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UNCONDITIONAL CASH TRANSFERS FOR FAMILIES OF PRETERM INFANTS: EVIDENCE FROM A PILOT TRIAL AND QUALITATIVE STUDY

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WHAT IS THE PROBLEM:

Families of preterm infants face substantial financial and emotional strain[1] during and after neonatal intensive care unit (NICU) hospitalization. This strain is not simply the result of unexpected early delivery but reflects a broader health system and policy environment that shifts significant financial burden onto families during periods of acute medical need.

Even when care is covered by insurance, families remain responsible[2] for a wide range of indirect and non-medical costs that are largely unaddressed by existing support structures.

Preterm birth, generally defined as birth before 37 weeks' gestation, is often associated with prolonged hospitalization and intensive follow-up care.[2] During this time, families incur substantial out-of-pocket and opportunity costs,[3] including transportation to and from the NICU, lost wages, childcare for other children, and the purchase of infant supplies such as diapers, formula and medical equipment. For families with low incomes, many of whom rely on Medicaid, these burdens are compounded by limited savings, employment disruption and inconsistent access to supports such as paid leave.

Financial strain during NICU hospitalization compounds an already high-stress period for families caring for a medically fragile infant, with implications for parental mental health, caregiving capacity and infant health. It is hypothesized[4] that poverty affects child health through two related pathways: increased parental stress, which can impair caregiving,[5] and reduced ability to invest time, attention, and material resources in a child's health and development. Disruptions to either pathway may worsen outcomes for preterm infants, who are already medically vulnerable.

Unconditional cash transfers (UCTs), defined as regular cash payments without restrictions on how they are used, have emerged as a promising strategy[6] to reduce income-related stress and support families. However, the current body of UCT research in the United States remains limited. Within this literature, there is little work focused specifically on families of preterm infants, including whether UCTs are feasible, acceptable, or effective in addressing the unique financial and psychosocial challenges associated with NICU hospitalization.

WHAT WE ASKED:

Is it feasible and acceptable to provide unconditional cash transfers to low-income families of preterm infants?

How do families experience financial stress related to preterm birth and NICU hospitalization, and do cash transfers reduce that stress?

How do families of preterm infants use UCTs, and what delivery features are important to them?

WHAT WE DID:

We conducted a pilot randomized controlled trial in an urban NICU providing advanced care for preterm and medically complex infants (Level III), enrolling Medicaid-eligible birthing parent–infant dyads after preterm birth. We used Medicaid eligibility as a proxy for low income. Families were then randomized to receive either a high-value ($325/month) or low-value ($25/month) UCT for four months via debit card. A qualitative study embedded within the trial used semi-structured interviews to examine financial stress, family experiences and how families used additional cash.

WHAT WE FOUND:

Families said the cash transfers:

Reduced stress
Families described substantial financial strain during and after NICU hospitalization, including difficulty meeting basic needs, covering unexpected expenses and maintaining employment. Cash transfers helped reduce stress and provided a sense of relief, even when they did not fully eliminate hardship.

Supported day-to-day caregiving needs
Families used transfers flexibly to meet immediate and evolving needs, including transportation to the NICU, food access, and infant care supplies, as well as occasional higher-cost expenses such as car repairs or housing. Parents emphasized that the ability to decide how to use the funds made the support feel responsive and respectful.

Increased trust in the hospital and health care team
Some parents reported increased trust in the hospital and care team, viewing the transfers as evidence that the health system cared about their family beyond medical treatment.

Were feasible and highly acceptable
Nearly three-quarters of eligible families enrolled in the trial, retention was high and over 95% of payments were delivered on time. Families receiving higher-value payments universally reported that the transfers were acceptable and welcomed, supporting the feasibility of delivering this intervention in the NICU setting.

WHAT IT MEANS:

Preterm birth places families at high risk of financial and psychological stress that may affect caregiving, as well as caregiver and child health outcomes.

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Unconditional cash transfers during NICU hospitalization were associated with reduced parental stress and may help stabilize families during a critical period, suggesting this intervention could interrupt pathways linking poverty to adverse outcomes.

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Embedding flexible cash support within clinical care represents a novel, family-centered strategy that may strengthen trust in the health care system while improving outcomes. Larger studies are needed to evaluate impacts on health, utilization and cost, and to inform implementation at scale.

STUDY METHODS

This mixed-methods study combined a pilot randomized controlled trial with an embedded qualitative analysis. Medicaid-eligible birthing parent–infant dyads were enrolled within two weeks of preterm birth at an urban Level III NICU and randomized to receive high- or low-value unconditional cash transfers for four months. Primary outcomes assessed feasibility and acceptability of the intervention. Surveys and electronic health record data captured financial strain, mental health, caregiving behaviors and health care utilization.

Semi-structured qualitative interviews were analyzed using thematic analysis guided by a conceptual framework linking poverty to child health through stress and investment pathways. This approach enabled identification of mechanisms through which cash transfers reduced financial and psychological stress.

RELATED POLICYLAB WORK

Children's Hospital of Philadelphia, PolicyLab. Understanding the Impact of Cash Transfers on Low-income Caregivers of Preterm Infants. Accessed on April 8, 2026. *https://policylab.chop.edu/our-research/pilot-grants/understanding-impact-cash-transfers-low-income-caregivers-preterm-infants.*

PUBLICATIONS

Bouchelle ZM, Nelin TD, Salazar EG, Duncan AF, Parker MG. Unconditional cash transfers for preterm neonates: evidence, policy implications, and next steps for research. *Matern Health Neonatol Perinatol.* 2024 Jan 5;10(1):2. doi:*10.1186/s40748-023-00173-1*. PMID: 38183138; PMCID: PMC10768437.

Bouchelle ZM, Nelin TD, Salazar EG, Ragland S, Uwawuike D, Radack JK, Duncan AF. Unconditional cash transfers to low-income preterm infants and their families: a pilot randomized controlled trial. *J Perinatol.* 2025 Sep;45(9):1233–1239. doi:*10.1038/s41372-025-02293-2*. Epub 2025 Apr 11. PMID: 40216998; PMCID: PMC12326556.

Salazar EG, Bouchelle ZM, Nelin TD, Radack JK, Duncan AF. Unconditional Cash Transfers for Medicaid Eligible Parents of Preterm Infants: A Qualitative Study within a Pilot Randomized Controlled Trial. *Acad Pediatr.* 2026 Jan–Feb;26(1):103161. doi:*10.1016/j.acap.2025.103161*. Epub 2025 Oct 28. PMID: 41167466; PMCID: PMC12604098.

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