Spending Responses to Direct Cash Assistance to Low-Income Adults[*]

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Abstract

This paper examines individuals' use of one-time direct cash assistance of $1400 provided to over 2000 low-income individuals in 2022. Survey results demonstrate that nearly all recipients paid down debt or spent the assistance; very few recipients saved the check. This result differs from broad-based one-time assistance payments but is consistent with other assistance payments provided to low-income individuals. The main categories of spending are recurring bills, debt payments, food, housing or auto repairs, and transportation. The estimated marginal propensity to consume is 0.69. Individuals' use of the assistance was primarily influenced by household debt prior to receiving the assistance.

Keywords: cash assistance, consumer spending

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I. Introduction

In recent years, many cities and counties across the United States have implemented cash assistance programs to address rising income inequality and economic fragility among low-income households. Notably, most government-sponsored anti-poverty programs in the U.S. have traditionally focused on providing in-kind transfers rather than direct cash assistance. However, economic theory and evidence from developing countries suggests that recipients of financial assistance tend to more highly value cash transfers (Friedman, 1962; Haushofer and Shapiro, 2016). To implement such transfers, some jurisdictions have implemented recurring guaranteed income programs (e.g., West et al., 2021; Bartik et al., 2024), others have opted for one-time cash assistance to provide immediate relief to households facing economic hardship (e.g., Zaluska, 2022). In this paper, we examine how low-income recipients spent or saved a one-time cash assistance program in a small Midwestern county and how these spending patterns varied across individuals.

One-time cash assistance programs differ significantly from recurring guaranteed income initiatives in their timing, structure, and intended impacts (Marinescu, 2018; Hoynes and Rothstein, 2019). Guaranteed income programs aim to provide a consistent income floor over an extended period—potentially altering long-term behavior and economic security. At the state level, the longest running guaranteed income program is the Alaska Permanent Fund, which has given Alaska residents an annual payment ranging from $331-$3284 each year since 1982 (State of Alaska, 2023). Recent programs include the Stockton Economic Empowerment Demonstration (SEED) program in California, which provided 125 households with $500 each month for 24 months (West et al., 2021). In contrast, one-time payments are designed to address immediate needs or to generate short-term economic activity. Notable examples include federal stimulus

checks during the 2008 financial crisis and the COVID-19 pandemic, which provided crucial support during periods of economic distress. Research on these interventions has shown that one-time payments can have significant immediate effects on household spending, particularly for low-income recipients (Parker et al., 2013). However, research on these one-time payments focuses on assistance that is provided nearly universally throughout the country with a goal to stimulate spending.

This article adds to the existing body of research on U.S. cash transfer programs, with a focus on one-time payments to low-income households and their economic impacts on recipient households. In 2022, Johnson County, Iowa created the Direct Assistance Program (DAP) to provide a one-time payment of $1,400 to 2,242 low-income applicants who demonstrated a financial hardship during the pandemic. As a result of this program, individuals were mailed a check, primarily in July 2022. Using information from a survey administered 1-2 months after the checks were mailed, we examined the primary use and the spending categories of the cash assistance.[1] Nearly all recipients used the cash assistance for debt payments or spending. Only 5% of recipients primarily used the assistance for savings. Besides debt payments, the most common spending categories of the cash assistance were recurring bills, food, housing or auto repairs, and transportation. We further examine the determinants of the use of the cash assistance. Individuals' use of the assistance was primarily influenced by household debt prior to receiving the assistance.

Given the pervasiveness of poverty and income inequality, many smaller cities and counties are considering cash assistance programs. This research provides new evidence of how individuals

[1] We do not, in this paper, focus on other outcomes related to cash transfer programs, such health and wellbeing. For a broad overview of the literature across various outcome areas regarding reoccurring cash transfer programs in the US and Canada, see Neighly et al. (2022).

in a small Midwestern county used the cash assistance, which can inform policymakers and local officials considering similar programs.

II. Background on the Direct Assistance Program

In 2022, Johnson County, Iowa used funding provided by Congress in the federal American Rescue Plan Act 2021 to create the DAP, a financial aid initiative designed to alleviate the economic hardships borne by households due to the COVID-19 pandemic (Zaluska, 2022). The DAP offered a one-time payment of $1,400 to eligible individuals if they could demonstrate that they had been residents of Johnson County since at least March 1, 2020, were at least 18 years of age or legally emancipated, and had low to moderate income (Johnson County, 2024).[2] Applicants were required to demonstrate that they had faced financial hardship as a direct consequence of the pandemic. This hardship could manifest itself in various forms, including food insecurity, unemployment, housing insecurity, exclusion from federal stimulus programs, or eligibility for certain government assistance programs.[3] The DAP's goal was to bridge the gap for those who might have been overlooked or ineligible for the federal COVID-19 stimulus checks, thereby ensuring that a broader segment of the community received financial support during the pandemic.

[2] To demonstrate income eligibility, acceptable documentation included a 2020 or 2021 tax return, at least two weeks of pay stubs or a wage statement; a letter from an employer documenting dates worked and income; or a benefit statement of SSI, Social Security, unemployment insurance, retirement/pension, disability, Family Investment Program/Temporary Assistance for Needy Families, or Veteran's benefits. Low to moderate income is defined depending on how many people are in your household; an applicant's annual income must be at or below $45,370 for a household of one, $51,870 for a household of two, $58,370 for a household of three, with various other incomes capping out at $86,605 for a household of eight.

[3] Eligibility for the following government assistance programs qualify as a financial hardship caused by COVID-19: Childcare Subsidies through the Child Care Development Fund Program (CCDF) or State Child Care Assistance; Family Investment Program (FIP) or Temporary Assistance for Needy Families (TANF); Free- and Reduced-Price Lunch (NSLP) and/or School Breakfast programs; Head Start and/or Early Head Start; Healthy and Well Kids in Iowa (HAWKI) or Children's Health Insurance Program (CHIP); Johnson County General Assistance; Low-Income Home Energy Assistance Program (LIHEAP); Medicaid; Medicare Part D Low-Income Subsidies; Pell Grants; Section 8 Vouchers or HUD Subsidized Housing; Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); Supplemental Nutrition Assistance Program (SNAP); and Supplemental Security Income (SSI).

Individuals applied to the program between April 25, 2022 and May 27, 2022. All eligible applicants were mailed an assistance check. Approximately 85% of the checks were mailed on July 22, 2022, and 14% of the checks were mailed on August 26, 2022; the remaining 27 checks were mailed between July 27 and October 4, 2022. Ultimately, the county mailed one-time $1,400 checks to 2,242 individuals across Johnson County in 2022.

The one-time $1,400 payment provided through the DAP is a significant amount for recipients. This amount is equivalent to 40% of Johnson County's average per capita monthly income and approximately 1.3 months' worth of rent at the county's median monthly rental rate in 2022 (U.S. Census Bureau, 2024). For program recipients who responded to the survey described below, $1,400 was equivalent to 84% of total monthly income prior to receiving the assistance. Additionally, the $1,400 payment exceeds nine times the average monthly benefits provided through the Supplemental Nutrition Assistance Program (SNAP) for Johnson County (Center on Budget and Policy Priorities, 2022).

III. Survey of Program Recipients

We surveyed DAP recipients approximately 1-2 months after the assistance checks were mailed to understand how the funds were spent. This timing reduces recall errors about spending decisions while allowing time for the funds to have been spent. For example, Misra et al. (2020) find that approximately 50% of the first Economic Impact Payment in 2020 was spent within the first four days, while Jaroszewicz et al. (2024) find that recipients of a one-time transfer of either $500 or $2000 spent or saved all of the funds within the first month.

The survey was administered by the Iowa Social Science Research Center (ISRC) at the University of Iowa. The surveys were mailed to each DAP recipient on September 15, 2022. The

survey booklets, available in both English and Spanish, consisted of six pages and included instructions on the front page. A prepaid business reply envelope addressed to the ISRC was provided to facilitate responses. On October 3, 2022, individuals who had not responded received a postcard reminder encouraging them to complete the survey. Additionally, ISRC field staff made phone call follow-ups on the same date, offering individuals the option to complete the survey over the phone. A second mailing of the survey was sent to non-responsive individuals on October 13, 2022. Phone call follow-ups continued until October 26, 2022.

Of the 2,242 DAP recipients, 1,015 individuals completed the survey for an overall response rate of 45.27 percent. This response rate is similar to that of other cash assistance programs targeted to low-income individuals (Balakrishnan et al., 2024). Of the 1,015 completed surveys, 823 surveys were completed in English and 192 surveys were completed in Spanish.

To understand participants' spending patterns, we first asked about the primary use of the assistance check. Possible responses included that the individual: a) mostly spent the check, b) mostly saved the check, and c) mostly paid down debt. This question follows questions about the use of the Economic Impact Payments in 2020 and 2021 from the U.S. Census Household Pulse Survey, Shapiro and Slemrod (2003), Armantier et al. (2020), and Coibon et al. (2020). We then asked respondents to report the dollar amounts spent, out of the $1400 received, on each of the following categories: debt payments (mortgages, auto loans, student loans, credit card debt, etc.), recurring bills that are not debt payments (rent, electricity, water, cable, internet, etc.), housing or auto repairs, transportation (gas, bus fare, etc.), items you plan to keep for a while (durable goods such as electronics, furniture, appliances, etc.), food (groceries, restaurants, etc.), non-food items that you will use up (non-durable goods such as health/beauty products, household products, etc.),

medical care (health insurance, out-of-pocket medical bills, prescription drugs, etc.), savings, giving to others, and other spending.

Table 1 displays the characteristics of survey respondents and non-respondents. These characteristics in the first eight rows are based on information included on the DAP application that was completed in April and May 2022. Over 60% of the survey respondents are female, 39% are non-Hispanic Black, 29% are non-Hispanic White, 27% are Hispanic, and 5% are another race/ethnicity. The average age is 44.2 years. The average household size is 2.8 individuals. Average annual household income, which is measured and verified from 2020 or 2021, is $23,218. The characteristics of DAP recipients who did not respond to the survey are generally similar; there are some statistically significant differences, but the magnitudes of the differences are reasonably small. The most pronounced differences between survey respondents and non-respondents are that 21% of non-respondents are non-Hispanic White and 36% are Hispanic.

Table 1 includes the additional characteristics of survey respondents based on information collected in the survey. Average total monthly income for June 2022, based on earned income and any other source of income, is $1,672. Average household debt for June 2022, which is prior to receiving the cash assistance, is $25,151. Approximately 12% of respondents are homeowners. The highest level of schooling completed was high school for 34% of respondents, some college for 31% of respondents, and college or graduate school for 19% of respondents; 16% of respondents did not graduate high school. More than one-third of respondents are married. Approximately 77% of respondents have children with an average of 1.5 children per respondent.

IV. Spending Patterns

Table 2 shows how survey respondents primarily used the cash assistance check. Over half of the recipients (54%) mostly used the assistance to pay down debt. About 41% mostly spent the assistance, and 5% mostly saved it.

Table 3 reports how the check was used across different spending categories. Of the $1,400 check received, recipients spent on average $419 (or 30.1% of the assistance check) on recurring bills including rent, $356 (25.5%) on debt payments, $143 (10.4%) on food, $132 (9.5%) on housing or auto repairs, $79 (5.6%) on transportation, $53 (3.7%) on durable goods, $45 (3.3%) on non-durable goods (other than food), $36 (2.5%) on medical care, $25 (1.8%) on gifts, and $33 (2.3%) on other services. On average, recipients saved $65 (4.7%) of the assistance check. These results are consistent with the primary use of the assistance in Table 2 if recipients viewed spending on recurring bills as equivalent to using the assistance check to mostly pay down debt. Overall, we estimate a marginal propensity to consume (MPC) of 0.65 considering all forms of spending except for debt payments, savings, gifts, and other as consumption.[4]

V. Determinants of Spending Patterns

In this section, we examine how spending outcomes varied by the recipients' socioeconomic and demographic factors. Specifically, we estimate a multinomial logit model for the primary use of the assistance check (mostly spending, mostly saving, or mostly paying down debt) and ordinary least squares regression for spending amounts on the five categories that had the most spending on average. We constructed the covariates to allow for potential non-linear effects of continuous measures (such as income, debt, or age) but also considering the sample distribution of these variables (to ensure reasonable minimum frequencies in each category). The

[4] Including other spending as consumption increases the MPC to 0.67.

covariates include the ratio of the total monthly income in June 2022 (before receiving assistance) to the cash assistance ($1,400); the lower (higher) this ratio, the greater (smaller) the cash assistance value is relative to monthly income (≤0.5, >0.5 - ≤1, >1 - ≤1.5, >1.5). Additional covariates include the household debt amount in June 2022 (before receiving the cash assistance, $0, $>0 - ≤5,000, $>5,000 - ≤20,000, >$20,000), whether the individual owns their home (compared to renting, public housing, living with others, or being homeless), the highest level of schooling completed (less than high school, high school, some college, college graduate), gender (female compared to non-female), age (≤29, 30 - 44, 45 - 59, ≥60), race/ethnicity (non-Hispanic Black, non-Hispanic White, Hispanic, other race/ethnicity), married (yes/no), and number of children in the household (0, 1, 2 and ≥3). The regression sample includes individuals with complete data on the outcome and all included covariates; this includes 759 individuals for the primary use of the assistance check and 776 individuals for the spending amounts.

Table 4 reports the estimates of differences in the likelihood of mostly spending the cash payment, using it to pay debt, or saving it (as reported by the recipient) by the recipients' socioeconomic and demographic characteristics. These estimates are changes in the likelihood of each use of the cash assistance. Debt prior to receiving the cash assistance had a significant influence on how individuals primarily used the cash assistance. Having debt was associated with a lower likelihood of mostly spending or saving the cash payment and with a higher likelihood of mostly using it to pay debt instead. Having any debt compared to no debt was associated with the primary use of the cash assistance, but there was little influence of the debt amount. For example, compared to not having debt, the likelihood of mostly using the payment to pay debt was 32, 35, and 40 percentage-points higher with $≤5,000, $>5,000-≤20,000, and $>20,000 of debt in June 2022, respectively.

Individuals' primary use of the cash assistance also varied based on educational attainment, race/ethnicity, marital status, and the number of children in the household. The likelihood of mostly using the cash assistance to pay debt was lower for those with some college (9 percentage points) or college (10 percentage points) compared to those with high school education. The likelihood of mostly spending the cash assistance was also higher for college graduates (10 percentage points) compared to those with high school education. Non-Hispanic Black individuals were less likely (6 percentage points) to mostly save the cash assistance compared to non-Hispanic White individuals. Hispanic individuals were less likely (17 percentage points) to mostly spend the cash and more likely (21 percentage points) to mostly use the cash assistance to pay debt compared to non-Hispanic White individuals. Married individuals were more likely (10 percentage points) to mostly spend the cash assistance and less likely (12 percentage points) to mostly use the cash assistance to pay debt compared to non-married individuals. Lastly, individuals in households with children were more likely to mostly spend the cash assistance (10 percentage points for households with 2 or more children compared to no children) and less likely to mostly save the assistance (7 percentage points for 1 child and 6 percentage points for ≥3 children compared to no children). There were no statistically significant differences in this outcome by other covariates.

The sample size for the regression sample decreased to 759 individuals because of the larger rate of missing data for baseline debt and income (approximately 11% missing on each) than other covariates (approximately 2% missing or less). To examine the robustness of the results to this smaller sample, we re-estimated the multinomial logit model for the primary use of the cash assistance excluding these two variables and including the observations with missing data for these two variables; the resulting sample size was 908 individuals. The results were mostly robust with this larger sample. Some differences were observed for education (both less than high school and

college graduate were associated with lower likelihood of mostly saving compared to high school) and age (individuals younger than 30 were more likely to mostly save the payment compared to those 45-59 years old). Education and age may also influence baseline debt and income, which may also contribute to the changes in their estimates rather than the larger sample. Indeed, re-estimating the regression for the smaller sample of 759 individuals with complete data on all covariates but excluding baseline debt and income shows overall comparable estimates for education and age when excluding debt and income (although no statistically significant associations; results available from the authors upon request. Thus, the differences by socioeconomic and demographic characteristics are robust to using this smaller sample and including baseline income and debt.

Table 5 reports the regression estimates of differences in spending the cash assistance on the top five spending categories by the recipients' socioeconomic and demographic variables. As noted above and shown in Table 3, the five categories with highest amount spent of the $1,400 cash assistance on average were recurring bills, debt payments, food, housing or auto repairs, and transportation. Individuals whose income in the month before receiving the cash assistance was more than half but at most equal to the amount of the assistance ($1400) spent $94 less on paying debt than those whose income was more than 1.5 times higher than the payment (or more than $2100 per month). Similar to the results for the primary use of the assistance, debt prior to receiving the cash assistance significantly influenced how individuals used the assistance. Individuals with more debt spent more of the $1,400 on paying debt by $139, $173, and $236 with $≤5,000, $>5,000-≤20,000, and $>20,000 debt, respectively, compared to no debt. Those individuals also spent $30, $39, and $46 less on transportation, respectively, than individuals with

no debt. Homeowners spent $234 more on debt payments, $169 less on recurring bills (which includes rent payments), and $39 less on transportation than non-homeowners.

Individuals' use of the cash assistance on different spending categories also varied based on some margins of educational attainment, age, race/ethnicity, marital status, and the number of children in the household. Individuals with less than high school education spent $75 on housing/auto repairs than high-school education individuals. Individuals 19-29 years old spent $61 less on food, and 30-44 year old individuals spent $29 less on transportation than 45-59 year old individuals. Non-Hispanic Black individuals spent $87 less on paying debt and $41 more on transportation than non-Hispanic White individuals. Married individuals spent $43 more on food and $42 more on transportation than non-married individuals. Lastly, individuals in households with 2 children spent $120 more on recurring bills than those without children.

VI. Discussion and Conclusion

These results indicate that, on average, recipients of one-time $1,400 cash assistance from the DAP in Johnson County, Iowa in 2022 primarily spent the assistance or used it to pay debt. Recipients only saved 5% of the assistance. In comparison, recipients of the first Economic Impact Payment in 2020 were much more likely to save that payment. Coibion et al. (2020) find that 33% of recipients mostly saved this payment while 15% of recipients mostly spent it and 52% of recipients mostly used it to pay debt. In contrast, Bartik et al. (2024) find that low-income recipients who received $1000 per month for three years increased their debt by approximately $60 per month. Thus, in comparison to the recipients of the one-time Economic Impact Payments, DAP recipients were less likely to use the assistance to pay debt and were more likely to spent it.

Around half of the DAP recipients primarily paid off debt, similar to the recipients of the one-time Economic Impact Payments, and in contrast to the guaranteed income recipients.

The three most common categories of spending, except for debt payments, of the DAP assistance checks are recurring bills including rent, food, and housing or auto repairs.[5] Bartik et al. (2024) find that the most common categories of spending from guaranteed income payments are food, rent, and transportation. Thus, the most common spending categories of the DAP assistance checks are generally similar to the most common spending categories of guaranteed income payments. The MPC of the DAP assistance check (0.65) is slightly smaller than the MPC of 0.81 of basic income payments (Bartik et al., 2024), which is consistent with recipients using more of the one-time DAP assistance to pay off debt in contrast to the basic income program.

The MPC of the DAP assistance check is larger than the MPC of previous one-time payments. Shapiro and Slemrod (2003) and Johnson et al. (2006) estimate that the short-run MPC of the 2001 tax rebates was approximately one-third. Coibon et al. (2020) and Armantier et al. (2020) estimate that the MPC of the Estimated Impact Payments of 2020 was also approximately one-third. Consistent with the MPC of the DAP assistance check, Johnson et al. (2006) find that lower-income consumers are more likely to spend the 2001 tax rebates.

The results also show that debt prior to receiving the DAP assistance is an important determinant of how the assistance was used. Recipients with any prior debt are more than 30% more likely to have primarily used the assistance to pay debt. Recipients with more than $5,000 of prior debt spent approximately $200 more the $1,400 assistance on debt compared to recipients with no prior debt. Recipients who are also homeowners spent more than $200 compared to non-

[5] In a subsequent wave of the survey, we asked DAP recipients about typical monthly spending patterns. In comparison to the typical monthly spending patterns, the DAP assistance check was more likely to be spent on debt payments and housing or auto repairs but less likely to be spent on food.

homeowners. Thus, recipients who are homeowners with more than $5,000 of prior debt (including mortgage debt) spent more than an additional $400 of the $1,400 assistance on debt.

These results indicate that DAP recipients used the assistance to meet their most basic needs (housing, transportation, recurring bills, food, and debt payments). When considering the survey respondents with the most need (those with the highest debt), those recipients were more likely to use the payment to pay down their debt. These findings are in line with scholarship showing that individuals receiving cash transfers do not spend the majority of the money on leisure activities and/or drugs and alcohol (Garcia-Murillo and MacInnes, 2021; Shah and Gennetian, 2024; Jaroszewicz et al., 2024). Furthermore, recent scholarship contends that cash transfers for families with children can improve children's development (Gennetian et al., 2021).

It is important to frame these findings within the context of Johnson County, Iowa. The United Way indicates that almost 25% of households in Johnson County are unable to afford basic costs, including housing, transportation, utilities, and food (United for ALICE, 2023). For example, housing prices in the county are among the most expensive in the state as approximately 60% of renters and 20% of homeowners are considered housing cost-burdened (spending more than 30% of income on housing) (Jacoby, 2023). More specifically, almost 70% of low-income households in Johnson County (earning less than $58,000 per year) are housing cost burdened. Thus, while the results outlined here indicate that this cash transfer program was beneficial for recipients in increasing consumption and paying debt, the amount of the transfer is unlikely to alleviate the financial burdens of these households.

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Table 1: Sociodemographic Characteristics of Survey Respondents and non-Respondents among DAP Recipients

	Survey Respondents			Survey Non-Respondents			
	N	Mean	Std. Dev.	N	Mean	Std. Dev.	p-value
Female	1011	0.635	0.482	1226	0.596	0.491	0.061
Non-Hispanic Black	1011	0.389	0.488	1226	0.376	0.485	0.538
Non-Hispanic White	1011	0.293	0.455	1226	0.206	0.404	<0.001
Hispanic	1011	0.273	0.446	1226	0.359	0.480	<0.001
Other Race/Ethnicity	1011	0.045	0.209	1226	0.060	0.237	0.141
Age	1010	44.228	13.098	1217	41.030	12.621	<0.001
Household Size	1012	2.807	1.759	1220	2.789	1.768	0.802
Household Income (2020/2021)	1015	23218.18	14935.05	1226	22166.11	14411.84	0.091
Monthly Income (June 2022)	907	1672.04	2554.64				
Household Debt (June 2022)	903	25151.19	86314.33				
Homeowner	999	0.122	0.328				
Did Not Graduate High School	991	0.156	0.363				
High School Graduate	991	0.339	0.474				
Attended Some College	991	0.313	0.464				
College Graduate	991	0.192	0.394				
Married	1001	0.360	0.480				
Any Children	1012	0.766	0.424				
Number of Children	1012	1.488	1.601				

Notes: Gender, race/ethnicity, age, household size, and household income are measured at the time of the DAP application in April 2022. Household income reflects annual income on the application for either 2020 or 2021. Marital status, the presence of children, number of children, and educational attainment, monthly income, and household debt are available from the survey only. Monthly income is reported for June 2022, prior to receiving the cash assistance, and includes earned income, unemployment insurance benefits, public assistance benefits, child support received, and any other income received such as retirement income or spousal support. Household debt is reported for June 2022, prior to receiving the cash assistance.

Table 2: Primary Use of the Assistance Received from the Direct Assistance Program

	Proportion
Mostly spent the check	0.406
Mostly saved the check	0.053
Mostly paid down debt	0.541
N	966

Notes: Survey respondents were asked to report the primary use of the assistance check.

Table 3: Average Amount Spent on Various Categories of Spending

	Average Amount	Std. Dev.	Percentage
Recurring bills	$419.00	428.12	0.301
Debt payments	356.29	458.92	0.255
Food	143.22	191.68	0.104
Housing/auto repairs	132.47	287.95	0.095
Transportation	78.59	147.62	0.056
Savings	65.29	216.08	0.047
Durable goods	52.84	167.10	0.037
Non-durable goods (besides food)	44.87	104.49	0.033
Medical care	36.16	139.07	0.025
Gifts	24.88	117.72	0.018
Other (services, education, etc.)	32.65	168.20	0.023
Total	1386.28	170.32	1.000
N	990		990

Notes: Survey respondents were asked to report, out of the $1400 received from the DAP, the dollar amount spent on the following categories: debt payments (such as mortgages, auto loans, student loans, and credit card debt), recurring bills that are not debt payment (such as rent, electricity, water, cable, and internet), housing or auto repairs, transportation (such as gas and bus fare), durable goods (such as electronics, furniture, and appliances), food (such as groceries or restaurants), other non-durable goods (such as health/beauty products and household products), medical care (such as health insurance, out-of-pocket medical bills, and prescription drugs), savings, giving to others, and other spending categories.

Table 4: Differences in the Likelihood of Mostly Using the Assistance Check for Spending, Paying Debt, or Saving by Demographic and Socioeconomic Characteristics

	Spent	Paid Debt	Saved
Baseline monthly income to cash payment ratio			
≤0.5	0.071	-0.051	-0.020
	(0.054)	(0.054)	(0.027)
>0.5-≤1	0.053	-0.036	-0.017
	(0.050)	(0.051)	(0.025)
>1-≤1.5	0.053	-0.045	-0.0081
	(0.050)	(0.050)	(0.026)
>1.5	Reference	Reference	Reference
Baseline debt amount ($)			
0	Reference	Reference	Reference
>0-≤5,000	-0.21***	0.32***	-0.11**
	(0.050)	(0.046)	(0.034)
>5,000-≤20,000	-0.22***	0.35***	-0.13***
	(0.058)	(0.054)	(0.035)
>20,000	-0.29***	0.40***	-0.11**
	(0.060)	(0.056)	(0.038)
Owns home (yes vs. no)	-0.039	0.0100	0.029
	(0.058)	(0.058)	(0.033)
Highest schooling level			
Below high school	0.021	0.014	-0.035
	(0.061)	(0.061)	(0.021)
High school	Reference	Reference	Reference
Some college	0.068	-0.088*	0.020
	(0.043)	(0.044)	(0.024)
College graduate	0.13*	-0.10*	-0.023
	(0.052)	(0.052)	(0.020)
Female (yes vs. no)	-0.050	0.042	0.0082
	(0.038)	(0.038)	(0.016)
Age (years)			
≤29	0.0081	-0.049	0.041
	(0.059)	(0.059)	(0.026)
30-44	-0.073	0.039	0.034
	(0.042)	(0.043)	(0.020)
45-59	Reference	Reference	Reference
≥60	-0.013	-0.0014	0.014
	(0.057)	(0.057)	(0.020)
Race/ethnicity			
Non-Hispanic Black	0.051	0.0095	-0.061**
	(0.047)	(0.046)	(0.020)
Non-Hispanic White	Reference	Reference	Reference

Hispanic	-0.17**	0.21***	-0.033
	(0.055)	(0.055)	(0.027)
Other race/ethnicity	-0.086	0.062	0.024
	(0.084)	(0.085)	(0.045)
Married (yes vs. no)	0.10*	-0.12**	0.020
	(0.042)	(0.041)	(0.022)
Number of children in household			
0	Reference	Reference	Reference
1	0.072	0.00012	-0.072***
	(0.053)	(0.054)	(0.020)
2	0.11*	-0.080	-0.033
	(0.054)	(0.053)	(0.028)
≥3	0.099*	-0.041	-0.058*
	(0.050)	(0.050)	(0.023)
N	759	759	759

Notes: Estimates are changes in the likelihood (on a 0-1 scale) of how the cash payment was mostly used as reported by the recipient (spent, paid debt, or saved). Estimates are from a multinomial logit model of the three options. Socioeconomic and demographic characteristics were jointly included in the model as regressors. Standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 5: Differences in the Amount Spent on the Top Five Spending Categories by Demographic and Socioeconomic Characteristics

	Recurring bills (not debt)	Debt payment	Food	Housing/ auto repairs	Transportation
Baseline monthly income to cash payment ratio					
≤0.5	-17.4	-37.9	10.2	7.0	6.3
	(48.6)	(50.3)	(21.6)	(30.8)	(16.2)
>0.5-≤1	3.6	-94.4*	14.6	11.2	29.0
	(46.2)	(47.8)	(20.6)	(29.3)	(15.4)
>1-≤1.5	-23.5	-52.9	11.9	-0.7	-0.9
	(45.9)	(47.4)	(20.4)	(29.1)	(15.3)
>1.5	Reference	Reference	Reference	Reference	Reference
Baseline debt amount					
0	Reference	Reference	Reference	Reference	Reference
>0-≤5,000	-46.1	139.2**	-4.6	4.1	-30.4*
	(44.8)	(46.3)	(19.9)	(28.4)	(14.9)
>5,000-≤20,000	21.3	173.2**	4.2	15.7	-39.2*
	(52.5)	(54.3)	(23.3)	(33.3)	(17.5)
>$20,000	-24.6	236.2***	-30.6	-48.4	-45.8*
	(55.7)	(57.6)	(24.8)	(35.3)	(18.6)
Owns home (yes vs. no)	-168.8**	233.7***	6.5	-18.5	-38.1*
	(52.2)	(54.0)	(23.2)	(33.1)	(17.4)
Highest schooling level					
Below high school	7.2	-52.4	-30.2	74.6*	-28.5
	(54.7)	(56.6)	(24.3)	(34.7)	(18.3)
High school	Reference	Reference	Reference	Reference	Reference
Some college	11.3	4.8	-20.5	-17.6	12.0
	(39.9)	(41.2)	(17.7)	(25.3)	(13.3)
College graduate	58.8	-49.8	-33.7	-26.2	12.8
	(47.2)	(48.8)	(21.0)	(29.9)	(15.8)
Female (yes vs. no)	4.5	-14.3	-3.1	2.9	-1.5
	(33.6)	(34.7)	(14.9)	(21.3)	(11.2)
Age (years)					
≤29	-69.6	105.7	-60.5*	-47.8	-34.5
	(52.9)	(54.7)	(23.5)	(33.5)	(17.7)
30-44	-15.8	46.4	-28.3	-19.1	-28.8*
	(38.1)	(39.4)	(16.9)	(24.1)	(12.7)
45-59	Reference	Reference	Reference	Reference	Reference
≥60	-38.6	-28.1	-1.6	-8.8	0.10
	(51.0)	(52.7)	(22.7)	(32.3)	(17.0)
Race/ethnicity					
Non-Hispanic Black	62.3	-86.5*	26.5	-17.6	40.6**

	(41.1)	(42.5)	(18.3)	(26.0)	(13.7)
Non-Hispanic White	Reference	Reference	Reference	Reference	Reference
Hispanic	-1.2	-31.3	34.6	24.2	14.8
	(51.4)	(53.2)	(22.9)	(32.6)	(17.2)
Other race/ethnicity	122.9	-102.2	12.1	-11.2	-7.9
	(76.4)	(79.0)	(34.0)	(48.4)	(25.5)
Married (yes vs. no)	-49.9	-33.8	43.4**	-9.6	41.5***
	(36.9)	(38.2)	(16.4)	(23.4)	(12.3)
Number of children					
0	Reference	Reference	Reference	Reference	Reference
1	75.7	28.0	14.1	32.1	-2.0
	(48.8)	(50.5)	(21.7)	(30.9)	(16.3)
2	119.8*	-50.6	19.7	35.6	15.3
	(48.0)	(49.6)	(21.3)	(30.4)	(16.0)
≥3	80.9	-17.6	-8.1	12.3	13.5
	(44.7)	(46.3)	(19.9)	(28.3)	(14.9)
N	776	776	776	776	776

Notes: Estimates are changes in the mean spending amount in each category. Estimates are from an ordinary least squares regression. Each column displays the results of a separate regression. Socioeconomic and demographic characteristics were jointly included in the model as regressors. Standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$