

ABSTRACT

Program Keluarga Harapan or CCT of Indonesia is a conditional cash assistance program provided quarterly to poor households. This program is designed to break the cycle of poverty in poor households by providing better access to health and education services. Each PKH recipient household must fulfil certain obligations, including ensuring that children attend school at least 85% of the time. Increasing the attendance of children who previously did not meet this minimum requirement is expected to reduce school dropout rates. This study aims to analyze the effect of PKH on school dropout rates among children aged 7–18 years at elementary school/equivalent, junior high school/equivalent, and high school/equivalent levels. This study uses data from IFLS 4 and IFLS 5. Using Propensity Score Matching (PSM) and Difference-in-Difference (DiD) methods, the analysis found that PKH had no significant effect on school dropout rates among children aged 7–18 years across all education levels. This may be because dropping out of school is a long-term outcome that is difficult to assess over a short period, unlike school attendance, which shows immediate effects if the child meets the minimum attendance requirement.

Keywords: *Number of Children, Drop Out School, Program Keluarga Harapan, Conditional Cash Transfer*