

Making Space to Connect: Examining Macroeconomic Factors, Cash Assistance, and Romantic Relationship Functioning in Low-Income Contexts

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Background and Objectives

All families have financial and relationship goals. Families with low incomes face documented challenges that can affect the wellbeing of their relationships, which stem from structural disadvantages and the stressful conditions in which they live (e.g., lack of access to livable wages, life-sustaining benefits, and stable employment; health problems stemming from lack of access to fresh foods and culturally responsive healthcare; Karney, 2021). Social scientists, policymakers, and the public have a sustained interest in strengthening and stabilizing families and healthy marriages, given their implications for individual wellbeing (Roberson et al., 2018) and the costs of divorce for society and governments (Schramm, 2023). A large body of literature shows that couples with low incomes experience higher rates of psychological distress, financial strain, and hostility, which can reduce the quality and stability of their relationships (Karney, 2021). Current policy solutions, including activities funded under the Temporary Assistance for Needy Families (TANF) block grants and Healthy Marriage and Responsible Fatherhood (HMRF) grants, aim to promote and strengthen two-parent families. Accordingly, across these two human services programs, significant federal funds have the potential to be allocated to the delivery of relationship education programs to families with low incomes (Herman-Stahl et al., 2021). Although there are benefits to relationship education programs (Arnold & Beelmann, 2019), couples often continue to face economic conditions that create challenges to their mental and relational health even after participating in educational interventions, which target individual behavior. Reducing conditions of stress, rather than merely teaching behaviors to cope with the stressors of low income, may be a beneficial avenue for strengthening families (Lavner & Bradbury, 2018). However, the advantages of this approach are currently unknown.

Social safety net programs, such as the Earned Income Tax Credit (EITC) and TANF, may strengthen relationships by minimizing the effects of financial strain, such as reducing conflict in the home and promoting better mental health. Although not primarily focused on relationships, these efforts improve families' economic circumstances by providing cash assistance, which directly targets their source of economic stress. In turn, they are related to improvements in mental health and reduced stress (Tach et al., 2019), which influence relationship functioning (Neff & Karney, 2017). Evaluations of the benefits of the social safety net for relationship functioning are relevant, due to the link between living with the stresses and challenges of having low income and relationship functioning. Research is needed that tests the impacts of economically focused interventions on family functioning, including relationship quality and conflict.

Relevant Behavioral Concepts

Research in behavioral economics suggests that long-term stressful conditions can hinder individuals' abilities to engage in positive behaviors, such as providing emotional support, which are important for the quality and stability of romantic relationships. Accordingly, interventions which aim to reduce stress may equip romantic partners with the cognitive resources necessary for positive relationships. Two behavioral concepts guide this study:

- **Self-regulatory depletion.** Stressful circumstances require significant cognitive attention. Over time, this stress reduces individuals' mental resources, impairing self-control and emotion regulation (Muraven, 2012). In turn, individuals are more prone to experiencing negative moods (Haushofer & Fehr, 2014) and adopting critical attitudes toward their romantic partners (Buck & Neff, 2012).
- **Prosocial behavior.** Prosocial behaviors, such as positive communication, are necessary to maintain relationship quality and stability (Monk & Ogolsky, 2020). These behaviors often require an individual to limit their impulses and practice self-control (Karremans et al., 2015). However, in times of economic stress, the exhaustion of self-regulatory resources can make it more difficult to engage in prosocial behaviors that are important for romantic relationships.

Research Questions and Hypotheses

1. Do state-level variations in TANF and EITC benefits and cost of living contribute to differences in how the economic hardships experienced by low-income mothers impact their (a) depressive symptoms (i.e., individual wellbeing) and (b) romantic relationship quality, conflict frequency, and instability (i.e., relationship wellbeing)?
 - a. **Hypothesis.** Economic hardship will be associated with poorer individual (H1a) and relational wellbeing (H1b). Economic hardship will also be positively associated with relationship dissolution (H1c).
 - b. **Hypothesis.** Individuals living in states with higher levels of cash assistance will experience weaker long-term associations between economic hardship and individual and relational outcomes than individuals living in states that offer lower levels of cash assistance.
 - c. **Hypothesis.** In states with higher cost of living, the moderating effect of state cash assistance on the association between economic hardship and wellbeing outcomes will be attenuated compared to the same effects in states with lower cost of living.
2. Does receiving a \$333 monthly unconditional cash gift further change the effects of state-level TANF and EITC benefits and cost of living on the impact of economic hardship on low-income mothers' depressive symptoms and romantic relationship wellbeing?
 - a. **Hypothesis.** Unconditional cash gifts will strengthen the moderating effect of state cash assistance benefits on the association between economic hardship and wellbeing. Those receiving the unconditional cash gift while residing in states with greater cash assistance benefits will experience the weakest associations between economic stressors and wellbeing outcomes, relative to those in states with high cash assistance benefits who did not receive the unconditional cash gift. Those not receiving the unconditional cash benefit will report stronger negative associations between economic hardship and wellbeing than those receiving the benefit, and this will be amplified when residing in state contexts with fewer cash assistance benefits, resulting in the strongest negative associations between hardship and wellbeing for individuals who did not receive the cash gift and who reside in states with low cash assistance.

Sample

Data for this project are drawn from two studies. The first is the [Future of Families and Child Wellbeing Study](#) (FFCWS), a multi-wave study following 4,898 newborn children and their mothers. The sample comes from 20 U.S. cities with populations of at least 200,000, beginning in 1998. For this project, the analytic sample included mothers who remained in a romantic relationship through Year 5 of the study and reported an income-to-needs ratio less than or equal to 250% of the federal poverty level ($N = 1,041$).

The second source of data is the [Baby's First Years Study](#) (BFY). Beginning in 2018, BFY recruited 1,000 mothers with low incomes from four large cities at the birth of a child. Mothers were randomly assigned to receive either \$333 or \$20 each month for the first 52 months of their child's life. They completed yearly surveys around the date of their child's birthday until the child was 4 years old. The analytic sample for this project includes 451 mothers who were in the same relationship at baseline and Year 1.

To account for macroeconomic contexts, state-level cost of living was drawn from the [U.S. Bureau of Economic Analysis' regional price parity data](#). State-level cash assistance generosity was estimated using information on the Earned Income Tax Credit from the [Tax Policy Center](#), and data on Temporary Assistance for Needy Families was derived from the [Center on Budget and Policy Priorities](#).

Methods

This project uses multiple regression models. To identify the influences of economic hardships on wellbeing, I will estimate separate models where each wellbeing outcome (i.e., relationship quality, conflict frequency, relationship instability, depressive symptoms) is predicted by economic hardship at Year 1. Each model accounts for factors that may influence these associations, such as a history of intimate partner violence and marital status. Next, for each model, state-level cash assistance generosity will be included as an interaction term with economic hardship. This interaction term tests the extent to which state-level policies may reduce the felt effects of economic hardship on wellbeing. After this step, I will estimate models testing if the impact of economic hardship on wellbeing differs by state-level cash assistance and the cost of living in the state (i.e., using a three-way interaction term, which is a variable equal to the multiplication of state cost of living, economic hardship, and state-level cash assistance). Finally, in the BFY data, receiving an experimental unconditional cash gift will be entered in a three-way interaction with economic hardship and state-level cash assistance.

Practice and Policy Implications

Results from this study have the potential to inform policy choices around social safety net programs and family strengthening efforts. Results can inform how state-level cash assistance policies and local economic contexts shape romantic relationships and mental health, which may influence decisions related to the allocation of TANF and EITC funds. Moreover, by highlighting the interacting relationship of the social safety net and cost of living, results may prompt policymakers to consider the adequacy of their safety net programs in light of cost of living changes. In addition, by testing the role of interventions that directly target financial stress (i.e., cash assistance), results from this study may inform conversations related to TANF and related programs such as HMRP that are intended to strengthen families.

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