WHY MEASURING

Child-Level Impacts

CAN HELP ACHIEVE

LASTING ECONOMIC CHANGE
The Child Protection in Crisis (CPC) Network undertakes innovative research and builds evidence to effect change in child protection policy and practice. At the country level, the CPC Network brings together policy makers and practitioners to determine learning priorities and ensure the results of these endeavors are put to good use. Globally, the CPC Network works with coalitions of UN, nongovernmental, private sector and government actors to generate evidence and link research findings to global practice.

As a part of this effort, the CPC Task Force on Livelihoods and Economic Strengthening seeks to enhance the protection and wellbeing of crisis-affected children through sustainable livelihoods approaches and economic strengthening of households. The Task Force strives to improve the design, quality and effectiveness of economic programming, both with adults, and in economic interventions targeting adolescents themselves. The Task Force is convened by Women’s Refugee Commission on behalf of CPC.

Supporting Transformation by Reducing Insecurity and Vulnerability with Economic Strengthening (STRIVE) is a 6.5-year, $16 million program that uses market-led economic strengthening initiatives to benefit vulnerable youth and children. STRIVE is funded by USAID’s Displaced Children and Orphans Fund (DCOF) and managed by FHI 360. The program aims to fill current knowledge gaps about effective economic strengthening approaches and their impact on reducing the vulnerability of children and youth. In partnership with Action for Enterprise (AFE), ACDI/VOCA, MEDA, and Save the Children, STRIVE is implementing four economic strengthening projects in Africa and Asia between 2008 and 2014. Coupled with a robust monitoring and evaluation framework and learning strategy, STRIVE is tracking and documenting the impacts of these diverse interventions on child-level indicators related to vulnerability factors.

The Women’s Refugee Commission is a research and advocacy organization based in New York. It identifies needs, researches solutions and advocates for global change to improve the lives of crisis-affected women and children. The Women’s Refugee Commission is legally part of the International Rescue Committee (IRC), a non-profit 501(c)(3) organization, but does not receive direct financial support from the IRC.
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Summary

This paper presents an argument for the systematic monitoring and evaluation of child wellbeing related to economic strengthening efforts. Economic strengthening aims both to address the short-term needs of poor people and to enable entire communities to overcome poverty and live healthy, productive lives. Growing evidence links children's physical and psychological health with their future economic opportunities and potential. Until recently, the economic strengthening community has presumed that greater household economic welfare also leads to improved wellbeing for children. While some evaluations do support this assumption,¹ conclusive evidence across a range of interventions is lacking, with some studies even showing negative impacts on children.² In order to maximize the long-term impacts of economic strengthening activities while staying true to the principle of doing no harm, we propose that economic strengthening programs seeking to improve the wellbeing of vulnerable households assess and monitor child-level outcomes and impacts, even when children or youth are not direct program participants. By relying on emerging best practices, programs and donors can cost-effectively measure child wellbeing.

¹ See for example:

² See for example:
Background

Since 2008, STRIVE and the CPC Network (see inset) have engaged in research, implementation, and evaluation of economic strengthening programs intended to positively affect the lives of children in adversity. In 2011, the CPC Network published “The Impacts of Economic Strengthening on Children: A Review of the Evidence,” which reviewed 43 impact studies and methodically documented the known impacts of economic strengthening programs on the wellbeing of children (0-18 years) in crisis contexts in low-income countries. STRIVE has experience implementing, monitoring and evaluating economic strengthening projects that aim to improve the wellbeing of vulnerable children and youth in Afghanistan, Liberia, Mozambique and the Philippines. STRIVE’s research agenda includes two rigorous mixed-method impact evaluations of household and child-level outcomes associated with economic strengthening programs in Mozambique (village savings and loan associations and a rotating labor scheme) and Liberia (strengthening of the horticulture value chain and smallholder rice farming). Analysis is underway, and results will be shared in 2014.

STRIVE and the CPC Network seek to launch a wider evidence-based discussion in the development community about the role of children and youth in achieving the goal of sustainable poverty alleviation. This paper is intended as a starting point for discussion and advocacy around measuring the impacts of economic strengthening on children, in order to ensure their wellbeing and break the cycle of intergenerational poverty.

Organization of this Paper

Drawing from experience and examination of the evidence base, STRIVE and the CPC Network propose that:

1. Addressing the wellbeing of the upcoming generation is key to the successful and sustainable alleviation of poverty.

2. Economic strengthening programs have transformative potential for improving the lives of children and youth, but have also yielded negative results in some cases.

3. Substantial gaps remain in our understanding of how children and youth are affected by economic strengthening programs.

Based on the foregoing observations, we recommend that:

1. Practitioners should monitor children’s wellbeing in order to maximize benefits and prevent harm. Specifically, we recommend the following emerging best practices, which are grounded in the experience of STRIVE and the CPC Network.
   a. Plan for child-level monitoring in project plans
   b. Build in child-level indicators from the beginning
   c. Incorporate local definitions of success

2. Donors should promote the sector’s accountability on this issue by calling for and funding monitoring, evaluation and research for child-level impacts related to economic strengthening efforts.
By ensuring a positive foundation for children, we would thus expect to more successfully “interrupt the transmission of poverty from one generation to the next.”


EVIDENCE

Addressing the wellbeing of the upcoming generation is key to the successful and sustainable alleviation of poverty.

Significant global investment is currently devoted to “economic strengthening” activities in developing countries. Economic strengthening applies strategies such as savings, microcredit, microinsurance, cash transfers, financial education, business training, value chain enhancement and workforce development with the goal of improving participants’ economic wellbeing. Economic strengthening can complement health, education and other interventions by enhancing people’s willingness to participate (for example, by increasing income and reducing opportunity costs) and lowering barriers to employing new skills and knowledge (by enabling the purchase of more nutritious food, for instance). Development practitioners hope that such multi-sectoral approaches will lead to better outcomes for individual participants, and ripple outward to reach their households, communities and broader populations. The goal is not just attaining short-term improvements in household economic wellbeing, but achieving economically sound communities that endure well into the future.3

More than 600 million children around the globe currently live in poverty, and every 1.2 seconds another joins them.4 The recent rapid increase of youth in economically disadvantaged households threatens to outstrip the spread of economic strengthening activities and reverse the recent progress toward alleviating global poverty. These changing demographics, along with evidence of a close relationship between household economic status and child wellbeing (see box next page), are leading to an increased focus on reaching children and youth with economic strengthening activities, whether directly (through services that engage youth themselves) or indirectly (via services that engage their caregivers).

Another reason for the heightened focus on children and youth is the recognition that empowering and equipping poor people earlier in their lives can foster more rapid and effective emergence from poverty. The new US Government Action Plan on Children in Adversity acknowledges that early childhood nutrition, education and physical and emotional health have profound impacts on future economic and livelihood prospects.5 As Harvard’s Center on the Developing Child and others have found, “early experiences determine whether a child’s developing brain architecture provides a strong or weak foundation for all future learning, behavior, and health.”6 By ensuring a positive
foundation for children, we would thus expect to more successfully “interrupt the transmission of poverty from one generation to the next”.

Recent research also shows that financial behaviors formed in childhood (such as how they save money received as gifts) frequently persist for life. As Microfinance Opportunities points out, “by serving a girl at the vulnerable crossroads of adolescence, development programs can have the greatest impact not only on that girl, but can empower her to be a catalyst for change in her family and community.” So it stands to reason that efforts to support adults in overcoming poverty should be coupled with positioning the upcoming generation to continue that momentum.

The growing interest in youth-focused economic strengthening is a positive trend in addressing intergenerational poverty. For example, USAID’s Youth in Development policy enhances the agency’s — and in turn the sector’s — commitment to developing results-driven programs for youth and assessing their impacts. But such efforts should extend beyond those programs specifically designed for youth participants. In order to achieve far-reaching and sustainable poverty alleviation, economic strengthening programs for vulnerable populations must systematically monitor impacts on children and youth, even when children and youth are not the direct program participants.

**EMPIRICAL EVIDENCE SUPPORTS A LINK BETWEEN HOUSEHOLD ECONOMIC STATUS AND CHILD WELLBEING**

<table>
<thead>
<tr>
<th>Two recently published studies provide a strong empirical basis for the importance of addressing the household economic circumstances of vulnerable children.</th>
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<tbody>
<tr>
<td>The first, “Assessing the ‘orphan effect’” analyzed Demographic Health Survey data from 11 eastern and southern African countries to identify the factors that contributed most significantly to selected negative outcomes for children. It used multivariate regression analysis to consider the relationship of various indicators and outcomes for children. It found that after controlling for other possible intervening factors “household wealth is the single most important correlate of better outcomes.”</td>
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<td>Low household economic status was a stronger predictor of negative outcomes than was orphan status. The second article, “Who is the vulnerable child? Using survey data to identify children at risk in the era of HIV and AIDS,” presents an analysis using data from 60 national studies done in 36 countries to identify the factors associated with negative outcomes for children. It found that household economic status and parental education level were the most consistent predictors of negative outcomes for children. In this study also, household economic condition was a stronger predictor of negative outcomes for children than orphanhood.</td>
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10) Penelope Campbell et al., Vulnerable Children and Youth Studies, 5: 1, April 2010, pp. 12-32.

Economic strengthening programs have transformative potential for improving the lives of children and youth but have also yielded negative results in some cases.

Although the sector has developed, pilot-tested, honed and scaled up many economic strengthening tools and approaches over the past two decades, there has been little rigorous evaluation of effects such as impacts on family food security and children’s wellbeing. The evidence to date is fragmented, conflicting and often context-specific, but a review of existing literature does suggest a relative consensus regarding the following points.

A. Economic strengthening programs have produced positive outcomes for children, including better nutrition, health, schooling and financial management.

A review of literature regarding caregiver-focused programs reveals numerous instances of economic strengthening activities leading to improved health, nutrition and education outcomes. Cash transfer programs, in particular, have been shown to generate positive outcomes for children in numerous contexts. Studies of microfinance programs in Africa, some of them incorporating health education, showed better nutritional status among participants’ children, compared to control groups. Women in credit groups receiving health education and the ability to readily purchase basic health products in India were more likely to breastfeed their babies and introduce solid foods later.
EXPLORING THE INTERSECTION OF HOUSEHOLD AND YOUTH ECONOMIC WELLBEING

The Afghan Secure Futures (ASF) project, implemented by MEDA under STRIVE, made supplementary literacy and numeracy training available to youth apprentices working in the construction sector in Kabul. The project found that the apprentices fell into three groups. The first group—apprentices who attended ASF classes—did not attend government schools due to the cost of transportation, uniforms and supplies. They also earned the lowest average weekly wage and were unlikely to report apprenticeship income as highly important to their families. A second group of apprentices did not attend ASF classes because they were either already graduates or were attending government schools and working when not in school. These apprentices were generally older than those in the first group and earned a slightly higher apprenticeship wage. The third group of apprentices attended neither government schools nor ASF classes, and they indicated that their wages constituted the first or second most important family income source. These apprentices earned the highest wages among the three groups, but due to the significance of their income to their households, they could not afford the time off from work to invest in their literacy and numeracy skills. These findings illustrate how immediate opportunity costs can prohibit young people’s participation in capacity-building activities and highlight the importance of understanding the role of youth income in households and its potential impact on youth participation in programs.16

And CARE and CIDA observed more spending on education or likelihood of sending children to school as a result of economic strengthening programs.17

Among youth-focused economic strengthening programs, which are naturally more apt to measure child- and youth-level outcomes, “financial education and asset accumulation have been shown to improve a variety of wellbeing indicators, including self-esteem, school attendance, and reduced risk of sexual risk-taking intentions.”18 Savings programs combined with financial education show particular promise, with positive increases in savings documented by Innovations in Poverty Action and Microfinance Opportunities, among others.19 Business, financial and nutrition training in Nigeria showed gains in nutrition knowledge and intended behavior.20 And programs combining livelihood, life-skills and financial literacy training with microcredit and savings in Tanzania and Uganda resulted in lower rates of depression and risky sexual behavior among vulnerable youth.21

B. Economic strengthening programs can also result in unintended negative consequences for children and youth.

Not all studies to date have found positive impacts as a result of economic strengthening programs. Numerous evaluations have found no impact on children at all — thereby undermining the assumption that improving caregivers’ microenterprises, for instance, will lead to more spending on children’s needs at home.22 Some negative findings have also surfaced, highlighting the potential for unintended adverse outcomes. For example:


21) Ibid.


- **EDUCATION**

Rigorous studies of two economic strengthening programs in Malawi and Uganda turned up troubling evidence that parental participation in microfinance may be associated with decreased school attendance and ability to pay school fees. Citing these and other African studies, Van Rooyen et al. found that “ongoing borrowing reduced children’s enrollment in school.” In some cases, boys’ enrollment increased with caregivers’ microcredit participation, while girls’ enrollment held steady or declined — perhaps so that they could help with their families’ microenterprises. That review, conducted for DFID, concluded that there is little evidence of positive impacts related to education, and yet “considerable evidence that micro-credit may be doing harm, negatively impacting on the education of clients’ children.” Other studies have raised similar concerns, while at least one randomized control trial found no impact. More data is needed on both school enrollment and attendance of children by gender.

- **CHILD LABOR**

Research has shown that economic strengthening activities often lead to changes in the way that family members, including children, spend their time. A number of studies have shown that economic strengthening programs led to an initial increase in child labor to accommodate growing business activity (whether to help directly with the business or to care for siblings), followed by a decrease as the business stabilized and income permitted less input from the children. A conditional cash transfer program in Brazil observed increased labor among non-program children as others in the community picked up the “slack” when participating children devoted more time to school. Several randomized control studies of microfinance programs, however, found no impact on child labor.

- **GENDER-BASED VIOLENCE**

Population Council’s research points to important differences in social benefits and safety depending on whether financial services were delivered in a group or individual setting. “Girls who participated in savings without a group were two times more likely to be sexually harassed and teased by males than girls in savings groups or than the comparison group” (which received no services). The study also documented significantly greater instances of inappropriate touching by males among girls who participated in the individual savings program, as compared to the group savings and comparison group. Others have raised similar concerns about the effects of enhanced youth economic empowerment on adult-child relationships.
C. Multisectoral programs – whether focused on adults or youth – appear to result in better social outcomes than interventions delivered in isolation.

Increasingly, we see development practitioners taking a more holistic approach, uniting solutions related to health, nutrition, education, social empowerment, income generation and financial wellbeing to achieve more powerful and long-lasting results.  

The public health sector, for example, shows a growing appreciation for the role that complementary financial services can play in enhancing health impacts, while the microfinance sector is increasingly embracing add-on services that address the health, education and self-esteem of participants and their families.  

The IRC’s final evaluation of the New Generation program in Burundi found that including family-based discussion sessions on child protection and wellbeing as part of a group savings intervention, decreased physical and verbal discipline by caregivers.  

The CPC Network evidence review concurs that the integrated combination of ‘financial education and asset accumulation have been shown to have an impact on a variety of wellbeing indicators, including improved self-esteem, school attendance, and reduced sexual risk-taking intentions’ among children.  

As some female participants put it: ‘money is useless without training.’


D. Increasing the income and agency of women, as compared to men, often leads to better outcomes for households and children.

There is considerable evidence that female participants tend to invest more of their microenterprise earnings or savings in the family and their children in particular, leading to better child-level outcomes. In its 2012 State of the Field report, Making Cents states that “the economic empowerment of women, especially young women, appears to have a greater effect on improved nutritional outcomes than if the household gained additional income”40. A savings program in Kenya documented increased expenditures on food by women, but not by men,41 as did a credit program in Ethiopia.42 Women who participated in a CARE Ethiopia program who were also heads of their households achieved markedly higher business and financial outcomes than their counterparts from male-headed households, and there was evidence that increased earnings carried over to children’s education in particular.43 Xiong references several World Bank studies in his 2012 evidence review, which showed that microcredit and income generation programs had a positive impact on children’s nutritional status, but only when participants were women.44

At the same time, it is also possible that men’s observed tendency to re-invest earnings in business rather than household needs may eventually lead to higher household income and spending on the family, even if it is less direct (and thus more difficult to measure) than women’s spending on immediate needs.45 So while a preponderance of evidence supports the idea that focusing on women participants leads to more direct, positive outcomes for children, further research is needed to determine the degree to which men’s choices lead to benefits for their children further down the road, and how to facilitate better outcomes and inform equitable investments that support long-term child wellbeing.

A. What are the household-level impacts of economic strengthening interventions?

Such findings demonstrate the importance of understanding more about the complex dynamics of economic strengthening programs and their impacts on children. Further evaluation and monitoring are needed to inform the industry on best practices for design and delivery to maximize positive outcomes and avoid adverse consequences for children. The following questions in particular warrant further examination.

Substantial gaps remain in our understanding of how children and youth are affected by economic strengthening programs.

Beyond the evidence from cash transfer programs, which is well documented, there is a need for further examination of other economic strengthening approaches, such as financial services, workforce development, value chains, and enterprise development, and their varied effects on and within the household. Some theories of change assume that increased income from activities like these accrue to households and children, but it is widely acknowledged that further research on the long-term impact of such
MEASURING CHILD-LEVEL OUTCOMES OF SAVINGS GROUPS

The experience of the STRIVE Mozambique project, implemented by Save the Children, indicates the value of understanding the market context in which households operate, how increased income affects households, and how we can best measure these effects. STRIVE Mozambique sought to understand whether increased household income leads to improvements in child wellbeing, focusing on improved nutrition. STRIVE Mozambique implemented village savings and loan (VSL) groups alongside a large food security and maternal and child health project. After three years of implementation, STRIVE saw improvements in indicators associated with months of adequate food among VSL participants, but mixed and statistically insignificant results related to food diversity and child nutrition, as measured by anthropometric indicators.

Qualitative research at the end of the project indicated that participants who invested in business activities were able to generate more regular income and saw corresponding improvements in both food quantity and quality. Households without additional sources of income were only able to increase the quantity of food they consumed. Participants who did not engage in business activities may not have had opportunity to do so because of weak local markets.

While the VSL intervention lessened the severity of the hunger season for participating households, its inability to affect child nutrition may have been influenced by local market conditions. It may also be the case that child anthropometrics — although considered the best available indicators for child nutrition — were not ideal for measuring household- and child-level changes in a project of this context and duration. Savings group programs may require more time to build household economic capital and achieve measurable changes in behavior.

Interventions on household poverty is needed.46 The industry needs a better understanding of whether increasing income leads to tangible improvements for poor households, over what timeframe, how best to achieve desired results, and what role, if any, gender plays.

B. To what extent does improving household welfare translate to improved child wellbeing, and what helps or hinders this?

In addition to confirming that economic strengthening interventions positively impact household welfare, research needs to be taken a step further to specifically examine impacts on children. Does increased household income lead to impacts such as better nutritional status among children? Are certain outcomes, such as children’s nutrition or education, influenced more readily than others? And which interventions have the most impact on children and youth? Given some evidence (mentioned above) of adverse consequences for children, it is all the more critical that the sector investigate how children are affected by economic strengthening programs, along with the circumstances (age, gender and other) that lead to positive, as well as negative outcomes.

C. To what extent do positive child-level impacts today in fact translate to better economic outcomes for individuals and communities in the future?

There is an increasing call for longitudinal studies in our field, which are extremely challenging to implement. Nevertheless, an investment in empirical evidence that confirms or denies the ability of economic strengthening programs to effectively disrupt the intergenerational transmission of poverty would be an invaluable contribution to poverty alleviation efforts.

Further evaluation and monitoring are needed to inform the industry on best practices for design and delivery to maximize positive outcomes and avoid adverse consequences for children.

RECOMMENDATIONS

Based on the above observations, we recommend that:

1. Practitioners should monitor children’s wellbeing in order to maximize benefits and prevent harm.

A call for more monitoring can seem daunting — particularly when it comes to tracking how secondary beneficiaries may be affected by project activities. However, such monitoring can be designed and implemented in a time- and cost-effective manner. Specifically, we recommend the following emerging best practices, which are grounded in the experience of STRIVE and the CPC Network.

A. Plan for child-level monitoring from the outset.

Beginning at the project design phase, practitioners should assess and plan to monitor how children may be positively and/or negatively affected by project activities. Monitoring child-level outcomes is essential to assure that the program is doing no harm, and this can produce valuable time series data for use in larger studies outside of project activities. Project start-up periods should allow adequate time for developing a thoughtful approach that will lead to appropriate and useful monitoring. Streamlined monitoring tools can help project managers identify and respond to issues as they arise. Efforts undertaken through STRIVE, the CPC Network and others are contributing to a set of core indicators for affordable child-level monitoring.

B. Incorporate local definitions of success.

Monitoring indicators and systems that are developed from a distance and dropped into the field rarely yield meaningful results. As the 2011 USAID Evaluation Policy and others have recommended, practitioners must engage direct and indirect participants, as well as local staff and researchers, early in the design of monitoring systems to develop a shared vision of success and understanding of potential harm, and pinpoint locally relevant and available indicators that complement ones commonly used across programs.

C. Collaborate with local organizations.

Establishing partnerships with local groups is often a boon to the project as well as the pocketbook, since enhanced local ownership can contribute not only to sharper indicators and more effective data analysis (as mentioned above), but also more affordable and sustainable long-term monitoring. Local universities, research firms, NGOs and other groups often have the expertise, capacity and vested interest needed to undertake data collection that would not otherwise be possible. Even when sufficient local capacity is not readily available, investing a little extra to build it can reap net benefits for the program in terms of both expense and efficacy.
Donors should promote the sector’s accountability on this issue by calling for and funding monitoring, evaluation and research for child-level impacts related to economic strengthening efforts.

The USG’s *Action Plan on Children in Adversity* highlights the potential role of economic strengthening in combination with other approaches and calls for better coordination and coherence of USG funded programs to ensure the protection of and best possible outcomes for children. Economic strengthening is increasingly used as a core element in multi-sectoral programs designed to alleviate poverty among vulnerable communities. As such, the systematic measurement of child-level impacts related to this intervention is an important element in responding to this action plan.

“Systematic measurement” may refer to formative research or to impact and outcome evaluation — all of which are needed to expand and deepen our understanding of how children are affected by economic strengthening programs. Experience shows that mixed methods research yields the most useful knowledge. Quantitative research helps us measure how much change occurs and, depending upon the research design, it may attribute cause to the program. Qualitative approaches illuminate causal pathways, showing how and when change happens. Researchers and evaluators should incorporate a combination of approaches, taking into account gaps in evidence, local context and donor evaluation policies.

A growing set of research results and toolkits is available, based on the experience of economic strengthening programs and evaluations to date. The CPC Network and Children, Youth and Economic Strengthening (CYES) Network are examples of organizations that are uniting practitioners around this issue and can fuel industry progress in child-level impact measurement.50 The thoughtful and systematic documentation of tracking outcomes and impact on children requires dedicated time and funding. As more emphasis is placed on child-level impacts, we need to share research results, methods and data, as well as the indicators and approaches that work, in order to broadly inform policy and practice. Investing more now in the development, documentation and publication of data, tools and best practices for evaluation and monitoring of child-level impacts will create a valuable feedback loop that will not only render the sector more effective and efficient, but also curb costs down the road.

While economic strengthening is increasingly considered a key ingredient for poverty alleviation, evidence of its impact on households and children is mixed and under-examined. By taking a strategic approach now, the sector will be able to measure what matters most, achieve better development outcomes, learn from one another faster, and save money in the long run. The development industry requires further information about how children and youth are affected by such activities — regardless of whether they are the direct participants — so that we can build on successful practices and avoid adverse consequences. By directing attention and funding to this issue, donors and practitioners will ensure a better return on our development program investments and pave the way to greater momentum in poverty alleviation for the generation to come.

50) See: [www.cpcnetwork.org](http://www.cpcnetwork.org) and [www.cyesnetwork.org](http://www.cyesnetwork.org), respectively.