Conditional cash transfers (CCTs), cash transfers made conditional on the investments in the human capital of children, have dramatically risen in prominence over the last two decades. However, CCTs face the concerning criticism that they exclude some of the poorest households from receiving transfers as they find it too costly to comply with the conditions. Unconditional cash transfers (UCTs) are therefore viewed as superior for alleviating current poverty. This paper argues, however, that CCTs can outperform UCTs in terms of alleviating current poverty when the conditioned investment is discrete. This is because a discrete investment, such as sending a child to school for a year, leads to a discrete loss in household consumption from direct costs of investment as well as forgone child income. CCTs allow the planner to target transfers towards the households investing who may have particularly low consumption. We show that the size of this targeting benefit is directly related to two elasticities already popular in the literature: the income effect of a UCT and the price effect of a CCT. We proceed to estimate these elasticities for a large CCT program in rural Mexico, Progresa, using variation in (non-binding) transfers to younger siblings to identify income effects. Using these estimates, we show that the targeting benefit alone is enough to warrant 57% of the Progresa budget going towards a CCT, suggesting that the targeting benefit is a quantitatively important advantage of CCTs over UCTs.