving one's **own** consumption (Treatment 1).

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Two sets of trainings that will be randomly assigned to villages.

1. Increase patience when making decisions involving one's **own** consumption (Treatment 1).
2. Increase patience when deciding how much to invest in **children** (Treatment 2).

Randomization and sample size

Intervention	Control	Treatment 1 (own)	Treatment 2 (children)
No additional information	42 villages (630)	21 villages (315)	21 villages (315)
Additional information concerning children (Placebo)	42 villages (630)	21 villages (315)	21 villages (315)

The trainings

- Done jointly in cooperation with Student Driven Solutions

The trainings

- Done jointly in cooperation with Student Driven Solutions
- Affect time-preferences by:
 - improving goal-setting;
 - self-efficacy (the belief that you can influence future outcomes);
 - making the consequences of present actions more important (e.g., salient).

The trainings: example of a lecture

Treatment 1

- Set a financial goal for 5 years from now:
 - How much would you have liked to save?
 - What big purchases would you have wanted to make?
- Plan every step you would have needed to take to reach that goal, starting from the end.
- Share your plans and discuss with the rest of the class.

Treatment 2

- Set a goal for your child, 5 years from now:
 - What would you like your child to be doing 5 years from now?
 - For instance, in terms of schooling or health.
- Plan every step you would have needed to take to reach that goal, starting from the end.
- Share your plans and discuss with the rest of the class.

Impact evaluation: outcome variables

- **Behavioural parameters**
 - Time-preferences
 - Self-efficacy
 - Risk-aversion
- **Investments in children**
 - School and ECDC attendance
 - School expenditures
 - Health related expenditures
 - Take-up of public services: vaccinations, growth and health check-ups
complementary feeding...

Impact evaluation: link with the SCT

Are the workshops to increase patience **complements** or **substitutes** to the cash transfer (SCT) programme?

We will look at whether the results for SCT
→ beneficiaries are different from those of comparable households in our sample.

Contribution to the literature/ policy design

1. Can interventions to increase patience be effective to increase investments in children?
2. Does the focus of interventions to increase patience matter?
3. Can interventions to increase patience be effective in adults?
4. Can interventions to increase patience be effective in a developing country?

Parents' future-orientation and investments in children

Second experiment

Understanding how parents plan for the future

1. Do parents plan differently for their future consumption and that of their children?

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2. Do they revise plans they have made and reallocate more consumption towards themselves?

Potential challenge

Understanding how parents plan for the future

1. Do parents plan differently for their future consumption and that of their children?
2. Do they revise plans they have made and reallocate more consumption towards themselves?
3. Would parents like to commit to their initial plan?
4. Can labeling help parents stick to their plans?

Policy implications

How?

- How to observe the way parents make decisions in their house?

How?



How?

- We ask the parents to split peanuts between them and their children across time.
- Three visits to the households:
 $t = 1$: “today”, $t = 2$: “tomorrow”, $t = 3$: “a month from now”



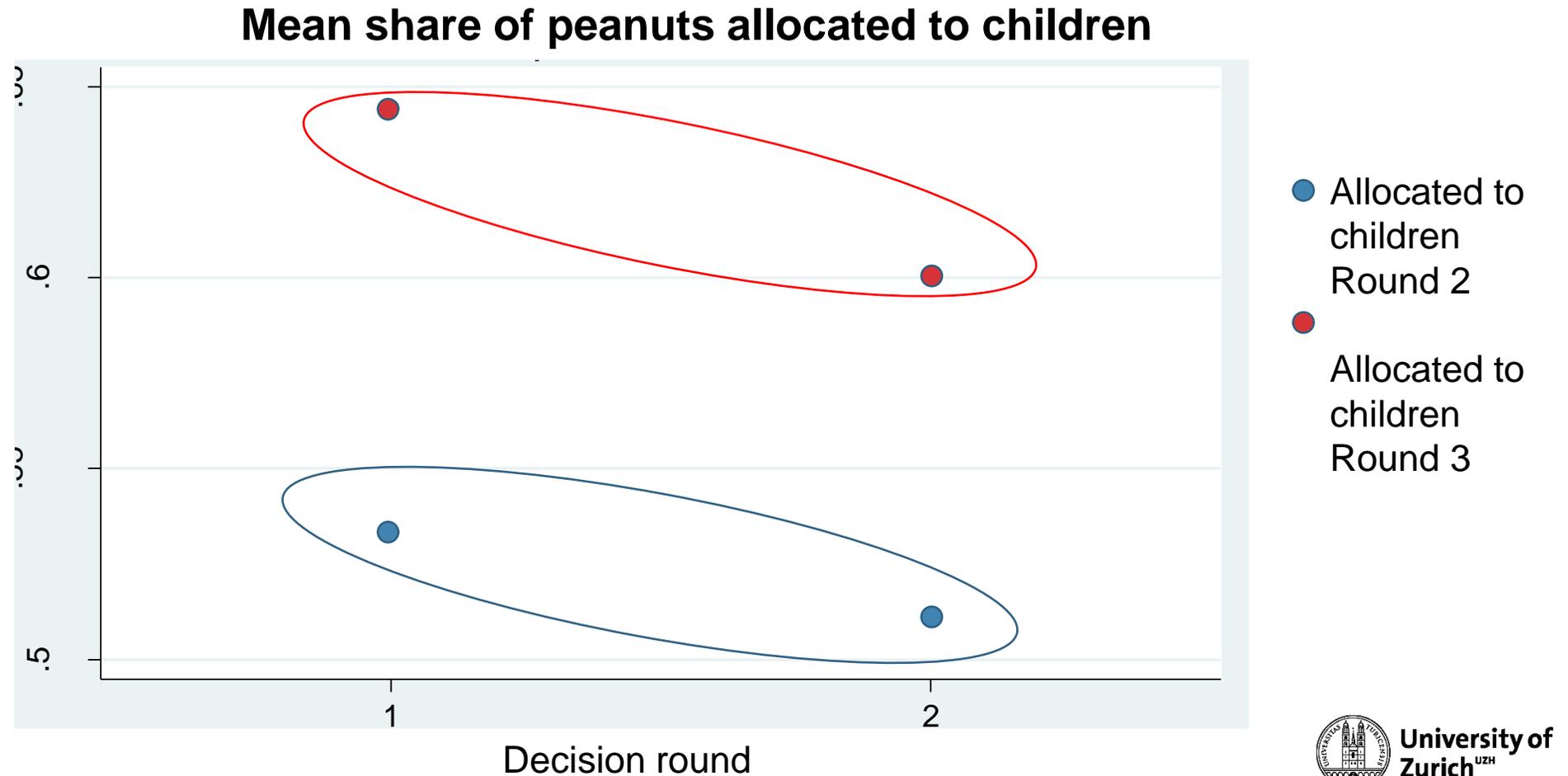
Three decisions

- **Decision A:** Split 3 packets of peanuts to be either eaten tomorrow or a month later.
- **Decision B:** Split 3 packets of peanuts to be either eaten by their children tomorrow or a month later.
- **Decision C:** Split 6 packets of peanuts between them and their children tomorrow and a month later.
 - ➔ When “tomorrow” comes, the team comes back and the respondents can change their mind.

What do we learn?

- **Decision A**
Split 3 packets of peanuts to be either eaten tomorrow or a month later.
- **Decision B**
Split 3 packets of peanuts to be either eaten by their children tomorrow or a month later.
- **Do parents plan for their future consumption and that of their children in the same way?**
- **Are parents more likely to change their mind when it comes to their own consumption or that of their children?**

Pilot results: evidence of reallocation towards parents



Demand for commitment

- People can be “naïve” or “sophisticated” about their inconsistencies.
- Are parents aware of their own inconsistencies?
 - After each decision, we elicit beliefs about their future behaviour in two ways:
 1. Direct question
 2. Incentivized question: “If ten people in your village made the same choice as you did today, how many would change their mind tomorrow?”

Demand for commitment

- People can be “naïve” or “sophisticated” about their inconsistencies.
- Are parents aware of their own inconsistencies?
- Do parents demand commitment devices to stick to their plans?
 - During the first visit, after each decision, parents can commit to their first decision,
 - The commitment can be free or come at a cost.

Pilot results: demand for commitment

		Decision C: parent-bias		
		Don't commit	Commit	Total
Decision A: present-bias	Don't commit	7	2	9
	Commit	2	9	11
	Total	9	11	20

Sample: only households who were offered the free commitment device.

➔ **Similar demand for commitment devices for both types of inconsistencies**

The role of labeling

- Labeling can help mitigate the role of traditional time-inconsistencies.
- **During the second visit, the respondents are presented with the packets of peanuts labeled according to their previous choice, before having to make a decision in each scenario.**

What come next?

- **Fall:** baseline data collection and experiment 2,
- **Winter:** workshops,
- **Spring:** follow-up data collection

Thank you

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Placebo information on children: an example



What happens during the early years of a child's life, from birth to eight years, influences what a child will become during adulthood. The child acquires the ability to speak, learn and reason and the cornerstones laid during this period affect later learning in school. A child receiving warmth, care, mental stimulation and social interaction from parents and teachers has a better chance of succeeding in life than one who is not.

In Dedza district, there are almost 100 ECD centers. You can find the closest in the list below. ECD centers provide a number of services for young children (usually aged 0 to 8), to support their development, growth and learning.

There are more than 260 primary schools in the district of Dedza. To find the closest to your village, see below a list of schools. The enrolment is usually free and, at school, children acquire knowledge and skills that allow them to function as competent and productive citizens when they grow up.

Information about available services

Placebo information on children: an example

Information about the importance of preventative health products

More than half of Malawian children suffer from chronic malnutrition, resulting in stunting. Malnutrition puts children at greater risk of dying from common infections, increases the frequency and severity of such infections, and delays recovery.

- ❖ Children should receive regular health check-ups in under-five and well-baby clinics.
- ❖ Additionally, there are a number of products that can help protect and treat children from malnutrition. Therapeutic foods, such as Chiponde, provide calories in the form of carbohydrates, proteins and fats.
- ❖ Vitamin A deficiency (VAD) primarily affects children causing night blindness and contributing to retarded physical growth and impaired resistance to infections. Regular consumption of vitamin A-rich foods as well as vitamin A supplement, could prevent VAD.
- ❖ Anemia and iron deficiency affect more than 2 billion people. Those most affected are women and pre-school-age children (as many as 50 percent of whom may be anemic). Anemia in infants and children is associated with retarded physical growth, reduced resistance to infections and slow development of learning abilities.
- ❖ Finally, it is possible to find multiple micronutrient powders, which are single-dose packets of vitamins and minerals (usually including

Deworming pills can be found at outreach clinics (see a list below).

Children can be vaccinated at health centers and outreach clinics. To find the closest to your village, see below a list of health centers and outreach clinics

Therapeutic foods, Vitamin A supplements, iron pills and micronutrient powders can be found at outreach clinics (see a list below).