A Randomized Controlled Trial of Program Duration, Small Cash Transfers, and Business Coaching within a Graduation-type Intervention in the Philippines

Study Overview & Key Findings

This randomized controlled trial evaluated the impact of extending *Transform's* program duration while incorporating small financial grants and business coaching. The study compared five arms: *Control* (no intervention), *4-Month Transform Only*, *4-Month Transform with Grant*, *12-Month Transform with Grant*, and *24-Month Transform + Coaching with Grant*. These interventions were assessed for their impact on economic outcomes, including income, consumption, savings, and food security. This report presents the 8-month and 16-month follow-up results, including preliminary findings from the initial coaching phase of the *24-Month Transform + Coaching with Grant* arm.

Key Findings:

- **No robust effects on income or consumption** were observed across intervention arms at either the 8-month or 16-month follow-up, regardless of the inclusion of grants or the initial phase of coaching sessions.
- **Statistically significant improvements in savings and savings group participation** were detected in all intervention arms, with stronger effects in treatment arms with financial grants. Cash incentives likely boosted participation as a grant condition, but positive non-grant arm results indicate effects were primarily driven by program elements that promote savings behaviors.
- **All small grant arms showed stronger effects than the non-grant arm across savings outcomes,** with the 12-month program demonstrating consistent and sustained impacts, especially in maintaining short-term savings where other arms' effects diminished.
- **Limited improvements in resilience mechanisms** showed modest but significant positive effects on livelihood aspirations (hope) at Month 8 for the 4-month and 12-month small grant arms, though these dissipated by Month 16. No significant effects on grit and social safety nets were observed.

Introduction

Poverty remains one of the most pressing global challenges, affecting 10% of the world's population (World Bank, 2018). The Graduation Approach addresses this through a holistic approach combining multiple interventions, believing comprehensive strategies outperform isolated ones (Consultative Group to Assist the Poor, 2014). Typically implemented over two years, the program ensures participants have sufficient time and pace to absorb and apply knowledge, leading to transformative outcomes.

Research shows this approach proves most effective when tailored to extreme poor communities' specific contexts, like adjusting consumption support or program duration (Hashemi & De Montesquiou, 2011). Banerjee et al. (2015) evaluated this approach across six countries, finding sustained improvements on key outcomes including income, assets, food security, physical and mental well-being twelve months post-intervention for treatment groups across all study locations[1]. Similarly, J-PAL's evaluation of 20 studies confirmed the approach's lasting economic benefits, with income and consumption gains persisting ten years post-intervention (21-38% income, 11-22% consumption) and economic returns exceeding program costs within three years (Abdul Latif Jameel Poverty Action Lab, 2023).

[1] The RCT took place in Ethiopia, Ghana, Honduras, India, Pakistan, and Peru with an integrated approach of productive asset grants, temporary cash support, and access to savings and health services.

In the Philippines, the Department of Labor and Employment partnered with BRAC and the Asian Development Bank to pilot the Graduation Approach in Western Visayas (2018), providing in-kind asset transfers, market linkages, coaching, and skills training based on intervention assignment. Results showed statistically significant increases in food security, financial management, and life skills, with 7.8% higher consumption despite lacking income effects. (Schelzig & Jilani, 2020; Innovations for Poverty Action, 2022).

While the Graduation approach has proven effective, J-PAL reports that program success relies on substantial asset transfers, making it expensive and logistically complex to implement over the typical two-year duration (Abdul Latif Jameel Poverty Action Lab, 2023). Village Enterprise developed a lower-cost alternative condensed to a year with smaller group transfers of USD 145 (USD 45 per person), training, and business coaching. Sedlmayr et al. (2020) found this increased household consumption (4%), productive cash inflows (10%), and improved psychological and social well-being.

International Care Ministries (ICM) tests cost-effective Graduation approach adaptations through randomized controlled trials (RCT). Unlike traditional Graduation programs, ICM's core program, *Transform*, runs for just four months yet includes a key Graduation component, training, through weekly health and livelihood lessons for extreme poor households.

A 2015 RCT with Innovations for Poverty Action (IPA) revealed significant income improvements from *Transform's* spiritual component (Bryan et al., 2020). However, a later RCT in 2022 testing the *Transform* program with USD 20 small grants did not find statistically significant effects on income and consumption despite showing significant savings effects.

Following these previous RCTs, this study focuses on program duration as a key feature of the Graduation approach. The RCT examines whether extending *Transform* from its standard 4 months to either 12 or 24 months improves households' economic outcomes. The extended program incorporates business coaching and cash grants (individual and community) based on the 2022 RCT recommendations.

Building on existing Graduation studies, this adaptation tests varied duration approaches alongside less frequent training (monthly rather than weekly), lighter-touch business coaching intensity (focused on business plan implementation), and smaller grant amounts (up to USD 40 per person). Through systematically varying design elements, this study investigates whether programs like *Transform* can deliver more cost-effective poverty alleviation strategies than conventional Graduation models, and whether the extended variations with small grants and coaching produce comparable economic improvements.

Study Objectives

This study primarily evaluates whether extending the *Transform* program duration boosts the economic, social, psychosocial, and health outcomes of households living in extreme poverty. Additionally, the RCT evaluates the original *Transform* program (without cash grants), alongside the impact of incorporating low-cost individual and group-based grants on improving program outcomes and economic security. Specifically, this study investigates: 1) **varying program duration** for delivering the standard 15 *Transform* health and livelihood lessons through: a) weekly sessions across 4 months, b) staggered sessions across 12 months, and c) staggered sessions across 12 months supplemented by an additional 12 monthly community business coaching; 2) the viability and efficacy of **incorporating small cash grants** into the core program valued at USD 20 per participant (an individual USD 10 grant and a group-based grant of USD 300 for a 30-person community; and 3) the effectiveness of a low-cost 4-month standard ***Transform* against no intervention.**

Program Description

This RCT reviews Transform, a 15-week poverty alleviation classroom-based health and livelihood program that spans 4 months. Transform provides weekly one-hour lessons that focus on micro-business development through Business-in-a-Box (BIB) kits, promote financial behaviors through savings-group formation, improve food security through Garden-in-a-Box kits, and provide holistic community health care

To enhance the program's key outcomes, the study introduces modifications to the original 4-month program. First, a 12-month staggered Transform model, used in two of four intervention arms, spreads 12 sessions over three months, followed by the remaining three over the next nine months. Second, one of the two 12-month Transform intervention arms includes an additional monthly community business coaching component spanning 12 months, which begins one year after the initial program. This coaching aims to strengthen savings groups, support businesses, and facilitate Department of Labor and Employment registration to enable government grant access.

Small cash grants are included in three arms: one 4-month and both staggered intervention arms. Eligible participants may receive a USD 10 individual grant at Week 12 by: 1) attending 7 sessions, 2) making at least two savings group contributions, 3) starting a garden, and 4) repaying 50% of the BIB loan by Week 10.[2] Additionally, eligible communities receive a USD 300 savings group grant for small business ventures at Month 12 by: 1) maintaining 80% attendance by Month 11, 2) attending 6 savings group leader meetings, 3) sustaining 25 active members, and 4) submitting a business plan by Month 9.

A total of 8,165 participants graduated from Transform across all intervention arms

Methods

The Cluster RCT commenced in June 2022 across seven ICM Philippine bases[3] covering 569 communities randomly assigned to five arms: 1) ***Control*** with no intervention[4], 2) ***4-Month Transform Only*** with the standard *Transform* program without grants, 3) ***4-Month Transform with Grant*** with a standard *Transform* program plus USD 10 individual and USD 300 savings group grants, 4) ***12-Month Transform with Grant*** with a 12-month staggered *Transform* curriculum plus USD 10 individual and USD 300 savings group grants, and 5) ***24-Month Transform + Coaching with Grant*** with a 12-month staggered *Transform* curriculum, supplemented with 12 months of community coaching alongside the USD 10 individual and USD 300 savings group grants. The USD 300 savings group grant provided in the three grant-based arms corresponds to an allocation of USD 10 per individual for a standard savings group size of 30. The study received funding from the Global Innovation Fund (GIF) and ethics approval from both IPA's Philippine Community Advisory Board and Internal Review Board on June 23, 2022 (IPA IRB Protocol #: 15058).

Study Participants

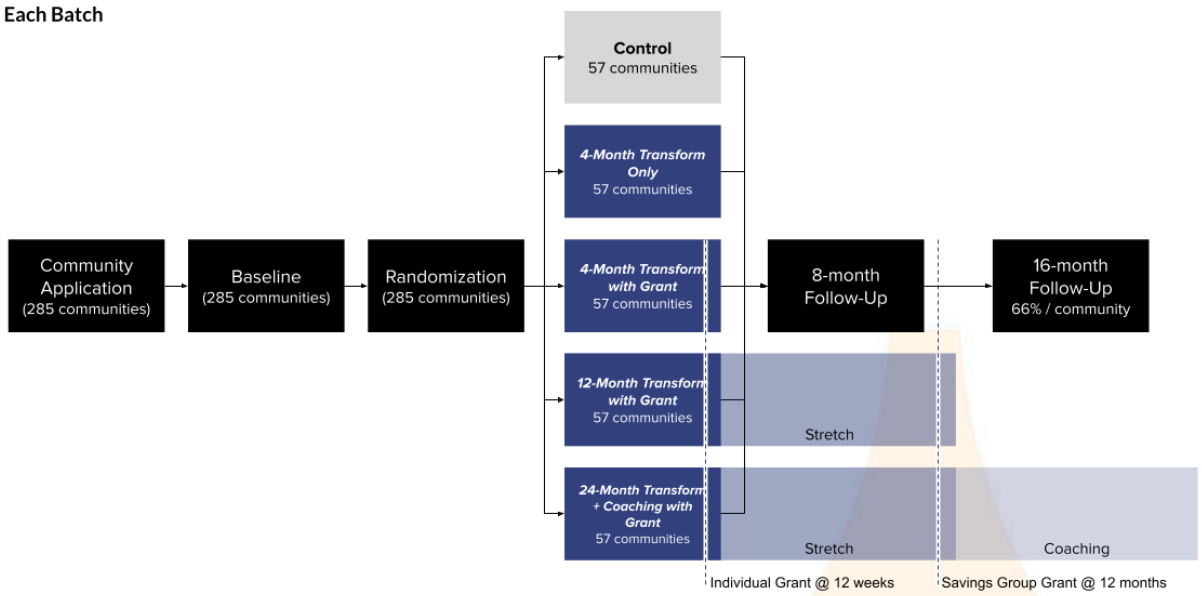
The study followed ICM's standard *Transform* selection criteria, where thirty of the poorest families were selected by pastors and local staff based on poverty indicators such as housing conditions and monthly household income. Informed consent was required for study participation.

IPA randomized community-level treatment assignments for all five arms after baseline survey completion. ICM and IPA were aware of allocations, and pastors were later informed during orientation preceding program start, while participants were blinded until the first program week to eliminate bias and maintain data integrity. The study gathered participant-level data through two sources: 1) **Operational Data,**

[2] Pastors must also meet the first three conditions and have at least 70% of participants qualify for the grant.
[3] ICM bases represent provincial or local geographical administrative units that ICM operates in.
[4] Pastors in these communities were compensated with USD 100 for their participation in the study.

including weekly attendance, savings group participation, business plan submission, coaching session attendance, and cash grant dispersals; and 2) **Survey Data** collected by local enumerators.

Due to the study's scale and availability of participants, ICM implemented the study in two batches, with the first starting in August 2022 and the second following in November 2022. Data collection included baseline surveys pre-intervention (June and September 2022), an 8-month follow-up survey to evaluate the effects of the individual grants (March-April and August-September 2023), and a 16-month follow-up to comprehensively assess Transform's efficacy across program durations and group grant impacts (November 2023-January 2024 and April-May 2024). Upon participant withdrawal or unavailability, ICM implemented a 'pre-replacement' protocol to maintain a 30-participant baseline threshold, subsequently administering 8-month follow-up surveys exclusively to the finalized participant roster.



Statistical Methods & Analysis Overview

The RCT evaluates the effects of various Transform program durations, alongside individual and community grants, community business coaching, and the standard Transform program on the following primary household outcomes: 1) Income, 2) Consumption, 3) Savings, and 4) Food Security. Effects on secondary outcomes related to financial inclusion, and mechanisms related to social safety nets, livelihood aspirations, and grit were also examined. Fixed effects regression analyses with community-level clustered standard errors were employed to account for the community-randomized design. All models controlled for baseline values of the outcome variables and included fixed effects for ICM branches[5], which served as the stratification variable during randomization. Analyses were conducted using R (Version 2023.03.0+386).

Results

Participant Flowchart

The analysis included 99.49% of 16,277 invited participants (16,194), who were surveyed at baseline, 8-month, or 16-month follow-up. These participants from 569 communities were randomized into 5 treatment arms: 1) ***Control*** (119 communities, 3,383 participants), 2) ***4-Month Transform Only***: Communities in this arm received the standard 4-month Transform program with no cash grants. A total of (112

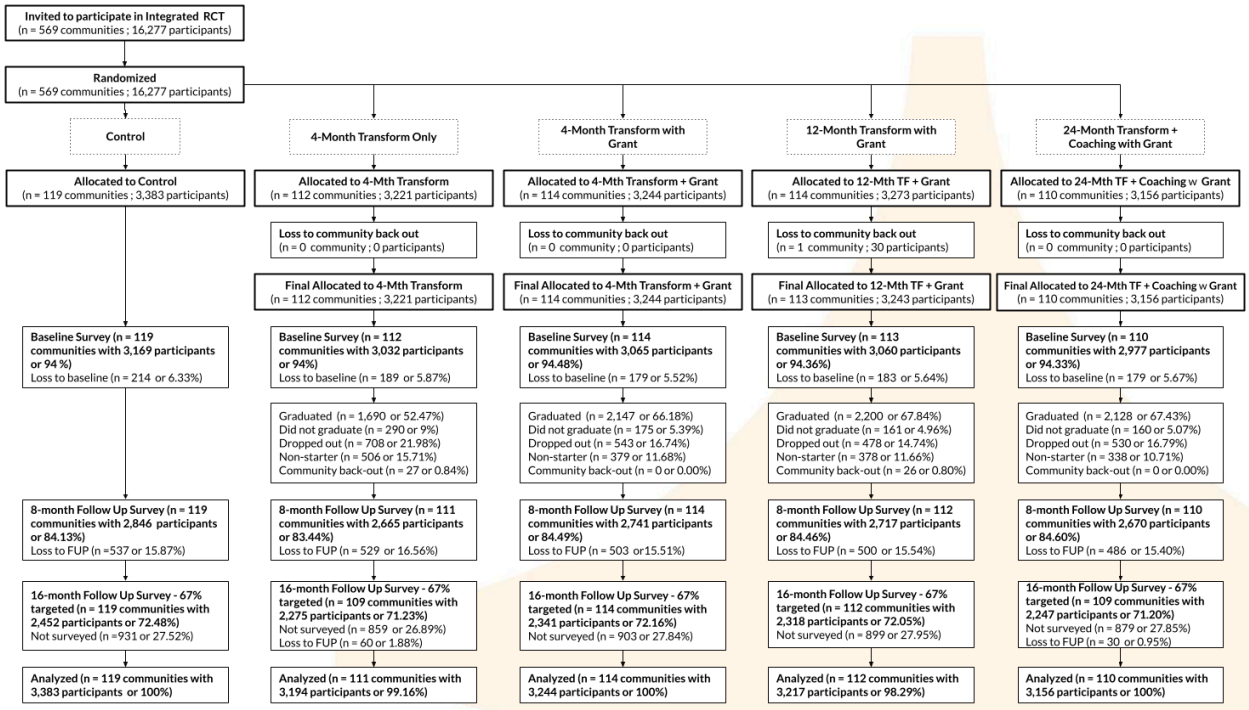
[5] ICM branches are administrative sub-units within each base, with each base typically comprising 2-3 branches.

communities, 3,221 participants), ***4-Month Transform with Grant*** (114 communities, 3,244 participants), 4) ***12-Month Transform with Grant*** (114 communities, 3,243 participants), 5) ***24-Month Transform + Coaching with Grant*** (110 communities, 3,156 participants).

One *12-Month Transform with Grant* community in Cebu withdrew pre-baseline, was replaced post-randomization but excluded from the study to prevent bias, yielding a final target sample of 16,247 households from 568 communities. Among these participants, 15,303 participants (94%) completed baseline surveys, 13,939 (86%) completed 8-month follow-ups, and 11,633 (72%) completed 16 month follow-ups from a targeted 67% random sample. The 8-month attrition rate was 16%, and only 10,239 participants (63%) completed all three survey rounds.

Two additional communities from Koranadal withdrew from the study before the 8-month follow-up: one after their pastor learned of their *4-month Transform Only* community assignment, and another from the *12-Month Transform with Grant* arm due to low attendance. Three additional communities, two *4-Month Transform Only* communities and one *24-Month Transform + Coaching with Grant* community, dropped out of the study between the 8-month and 16-month follow-up surveys.

Following the community withdrawals, the final study included a total of 16,104 participants from 563 communities, distributed across 109 *4-Month Transform Only* communities, 114 *4-Month Transform with Grant* communities, 112 *12-Month Transform with Grant* communities, 109 *24-Month Transform + Coaching with Grant* communities, and 119 *Control* communities.



Baseline Summary Statistics

Table 1.1 presents the baseline characteristics of survey respondents. The predominant demographic is female (86%), with mean ages of 40 to 41 years across all treatment arms. While statistical testing revealed a significant difference in the proportion of college graduates across treatment arms, this might be inconsequential when viewed alongside the well-balanced economic characteristics across all primary outcomes presented in Table 1.2. Household economic characteristics demonstrated balance across all

arms, with comparable distributions across poverty groups, income levels, consumption patterns, and savings metrics. The study population predominantly comprises economically vulnerable households, with 94% categorized as extremely poor (30-125 PhP per person daily) or ultra-poor (under 30 PhP per person daily).

Table 1.1 *Baseline Characteristics of Survey Respondents*

Characteristic	Control N = 3,172[1]	4-Month Transform N = 3,005[1]	4-Month Transform with Grant N = 3,066[1]	12-Month Transform with Grant N = 3,036[1]	24-Month Transform + Coaching with Grant N = 2,977[1]	p-value[2]
Gender						0.74
Male	14%	14%	12%	14%	15%	
Female	86%	86%	88%	86%	85%	
Age	41 (22)	41 (15)	41 (15)	40 (15)	41 (15)	0.81
Married	57%	58%	59%	58%	57%	0.67
High School Graduate	17%	17%	17%	17%	16%	0.91
College Graduate	3.30%	2.40%	2.20%	2.20%	2.50%	0.04
Household Size	4 (2)	4 (2)	4 (2)	4 (2)	4 (2)	0.52

[1] *%; Mean (SD)*
[2] *Pearson's Chi-squared test; F-Test*

Table 1.2 *Baseline Economic Characteristics*

Characteristic	Control N = 3,172[1]	4-Month Transform N = 3,005[1]	4-Month Transform with Grant N = 3,066[1]	12-Month Transform with Grant N = 3,036[1]	24-Month Transform + Coaching with Grant N = 2,977[1]	p-value[2]
Poverty Group[3]						0.15
Ultrapoor	32%	34%	31%	32%	34%	0.65
Extreme poor	62%	60%	63%	62%	60%	0.75
Income per person per day	56 (59)	54 (51)	56 (56)	53 (48)	52 (48)	0.42
Total HH income in the last 30 days[4]	6,483 (5,193)	6,246 (5,007)	6,512 (5,039)	6239 (4,658)	6,210 (4,908)	0.45
Total HH labor income in the last 30 days[4]	5,330 (4,617)	5,120 (4,493)	5,350 (4,545)	5,185 (4,199)	5,132 (4,500)	0.50
Total monthly consumption[4]	6,720 (3,888)	6,579 (3,796)	6,861 (3,943)	6,541 (3,696)	6,532 (3,767)	0.59
Household has any savings	14%	12%	15%	13%	13%	0.78
Total household savings[5]	526 (6,316)	354 (2,390)	340 (1,905)	233 (1,021)	389 (3,426)	0.11
Amount household saved in the past 7 days[5]	993 (4,875)	483 (955)	613 (1,633)	437 (1,048)	740 (4,038)	0.09
Has borrowed money in the last 4 months for household expenses	14%	15%	17%	16%	16%	0.21

[1] %; Mean (SD)
[2] Pearson's Chi-squared test; *F-Test*
[3] Poverty classification: Ultrapoor ($0.50/person/day); Extreme poor (below $2.15/person/day, global poverty line during the RCT)
[4] Winsorized values. Outliers beyond the 99th percentile were replaced with the 99th percentile value
[5] Households without savings were encoded to 0

Regression Results

This section presents regression findings from the 8-month and 16-month follow-up surveys. The 8-month assessment occurred before the USD 300 savings group grant distribution for all grant arms, final Transform lesson in the 12- and 24-month *Transform* arms, and coaching sessions, thus solely capturing the effects of the USD 10 individual grant on economic outcomes. In contrast, the 16-month assessment was conducted four months after the savings group grant disbursement and four months after the completion of the 12-month staggered *Transform* program, enabling evaluations of their short-term economic effects. At this point, participants in the 24-month *Transform* arm had only completed the first three to four sessions of the monthly coaching component.

Fixed effects regression models with community-clustered standard errors were used to maintain consistency with the randomization design. All linear models controlled for the baseline values of the outcome variables and adjustments for baseline missingness to increase statistical precision. The results tables present coefficient estimates with corresponding standard errors in parentheses and significance levels indicated. To simplify the interpretation of the binary outcomes model, the odds ratios from logistic regressions were transformed into and presented as probabilities, with their 95% confidence intervals in parentheses.

Economic Indicators

Tables 2 and 3 present the primary outcome results on participants' economic well-being, specifically household income, consumption, savings, and food security.

Income

To increase sample size and statistical power, a pooled analysis in Table 2 was conducted for all small grant treatment arms (*4-Month Transform with Grant*, *12-Month Transform with Grant*, *24-Month Transform + Coaching with Grant*), which had all received the same intervention at Month 8: *Transform* lessons and individual grants (coaching not yet introduced for the 24-month arm). The pooled small grant arm showed a 2.7% income increase relative to *Control*, though the effect was not statistically significant (Table 2, Columns 1 and 5). Similar trends appear when analyzing each treatment arm individually (Table 3, Columns 1–6), with no consistently significant income effects detected for both total household income and total labor income across all intervention arms. At Month 8, the grant arms show positive income coefficients, suggesting potentially higher income relative to *Control*, while the *Transform Only* arm coefficient is negative. By Month 16, all intervention arm coefficients remain positive, with income differences ranging from 1% to 3.4% above *Control* levels. However, none of these effects reached statistical significance even after savings group grants were dispersed.

For robustness, treatment effects on total household income were estimated using raw, winsorized, and log-transformed specifications. The *24-Month Transform + Coaching with Grant* arm showed a 5% statistically significant increase in the winsorized model ($p<.05$), a weak statistically significant effect ($p<.10$) in the raw model, and no significant effects in the log-transformed model at Month 8. The variation in statistical significance across models, along with large standard errors, limits the robustness of these findings, suggesting heterogeneous treatment effects and sensitivity to outliers. Notably, the statistically significant effect disappears by Month 16. Additionally, the minimum detectable effect is estimated at approximately 17% of *Control* income, suggesting that observed improvements of 1% to 3.4% in treatment arms may fall below the threshold for statistical significance in this analysis.

Consumption

Similar to income, a pooled analysis at Month 8 combined all small grants and compared them against *Transform Only* and *Control* to increase statistical power. While Table 2 (Columns 5 and 7) shows a 2.4% higher consumption in the pooled treatment arm compared to the Control mean, the difference was not statistically significant. Examining each treatment effect separately, all intervention arms consistently

showed positive point estimates across both follow-ups (Table 3, Columns 7–12). Consumption in the grant arms rose by 1.3% to 3.7% compared to the *Control* arm at both follow-ups, mirroring trends seen in a previous RCT on ICM's *Transform* program with small grants.[6][7] However, despite these directionally positive results, the study did not yield conclusive evidence of statistically significant consumption effects across any intervention arm at either follow-up assessment. [8]

The *12-Month Transform with Grant* arm exhibited marginal indications of a consumption effect, though the evidence remains insufficient to support definitive conclusions. At Month 16, the observed effect attained statistical significance ($p<.05$) only in the unadjusted model, which does not account for outliers, and even in this specification, was accompanied by large standard errors. When employing winsorized or log-transformed specifications to address potential outliers, the statistical significance diminished considerably ($p<.10$), suggesting that the initially observed effect might be driven by extreme values rather than a true underlying effect. A parallel pattern emerged for the *24-Month Transform + Coaching with Grant* arm, which demonstrated significance in the unadjusted model (similarly with large standard errors) and exhibited only marginal significance in the log-transformed specification ($p<.10$), further suggesting cautious interpretation of these results. Consequently, the inconsistency across specifications constrains the ability to make definitive conclusions about intervention efficacy on household consumption.

[6] These figures reflect results after adjusting for outliers using the winsorized model.
[7] A previous RCT evaluated a small individual cash grant of USD 20 within the *Transform* program, showing a 1% to 4% increase in income and consumption relative to the *Control* mean for treatments with small grants. However, these effects were not statistically significant.
[8] A pooled analysis was also conducted at Month 16 to explore whether receiving a grant had a longer-term impact on income, though the intervention arms were no longer directly comparable due to differences in intervention components by this assessment period. No statistically significant effects were found.

Table 2 *Pooled Grant Treatments*

	Monthly Total Household Income				Monthly Household Consumption			
	Winsorized[1]		Log		Winsorized[1]		Log	
	Month 8 (1)	Month 16 (2)	Month 8 (3)	Month 16 (4)	Month 8 (5)	Month 16 (6)	Month 8 (7)	Month 16 (8)
4-Month Transform Only	85.58 (157.56)	49.31 (155.92)	0.03 (0.04)	-0.02 (0.03)	16.26 (146.78)	132.03 (160.58)	0 (0.02)	0.01 (0.03)
Other Transforms with Grant	190.39 (122.68)	156.58 (133.56)	0.02 (0.03)	0 (0.03)	163.18 (116.99)	204.65 (126.55)	0.02 (0.02)	0.02 (0.02)
Control Mean	6961	6978	9	9	6695	6696	9	9
# of Observations	13639	11633	13639	11633	13639	11633	13639	11633

† < .10, * p < 0.05, ** p < 0.01, *** p < 0.001. Fixed effects model. SE clustered at the community level with baseline control and missingness adjustment.
[1]Winsorized top 2% outliers with the cut-off values. Figures are reported in Philippine Peso.

Table 3 *Primary Economic Outcomes*

	Monthly Total Household Income						Monthly Household Consumption					
	Raw		Winsorized[1]		Log		Raw		Winsorized[1]		Log	
	Month 8 (1)	Month 16 (2)	Month 8 (3)	Month 16 (4)	Month 8 (5)	Month 16 (6)	Month 8 (7)	Month 16 (8)	Month 8 (9)	Month 16 (10)	Month 8 (11)	Month 16 (12)
4-Month Transform Only	52.13 (191.07)	71.25 (180.39)	85.49 (157.58)	49.3 (155.92)	0.03 (0.04)	-0.02 (0.03)	32.24 (160.28)	217.73 (178.02)	16.28 (146.77)	132.04 (160.58)	0 (0.02)	0.01 (0.03)
4-Month Transform with Grant	213.49 (205.6)	164.35 (196.93)	102.64 (156.49)	120.07 (166.36)	-0.01 (0.04)	-0.01 (0.04)	171.3 (166.98)	267.57 (173.4)	89.51 (146.58)	183.31 (159.84)	0 (0.03)	0.01 (0.03)
12-Month Transform with Grant	253.34 (200.47)	234.44 (192.74)	150.27 (148.53)	194.86 (168.85)	0.05 (0.04)	0.03 (0.03)	206.52 (150.94)	317.32* (155.14)	180.75 (141.41)	252.28† (146.22)	0.02 (0.02)	0.05† (0.03)
24-Month Transform + Coaching with Grant	381.03† (194.15)	304.22 (216.43)	321.73* (154.92)	155.18 (174.1)	0.02 (0.04)	-0.01 (0.03)	346.84* (162.22)	278.61 (178.26)	221.22 (136.55)	177.77 (157.46)	0.04† (0.02)	0.01 (0.03)
Control Mean	7163.68	7130.01	6960.69	6977.68	8.53	8.6	6804.69	6763.48	6694.55	6696.35	8.66	8.66
# of Observations	13639	11633	13639	11633	13639	11633	13639	11633	13639	11633	13639	11633

† <.10, * p < 0.05, ** p < 0.01, *** p < 0.001. Fixed effects model. SE clustered at the community level with baseline control and missingness adjustment.
[1]Winsorized top 2% outliers with the cut-off values. Figures are reported in Philippine Peso.

Table 3 *Primary Economic Outcomes (continued)*

	Monthly Labor Income Only[1]		Total Household Savings[1]		Household Savings in the Last Seven Days[1]		Probability of having savings		Probability of belonging to a Savings Group		Probability of belonging to an ICM Savings Group		Food Security Index	
	Month 8 (13)	Month 16 (14)	Month 8 (15)	Month 16 (16)	Month 8 (17)	Month 16 (18)	Month 8 (19)	Month 16 (20)	Month 8 (21)	Month 16 (22)	Month 8 (23)	Month 16 (24)	Month 8 (25)	Month 16 (26)
4-Month Transform Only	48.18 (140.9)	47.14 (141.78)	102.99*** (26.69)	69.44* (31.61)	7.83** (2.67)	1.8 (1.48)	37.5%*** (31% - 45%)	45.2%*** (37% - 54%)	55.3%*** (49% - 61%)	52.1%*** (45% - 59%)	61.5%	48.2%	-0.12 (0.11)	0.01 (0.13)
4-Month Transform with Grant	58.05 (145.44)	95.47 (152.29)	150.88*** (34.94)	90.86** (30.09)	9.25** (2.75)	2.72† (1.46)	48.2%*** (41% - 56%)	51.6%*** (44% - 59%)	65.7%*** (60% - 71%)	60.5%*** (54% - 67%)	67.1% (59% - 75%)	59.2%* (48% - 69%)	-0.17 (0.11)	0.14 (0.13)
12-Month Transform with Grant	125.47 (140.49)	240.81 (156.3)	118.29*** (25.87)	102.28*** (28.6)	9*** (2.48)	3.57* (1.49)	49.6%*** (43% - 57%)	53.8%*** (46% - 61%)	69.8%*** (65% - 74%)	63.6%*** (57% - 69%)	75.3%*** (68% - 81%)	60.9%* (51% - 70%)	-0.05 (0.1)	0.02 (0.13)
24-Month Transform + Coaching with Grant	226.17 (141.22)	137.83 (152.6)	122.28*** (28.72)	68.07* (29.23)	8.26** (2.7)	3.06† (1.78)	44.3%*** (37% - 51%)	49.9%*** (42% - 58%)	67.2%*** (62% - 72%)	63%*** (57% - 69%)	72.1%** (65% - 78%)	56% (46% - 66%)	-0.05 (0.11)	-0.02 (0.14)
Control Mean	5847.68	5754.08	156.5	149.65	18.22	10.05	16.9%	27.8%	21.8%	30.4%			2.43	2.21
# of Observations	13639	11633	13009	11193	13487	11575	13626	11620	13639	11633	6706	4436	13538	11498

† < .10, * p < 0.05, ** p < 0.01, *** p < 0.001. Fixed effects model. SE clustered at the community level with baseline control and missingness adjustment.

[1]Winsorized top 2% outliers with the cut-off values.

Savings

Treatment arms demonstrated statistically significant impacts on savings outcomes, including savings likelihood, savings amounts in the last 7 days and in total, and savings group participation. Table 3, Columns 7–16 presents savings outcomes. *Treatment* households showed a statistically significant 20.6 to 32.7 percentage point higher likelihood of having savings compared to *Control* households (16.9%) at Month 8. These effects remained both statistically significant and large at Month 16, with *Treatment* households still 17.4 to 26 percentage points more likely to have savings. *Treatment* households also saved significantly more: PhP 8 to 9 more in the past 7 days and PhP 103 to 151 more in total savings at Month 8. By Month 16, effects remained positive and significant for total savings but not for 7-day savings, except in the *12-Month Transform* arm where effects remained significant but smaller. Across both time periods, the grant arms demonstrated stronger effects than the non-grant arm in savings likelihood (by 4.7 to 12.1 percentage points) and savings amounts (by PhP 15 to 48).

All treatment arms significantly increased savings group participation compared to *Control* at both follow-ups. The *12-Month Transform with Grant* arm showed the strongest effects (69.8% at Month 8 and 63.6% at Month 16), followed by *24-Month Transform + Coaching with Grant* (67.2% at Month 8 and 63% at Month 16), *4-Month Transform with Grant* (65.7% at Month 8 and 60.5% at Month 16), and *4-Month Transform Only* (55.3% at Month 8 and 52.1% at Month 16). For ICM savings group participation specifically, using *4-Month Transform Only* as the comparison, the *24-Month* and *12-Month* arms showed higher participation rates, with a statistically significant 7.8 to 13.8 percentage point increase at both follow-ups, while the *4-Month Transform with Grant* arm showed no significant difference.

Notably, while all intervention arms exhibited positive and significant treatment effects in savings outcomes, the grant arms consistently produced substantially larger treatment effects across all savings metrics.

Food Security

The study assessed food security using the Food Insecurity Experience Scale (FIES) developed by FAO-VoH, evaluating access to adequate food at the household level (Food and Agriculture Organization of the United Nations, n.d.).[9] Table 3, Columns 17–18 shows *Control* households averaged 2 out of 8, indicating relatively low baseline food insecurity. At Month 8, all intervention arms showed negative coefficient estimates suggesting improved food security compared to *Control*, though these differences were not statistically significant. By Month 16, all treatment arms continued to show no statistically significant impact on food security levels when compared to the *Control* group.

Financial Inclusion

The study also examined financial inclusion outcomes. At Month 8, households in the *4-Month Transform with Grant* and *12-Month Transform with Grant* arms were statistically significantly more likely to own a bank account (4.6% to 5.4%) compared to *Control* households (3.1%). By Month 16, this effect increased slightly for the *4-Month Transform with Grant* arm but disappeared for the *12-Month Transform with Grant* arm. No statistically significant effects were detected for broader financial service access including bank, remittance, or mobile money services at either time point.

Table 4 *Secondary Outcomes*

	Probability of ownership of a formal bank or financial institution account		Access to bank, remittance, mobile money services	
	Month 8 (1)	Month 16 (2)	Month 8 (3)	Month 16 (4)

[9] FIES assesses household food insecurity through eight yes/no questions about experiences like: worrying about food availability, compromising on food quality, reducing food quantity, and experiencing hunger. Responses are coded as "Yes" (1) or "No" (0) and summed to create a score from 0-8, with higher scores indicating more severe food insecurity.

4-Month Transform Only	3.9%† (3% - 5%)	3.6% (2% - 5%)	22.3% (19% - 26%)	23.8%† (20% - 28%)
4-Month Transform with Grant	**4.6%**** **(4% - 6%)**	**5.4%*** **(4% - 8%)**	23.2% (19% - 27%)	26.9% (23% - 31%)
12-Month Transform with Grant	**5.4%***** **(4% - 7%)**	4.5% (3% - 6%)	23.5% (20% - 28%)	26.6% (22% - 31%)
24-Month Transform + Coaching with Grant	**3.9%†** **(3% - 5%)**	3.6% (2% - 5%)	22.1% (19% - 26%)	27.2% (23% - 32%)
Control Mean	3.1%	3.2%	22.1%	27.6%
# of Observations	13574	11568	13569	11626

† < .10, * p < 0.05, ** p < 0.01, *** p < 0.001.
Fixed effects model. SE clustered at the community level with baseline control and missingness adjustment.

Mechanisms: Social Capital and Psychosocial Indicators

Social safety nets, perseverance behaviors, and future-oriented aspirations represent critical psychological and social dimensions that can significantly influence socio-economic outcomes by providing resilience mechanisms. This study examined treatment effects on social safety nets, livelihood aspirations, and grit.

A composite social safety net index was developed to assess participants' financial resilience networks. This standardized metric evaluated access to emergency funds outside beyond immediate family circles. This methodology followed Kling, Liebman, and Katz's (2007) approach, normalizing individual components against the *Control* group before standardizing the aggregate measure. The psychological construct of perseverance was evaluated using Duckworth et al.'s Grit score (2007). This metric is an average of eight 5-point Likert scale questions, with responses ranging from 1 (*"Not like them at all"*) to 5 (*"Very much like them"*). To capture forward-looking attitudes, participants indicated their level of agreement with six livelihood aspirations statements using an adapted version of Lybbert and Wydick's Hope Scale (2016, p. 167). The 10-point scale responses were averaged to create a composite measure for optimism and agency towards future livelihood opportunities.

Table 5 presents the treatment effects on social capital and psychosocial indicators at Month 8 and 16. Across all treatment arms, no statistically significant effects were observed on the Social Safety Net Index and Grit Score. However, the *4-Month Transform with Grant* and *12-Month Transform with Grant* arms exhibited modest but positive significant improvements in Hope Score at Month 8, relative to the *Control* mean of 7.89. This effect diminishes by Month 16, suggesting that initial gains in hope may not be sustained over time.

Table 5 *Mechanisms*

	Social Safety Net Index		**Hope Score**		**Grit Score**	
	Month 8 (1)	**Month 16 (2)**	**Month 8 (3)**	**Month 16 (4)**	**Month 8 (5)**	**Month 16 (6)**
4-Month Transform Only	0.05 (0.04)	0.03 (0.05)	0.1† (0.05)	0.07 (0.06)	0 (0.02)	0 (0.03)
4-Month Transform with Grant	0.04 (0.04)	0.06 (0.05)	0.12* (0.05)	0.03 (0.06)	0.03 (0.02)	0.01 (0.02)
12-Month Transform with Grant	0.02 (0.04)	0.05 (0.05)	0.11* (0.05)	0.04 (0.06)	-0.02 (0.02)	0.01 (0.02)

24-Month Transform + Coaching with Grant	0.06 (0.04)	0.01 (0.05)	0.07 (0.05)	0.08 (0.06)	0.02 (0.02)	0.01 (0.02)
Control Mean	0	0	7.89	7.84	3.43	3.45
# of Observations	13639	11633	13639	11633	13639	11633

† < .10, * p < 0.05, ** p < 0.01, *** p < 0.001.
Fixed effects model. SE clustered at the community level with baseline control and missingness adjustment.

Treatment-on-Treatment Comparative Analysis: Assessing Additional Intervention Effects

To isolate the effects of specific intervention elements, comparisons across multiple treatment arm combinations are presented in Table 6. The analysis compares: (1) *4-Month Transform Only* versus *4-Month Transform with Grant* to isolate the impact of small grants; (2) *4-Month Transform with Grant* versus *12-Month Transform with Grant* to assess the effect of extending program duration and staggering the *Transform* curriculum to 12 months; and (3) *12-Month Transform with Grant* versus *24-Month Transform + Coaching with Grant* to evaluate the impact of adding 12 months of coaching on top of the staggered program. However, it is worth noting that for comparison (3), the 16-month assessment captures only the initial effects of the coaching component, as participants in the *24-Month* arm had completed just three to four of the twelve monthly coaching sessions at the time of assessment.

The results showed no statistically significant differences between any treatment combinations for household income or consumption at either the 8-month or 16-month follow-up. While the *4-month Transform with Grant* and *24-Month Transform + Coaching with Grant* showed modest positive coefficients for income and consumption at Month 8, these differences were not statistically significant compared to their respective comparison arms (*4-Month Transform Only* and *Grant*), and any positive trends in the *24-month arm* disappeared by Month 16.

Table 6 *Comparison of Household Income and Consumption Between Treatment Groups*

	Monthly Total Household Income		Monthly Total Household Consumption	
	Month 8 (1)	Month 16 (2)	Month 8 (3)	Month 16 (4)
Comparison 1: Grant vs No Grant				
4-Month Transform with Grant	110.9 (233.34)	67.7 (161.91)	155.22 (202.47)	50.43 (163.45)
4-Month Transform Only	6901	6982	6648	6792
# of Observations	5406	4616	5406	4616
Comparison 2: 4-Month vs 12-Month Program				
12-Month Transform with Grant	-32.1 (232.02)	74.25 (175.32)	-35.59 (194.23)	61.57 (149.66)
4-Month Transform with Grant	7087	7191	6823	6938
# of Observations	5458	4659	5458	4659
Comparison 3: Coaching vs No Coaching				
24-Month Transform + Coaching with Grant	178.6 (226.38)	-33.42 (183.3)	64.18 (189.01)	-72.58 (147.47)
12-Month Transform with Grant	6994	7137	6757	6865
# of Observations	5387	4565	5387	4565

† <.10, * p < 0.05, ** p < 0.01, *** p < 0.001. Control mean is calculated from the data. Figures in Philippine Peso.
Fixed effects model. SE clustered at the community level with baseline control and missingness adjustment.
Winsorized top 2% outliers with the cut-off values.

Evaluating Program Duration: Standard 4-Month vs Staggered 12-Month Delivery Models

A key question of the study is whether staggering the *Transform* curriculum delivery from the standard 4-month model to a 12-month approach improves participant outcomes. Since both delivery models have equivalent implementation costs, this comparison examines whether the staggered approach enhances cost-effectiveness by improving program outcomes at no additional expense. To address this question, an additional analysis was conducted comparing these two delivery models while controlling for the presence of small grants, since data on a pure staggered version without grants was not available.

Given the timing of the assessments, participants in the *24-Month Transform + Coaching with Grant* arm had only completed their first quarter of business coaching by Month 16. As such, the *12-Month Transform with Grant* and *24-Month Transform + Coaching with Grant* treatment arms were pooled to isolate the effects of the 12-month staggered delivery model. This pooling was justified given that both arms delivered essentially the same core program during both assessment periods, with the key difference being that the *24-month arm* included only 3 to 4 additional coaching sessions at Month 16. This pooled group was then compared against the *4-Month Transform with Grant* arm, enabling a direct comparison of delivery models while controlling for the presence of small grants across both groups.

This comparison tests whether spreading the same curriculum over a longer timeframe enhances program effectiveness. A longer delivery period may allow for gradual skill acquisition, better retention of program content, and potentially greater integration of learned concepts into participants' daily practices.

Results from this analysis, presented in Table 7, showed minimal differences between the staggered and standard delivery models across most outcomes. No statistically significant differences were observed for household income, consumption, labor income, savings amounts, or food security at either assessment point. The only notable exception was participation in ICM savings groups, where the pooled 12-month intervention showed a statistically significant advantage at Month 8 (74.6% vs. 67.7%, $p < 0.05$), though this significant difference was not sustained at Month 16. Additionally, there was a weakly significant decrease in formal bank account ownership for the 12-month program at Month 16 (3.8% vs. 5.1%, $p < 0.10$).

These findings suggest that the standard 4-month *Transform* program performs comparably to the staggered 12-month approach across the economic outcomes measured. While the extended timeframe theoretically provides more opportunities for gradual skill reinforcement and behavioral change, the lack of consistent significant differences indicates that staggering the program did not produce statistically significant improvements over the standard 4-month model. However, the limited coaching exposure in the *24-month* arm at the time of assessment means that longer-term follow-up may reveal different patterns as participants complete the full intervention.

Table 7 *Differential Effects of Stretching the Program to 12 Months vs 4 Months*

	Monthly Total Household Income[1]		Monthly Household Consumption[1]		Monthly Labor Income Only[1]		Total Household Savings[1]		Household Savings in the Last Seven Days[1]		Probability of having savings	
	Month 8 (1)	Month 16 (2)	Month 8 (3)	Month 16 (4)	Month 8 (5)	Month 16 (6)	Month 8 (7)	Month 16 (8)	Month 8 (9)	Month 16 (10)	Month 8 (11)	Month 16 (12)
Pooled 12-Month Transform with Grant	133.98 (140.54)	54.44 (152.83)	110.07 (124.29)	31.3 (137.71)	115.04 (131.61)	90.51 (143.74)	-32.67 (31.73)	-7.09 (26.41)	-0.67 (2.45)	0.5 (1.44)	49.3% (45% - 54%)	58.6% (52% - 64%)
4-Month Transform with Grant Mean	7087.17	7191.3	6823.22	6938.28	5919.81	5908.62	304.13	236.24	27.45	12.72	50.7%	58.3%
# of Observations	8128	6906	8128	6906	8128	6906	7677	6607	8023	6869	8123	6898

† < .10, * p < 0.05, ** p < 0.01, *** p < 0.001. Fixed effects model. SE clustered at the community level with baseline control and missingness adjustment.
[1]Winsorized top 2% outliers with the cut-off values.

Table 7 *Differential Effects of Stretching the Program to 12 Months vs 4 Months (Continued)*

	Probability of belonging to a Savings Group		Probability of belonging to an ICM Savings Group		Food Security Index		Probability of ownership of a formal bank or financial institution account		Access to bank, remittance, mobile money services	
	Month 8 (21)	Month 16 (22)	Month 8 (23)	Month 16 (24)	Month 8 (25)	Month 16 (26)	Month 8 (1)	Month 16 (2)	Month 8 (3)	Month 16 (4)
Pooled 12-Month Transform with Grant	65.9% (62% - 70%)	57.8% (52% - 63%)	74.6%* (68% - 80%)	56.4% (47% - 65%)	0.12 (0.09)	-0.15 (0.11)	3.7% (3% - 5%)	3.8%† (3% - 5%)	22.7% (19% - 26%)	24.4% (21% - 28%)
4-Month Transform with Grant Mean	62.9%	54.8%	67.7%	56.7%	2.23	2.33	3.6%	5.1%	23.2%	24.5%
# of Observations	8128	6906	5299	3509	8066	6829	8093	6866	8078	6903

† < .10, * p < 0.05, ** p < 0.01, *** p < 0.001. Fixed effects model. SE clustered at the community level with baseline control and missingness adjustment.

Discussion

The analysis of the 8-month and 16-month follow-up surveys of the *Transform* program offers valuable insights into whether extending the program duration, from 4 months to 12 months, and further to 24 months with the addition of business coaching, leads to meaningful economic, health, and socio-emotional change among participants. Results for the 24-month arm are preliminary, capturing only three to four months of the coaching component. Moreover, the study also examines the effects of the core Transform program and small grants.

Economic Outcomes

The findings suggest that extending the *Transform* program and receiving small grants did not lead to significant income or consumption improvements. Despite positive direction effects in treatment arms with small grants, evidence remains insufficient to confirm significant economic effects in the short to medium term. While *Treatment* participants might have experienced marginal improvements, the interventions were insufficient to substantially alter income levels and consumption patterns. Additionally, extended program exposure and the early phase of business coaching did not result in greater economic benefits at the 16-month assessment.

The absence of significant economic effects at both follow-ups might stem from several factors, including relatively small grant sizes compared to models like Graduation or Village Enterprise (VE). Research by Sedlmayr et al. (2020) found statistically significant consumption and cash inflow effects for VE with follow-ups more than a year after grant disbursement, suggesting longer observation periods might be necessary to detect meaningful economic changes.

In contrast, savings outcomes demonstrated a more notable effect across all intervention arms, with all grant arms consistently exhibiting the stronger effects compared to the non-grant arm, which still showed a positive but smaller impact. The non-grant arm's positive effects demonstrate that the core *Transform* program itself improved savings behaviors, while conditional requirements for savings group contributions and participation amplified these effects in the small grant arms. Though savings likelihood, total savings, and savings group participation improvements were sustained through Month 16, effects on 7-day savings dissipated, with the exception of the 12-month arm, which maintained significant positive effects. This suggests that while interventions successfully sustained impacts on multiple savings domains through Month 16, short-term savings capacity (7-day savings) may be more sensitive to intervention intensity over time.

While enhancing savings behaviors was achieved in the short- and medium-term, the interventions did not lead to substantial economic changes in income and consumption, the primary outcomes they were designed to address. This raises the question of why improved savings attitudes did not translate into broader economic improvements.

Several factors may explain significant savings effects without corresponding income and consumption improvements. First, participants might prioritize savings as a form of safety net, building financial buffers for future shocks rather than immediate consumption and income generation. Second, cash grant amounts might be insufficient to directly affect income generation or consumption, especially with limited income-generating opportunities. Third, the timing of the second follow-up survey occurred only four months after the grant distribution and during the first quarter of the year-long monthly business coaching component—likely too soon to capture economic returns. Fourth, income from savings group business ventures is typically shared among 20 to 30 members, likely diluting direct program effects below detection thresholds.

Heterogeneity in income and consumption might also affect responsiveness across individuals and communities, making treatment effects harder to detect. In contrast, savings cluster more tightly, allowing

more precise estimates. The Philippine Graduation pilot found no significant income effect despite the substantial asset-transfers, while showing significant consumption and savings effects (Innovations for Poverty Action, 2022). This might suggest challenges in detecting income-related effects in the Philippine context, even when implementing interventions with demonstrated efficacy elsewhere.

While *Transform* and small grants demonstrated significant impacts on savings behaviors across intervention arms, no discernable effects were observed on food security. Initial improvements in bank account ownership among grant arms diminished over time, with no broader financial inclusion effects. These results suggest that within the program's scope, savings behaviors might be more responsive to the interventions than other economic outcomes. However, this evaluation highlights a broader methodological consideration: testing solely for statistical significance is insufficient when evaluating program impact. It is essential to assess whether treatment effects are of a magnitude meaningful enough to materially impact households' economic well-being and improve overall quality of life.

Mechanisms

The interventions showed limited effects on participants' resilience mechanisms, primarily producing short-term impacts on participants' livelihood aspirations. Specifically, the *4-Month Transform with Grant* and *12-Month Transform with Grant* arms demonstrated modest but statistically significant improvements in Hope Score at Month 8, though these effects disappeared by Month 16. Participants showed no notable differences in grit, or their perseverance and self-efficacy attitudes towards long-term goals. Similarly, no significant differences were observed in the treatment participants' ability to borrow small and medium-sized monetary values during financial emergencies (social safety nets) across both follow-ups. These results suggest that while the interventions temporarily boosted livelihood aspirations, they did not create lasting impact in socioeconomic resilience mechanisms over time.

Staggering the Program to 12 Months

This study tested whether staggering the *Transform* curriculum delivery from 4 months to 12 months leads to stronger program effects. However, comparing the standard 4-month program to the 12-month staggered approach (both with grants) revealed limited differences in economic outcomes. Specifically, no statistically significant differences were observed between the *4-Month Transform with Grant* and the pooled extended duration arms (*12-Month Transform with Grant* and *24-Month Transform + Coaching with Grant*) for income, consumption, or savings measures at either follow-up period. The extended program did demonstrate a statistically significant advantage in ICM savings group participation at Month 8, though this effect was not sustained by Month 16. These results suggest that while the staggered curriculum was designed to allow for more gradual skill acquisition and better content retention, it did not produce statistically significant improvements over the standard 4-month delivery model across economic outcomes. This finding suggests that the standard 4-month approach may be comparably effective to the staggered 12-month delivery method for achieving the measured program impacts.

Extending the Program to 24 Months with Ongoing Coaching

This study builds on ICM's previous RCT by testing whether longer-term program engagement leads to stronger economic effects. However, findings regarding the *24-month* program should be interpreted as preliminary, since the 16-month assessment captured only the initial three to four months of the 12-month business coaching component. At this stage, while there were short-term income and consumption improvements among participants in the extended program, these differences were not statistically significant. The 24-month program did, however, significantly increase the likelihood of saving at the 8-month follow-up, but this effect dissipated by Month 16. Additionally, while the coaching treatment arm showed positive short-term effects, these were comparable to those in the 12-month and 4-month programs, with and without small grants, other treatment arms, suggesting thus far that the initial phase of extending the program to 24-months has yet to demonstrate a significantly larger impact from the other treatment variations. The data through 16 months suggest that the intervention has not yet generated

substantial economic changes in income and consumption, even with the addition of initial coaching sessions and extended program exposure, though this captures only one-third of the full coaching intervention.

Study Limitations

While the study provides valuable insights, there are several limitations to consider. Selection bias may exist, as participants who volunteered may differ significantly from non-participants, affecting the generalizability of results. Additionally, relying on self-reported data for income, consumption, and savings introduces potential imprecision through under or overreporting. Study replicability presents another challenge as results may be influenced by local economic and social conditions specific to the study area , limiting broader applicability to different socioeconomic contexts. Finally, multiple comparisons in the analysis increase the risk of Type I errors, affecting observed significance levels. Future studies should adjust for multiple testing and further refine analysis methods to strengthen the robustness and clarity of the findings.

Conclusion

The findings suggest that while the interventions boosted savings behaviors and savings group participation, they did not lead to significant improvements in income, consumption, and food security. However, findings for the 24-month coaching intervention are preliminary, as the 16-month assessment captured only the initial third of the coaching component. The modest short-term improvements in formal bank account ownership among small grant arms disappeared by Month 16, with similar patterns seen in livelihood aspirations. However, no broader financial inclusion and resilience mechanism effects were observed. Moreover, the analysis found no evidence that staggering program delivery improves cost-effectiveness, as both the 4-month and 12-month approaches yielded comparable outcomes at equivalent implementation costs.

These results highlight the complexity of driving sustained economic, social, and psychosocial improvements through fixed-duration interventions, particularly when participants are facing broader structural and economic challenges. Future research should consider longer-term follow-ups, adjustments for broader economic factors, and more intensive support for behaviors such as savings and financial management to fully assess the potential of such interventions.

References

The Abdul Latif Jameel Poverty Action Lab. (2023, October 1). *Building stable livelihoods for low-income households*. The Abdul Latif Jameel Poverty Action Lab (J-PAL). Retrieved February 21, 2025, from https://www.povertyactionlab.org/policy-insight/building-stable-livelihoods-low-income-households

Asadullah, M. N., & Ara, J. (2015). *Evaluating the long-run impact of an innovative anti-poverty programme: evidence using household panel data. Applied Economics, 48(2), 107–120.* doi:10.1080/00036846.2015.1073846

Banerjee, A., Duflo, E., Goldberg, N., Karlan, D., Osei, R., Parienté, W., Shapiro, J., Thuysbaert, B., & Udry, C. (2015). A multifaceted program causes lasting progress for the very poor: Evidence from six countries. *Science*, 348(6236), 1260799. https://doi.org/10.1126/science.1260799

Bryan, G., Choi, J. J., & Karlan, D. (2020). Randomizing religion: The impact of Protestant evangelism on economic outcomes. *The Quarterly Journal of Economics*, 136(1), 293–380. https://doi.org/10.1093/qje/qjaa023

Consultative Group to Assist the Poor. (2014). From extreme poverty to sustainable livelihoods. In *CGAP*. Retrieved March 13, 2024, from https://www.cgap.org/sites/default/files/researches/documents/graduation_guide_final.pdf

Devereux, S., & Sabates, R. (2016). *Final evaluation report: Enhancing the productive capacity of extremely poor people in Rwanda*. Dublin: Concern Worldwide and IDS.

Duckworth, A. L., Peterson, C., Matthews, M. D., & Kelly, D. R. (2007). Grit: Perseverance and passion for long-term goals. *Journal of Personality and Social Psychology, 92*(6), 1087–1101. https://doi.org/10.1037/0022-3514.92.6.1087

Food and Agriculture Organization of the United Nations. (n.d.). *Food Insecurity Experience Scale | Voices of the Hungry*. Retrieved March 8, 2024, https://www.fao.org/in-action/voices-of-the-hungry/fies/

Gonzales, A. L. (2023, December 22). Ph poverty rate declines to 22.4% in 1st half 2023. *Philippine News Agency*. https://www.pna.gov.ph/articles/1215836

Hashemi, S. M., & De Montesquiou, A. (2011). Reaching the Poorest: Lessons from the Graduation Model. In *CGAP* (No. 69). Consultative Group to Assist the Poor. https://www.cgap.org/research/publication/reaching-poorest-lessons-graduation-model

Innovations for Poverty Action. (2022). Impact evaluation of the graduation of the ultra-poor pilot in the Philippines. In *Innovations for Poverty Action*. Retrieved January 10, 2025, from https://poverty-action.org/sites/default/files/2023-07/IPA%20DOLE%20Graduation%20Final%20Report_April%202022.pdf

Kessler, R. C., Andrews, G., Colpe, L. J., Hiripi, E., Mroczek, D. K., Normand, S.-L. .T., Walters, E. E., & Zaslavsky, A. M. (2002). Short screening scales to monitor population prevalences and trends in non-specific psychological distress. *Psychological Medicine*, 32(6), 959–976. https://doi.org/10.1017/s0033291702006074

Lybbert, T. J., & Wydick, B. (2019). Hope as Aspirations, Agency, and Pathways: Poverty Dynamics and Microfinance in Oaxaca, Mexico. In C. Barrett, M. Carter, J. P. Chavas, & M. R. Carter (Eds.), *The Economics of Poverty Traps* (pp. 154-177). The University of Chicago Press.

MACROTRENDS. (n.d.). *Euro Dollar Exchange Rate (EUR USD)*. Retrieved February 25, 2025, from https://www.macrotrends.net/2548/euro-dollar-exchange-rate-historical-chart

Schelzig, K., & Jilani, A. (2021). Assessing the Impact of the Graduation Approach in the Philippines. *ADB Briefs*. https://doi.org/10.22617/brf210088-2

Sedlmayr, R., Shah, A., & Sulaiman, M. (2020). Cash-plus: Poverty Impacts of Alternative Transfer-based Approaches. *Journal of Development Economics*, *144*, 102418. https://doi.org/10.1016/j.jdeveco.2019.102418

World Bank Group. (2018, September 19). Decline of global extreme poverty continues but has slowed: World Bank. *World Bank*. https://www.worldbank.org/en/news/press-release/2018/09/19/decline-of-global-extreme-poverty-continues-but-has-slowed-world-bank

Appendix

Appendix A *Study Outcomes*

Variable	Components	Details	Responses
Household Income	Total household payments from labour	Total household income received from own business in the last 30 days	Amounts in PHP
		Total household income received from wage employment in the last 30 days *(agriculture; small-scale trade and sales; skilled and manual labor; transport services; domestic, personal, and retail services; industrial work; public sector)*	
		Total household income received from informal and daily labor in the last 30 days *(casual work or piece work)*	
	Total household payments received from monetary gifts in the last 30 days	Total household payments received from monetary gifts from family or friends in the last 30 days	Amounts in PHP
	Total household payments received from other sources in the last 30 days	Total household payments received from social transfers and benefits in the last 30 days	Amounts in PHP
		Total household payments received from property and investment income in the last 30 days	
		Total household payments received from other sources in the last 30 days	

Household Consumption	Total food consumption expenditures in the last 7 days	"Viand" (Meat, Poultry, And Fish)	Amounts in PHP
		Rice, Root Crops, Cereals, Beans, and Nuts	
		Fruits And Vegetables	
		Milk, Eggs, Yoghurt, Cream, Cheese, and Curd	
		Cooking Oils And Fats	
		Jam, Honey, Etc.	
		Spices and Condiments	
		Prepared Food	
		Non-Alcoholic Beverages	
		Alcoholic Beverages	
		Cigarettes	
		Snacks	
		Other Food Items Consumed	
		Other Food Items Specified	
		Cooking Gas/Fuel	
	Total non-food consumption expenditures in the last 30 days	Phone load	Amounts in PHP
		Transportation	
		Business Expenses	
		Clothing and Shoes	
		Personal Care	
		Gaming and Gambling	
		Water and Electricity	
		Church Tithes/Offering	
	Total non-food consumption expenditures in the last 6 months	Education	Amounts in PHP
		Health Expenses	
		Weddings	
		Funerals	
		Festivals, Anniversaries, and Birthdays	

Likelihood of Having Savings	Does anyone in the household have any savings?		Yes = 1; No = 0
Total Household Savings	What is the total household savings?		Amount in PHP
Household Savings Amount in the last 7 days	How much money did your household save in the past 7 DAYS?		Amount in PHP
Savings Group Membership	Do you belong to a Savings Group?		Yes = 1; No = 0
ICM Savings Group Membership	[If yes to the previous question] Is this savings group an ICM Savings Group?	**Conditional question**	Yes = 1; No = 0
Access to bank, remittance, mobile money services	Do you or someone in your household have an account that you can use to make or receive payments, or to receive wages or financial help, such as a bank account, PeraPadala, GCash, PayMaya or other mobile money account?		Yes = 1; No = 0
Ownership of a formal bank or financial institution account	Have you or any member of your household held a savings account in a bank or other formal financial institution?		No = 0; Yes, currently have one = 1; Yes, had one in the past = 0
Social Safety Net Index	If you suddenly needed to access 40 Pesos, are there people outside your immediate household and close relatives to whom you could turn to and who would be willing and able to provide this money?		Very unlikely = 0; Unlikely = 0; Neither likely nor unlikely = 0; Likely = 1; Very likely = 1

	If you suddenly needed to access 1000 Pesos, are there people outside your immediate household and close relatives to whom you could turn to and who would be willing and able to provide this money?		Very unlikely = 0; Unlikely = 0; Neither likely nor unlikely = 0; Likely = 1; Very likely = 1
Hope Score	I am satisfied with my current income and source of livelihood. I have specific goals and plans for the future growth of my livelihood. How important is hard work to prospering in livelihood/business? How important is being lucky to prospering in livelihood/business? People like me can help bring about positive change in our community. If my current business or livelihood fails, I could start a new business or livelihood.	Adaptation of Lybbert and Wydick's Hope Scale (2016, p. 167): Scores calculated by averaging responses from all 6 questions	Scale of 1—10
Grit Score	New ideas and projects sometimes distract me from previous ones. Setbacks don't discourage me. I don't give up easily. I often set a goal but later choose to pursue a different one. I am a hard worker. I have a difficulty maintaining my focus on projects that take more than a few months to complete I finish whatever I begin. I am diligent. I never give up. I have been obsessed with a certain idea or project for a short time but later lost interest.	Duckworth et al.'s 8-question Grit Scale (2007): Scores calculated by taking an average score of all 8 questions	Not like me at all = 1; Not much like me = 2; Somewhat like me = 3; Mostly like me = 4; Very much like me = 5

***Appendix B** Social Safety Nets*

The following table presents regression results for the components of the social safety nets index . The two questions examined participants' access to small- and medium-sized emergency funds (PhP 40 and PhP 1,000) outside of their immediate household and close relatives.

Columns 1–4 summarize the proportion of participants from each treatment arm who reported being *"very likely"* and *"likely" able to access each amount.* The results show no statistically significant differences between the intervention and *Control* groups across both follow-up periods.

***Appendix B** Social Safety Nets*

	Probability of being able to borrow PhP 40		Probability of being able to borrow PhP 1,000	
	Month 8 (1)	Month 16 (2)	Month 8 (3)	Month 16 (4)
4-Month Transform Only	95.1% (93.8% - 96.1%)	97.8% (97% - 98.4%)	25.4% (22.2% - 29%)	21% (17.5% - 25%)
4-Month Transform with Grant	94.7% (93.2% - 95.8%)	98% (97.3% - 98.6%)	25.4% (21.8% - 29.5%)	22.2% (18.5% - 26.3%)
12-Month Transform with Grant	94.2% (92.8% - 95.4%)	97.9% (97.2% - 98.5%)	25.6% (22.2% - 29.4%)	23.2% (19.4% - 27.4%)
24-Month Transform + Coaching with Grant	94.8% (93.4% - 96%)	97.8% (97% - 98.4%)	26% (22.5% - 29.8%)	22.1% (18.3% - 26.3%)
Control Mean	94.4%	97.7%	23.3%	20.9%
# of Observations	13639	11633	13639	11633

† < .10, * p < 0.05, ** p < 0.01, *** p < 0.001. Outcome expressed as probabilities with 95% confidence intervals.