

Title: The role of social transfers in the household budgets of welfare recipients

Discussions on social transfers from social assistance often come down to topics related to the purpose of the provided support. The most frequently asked questions relate to the use of transfers received by beneficiaries and the effects they generate. Finding the right models and forms of support - that would be effective and would improve the life situation of the beneficiary, is inevitably linked to the study of patterns of consumption, ways of managing the household budget and the study of sources of income in households.

Money spent by excluded people who are beneficiaries of the social assistance system is surrounded by many stereotypes. The research on the stigmatization of social assistance beneficiaries indicates that there are opinions on this group related to lack of responsibility, passivity, dependence on benefits, laziness and yielding to temptation easily, in particular in relation to addictions. The public is very often convinced that the beneficiaries tend to waste the resources they receive. In the end, it comes down to the belief that social assistance beneficiaries are unlikely to be able to handle the cash from benefits “rationally”, therefore a part of society labels them as the ones who “do not deserve it”.

Although programs based on social transfers are subject to evaluations showing the relationship between support and the beneficiaries' situation, little is known about the change process itself. There are still gaps in knowledge about the decision-making process of the beneficiaries, what motivates them, what their capacities are and how environmental conditions limit their choices. As a consequence, what happens between receiving support and the observed effect is largely undetectable. At times, this lack of knowledge makes social programs based on transfers in their assumption imply some stereotypes about spending, or do not even take into account the decision-making mechanisms involved in spending money in households. It is therefore important to discover the logic behind the beneficiaries of social assistance by using the support and the accompanying circumstances. Science has a certain amount of economic and psychological knowledge about what factors influence financial decision making, but there are areas that need to be supplemented in this scope.

The research project focuses on household decision-making processes, where budgets are being developed as part of the interaction between its members. The study will verify the thesis that social transfers affect how household members think about money and how they make decisions about the implementation of the household budget. The project will answer the questions as to why some sources of income are spent on particular types of goods, and no other, how the members of the household share the money between themselves and how it is relevant to their relationship, and also – and above all – how social assistance in Poland influences the way the beneficiaries calculate and spend their money.