

# Impact of the National Child Benefit on the incomes of families with children: A simulation analysis <sup>[1]</sup>

**Author:** Federal, Provincial and Territorial Ministers Responsible for Social Services

**Source:** National Child Benefit (website) <sup>[2]</sup>

**Format:** government document

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## AVAILABILITY

- Report in html <sup>[3]</sup>

- Press release in html <sup>[3]</sup>

Excerpts from the press release:

Federal, Provincial and Territorial Ministers Responsible for Social Services today affirmed that the National Child Benefit contributes to reducing child poverty in Canada. This is supported by an analysis they released today titled Impact of the National Child Benefit on the Incomes of Families with Children: A Simulation Analysis.

"Evidence continues to show that fewer families with children are living in low-income situations, in part because of the National Child Benefit," said Ken Dryden, Minister of Social Development and federal co-chair of Federal, Provincial and Territorial Ministers Responsible for Social Services. "We know we have more to do, but these reports confirm that our ongoing commitment to the National Child Benefit is making a difference."

"With these reports, we are confident that the National Child Benefit is helping to reduce child poverty," said Chester Gillan, Minister of Health and Social Services for Prince Edward Island, and provincial co-chair of Canada's Social Services Ministers.

Taken together, these three reports show that the National Child Benefit (NCB) initiative is progressively preventing and reducing the depth of child poverty, promoting attachment to the labour market by ensuring that families will always be better off as a result of working, and reducing overlap and duplication. The reports also demonstrate the commitment of Federal, Provincial and Territorial Ministers Responsible for Social Services to report to Canadians on the progress of the NCB initiative.

The Impact of the National Child Benefit on the Incomes of Families with Children: A Simulation Analysis confirms that the NCB initiative is having a positive impact on child poverty.

Based on Statistics Canada's post-tax low-income cutoffs (post-tax LICOs), the analysis compared the actual child benefits structure in 2001 to what it would have been without the NCB. The results show that because of the NCB, there was a reduction of 8.9 percent in the number of low-income families, meaning that 94,800 children in 40,700 families were not living in low-income situations. For these families, the average disposable income was higher by an estimated 9.2 percent (about \$2,200).

The analysis also found that the NCB had a positive impact on families with children who remained in low-income situations. For these families, the NCB reduced the low-income gap by 12.3 percent and increased their average disposable income by about 5.5 percent (about \$900).

**Related link:** The National Child Benefit progress report: 2003 <sup>[4]</sup>

**Region:** Canada <sup>[5]</sup>

**Tags:** poverty <sup>[6]</sup>

statistics <sup>[7]</sup>

federal programs <sup>[8]</sup>

**Source URL (modified on 27 Jan 2022):** <https://childcarecanada.org/documents/research-policy-practice/05/08/impact-national-child-benefit-incomes-families-children>

## Links

[1] <https://childcarecanada.org/documents/research-policy-practice/05/08/impact-national-child-benefit-incomes-families-children> <sup>[2]</sup>

<http://www.nationalchildbenefit.ca> <sup>[3]</sup> <https://www.canada.ca/en/employment-social-development/programs/child-benefit.html> <sup>[4]</sup>

<https://childcarecanada.org/documents/online-documents/05/04/national-child-benefit-progress-report-2003> <sup>[5]</sup>

<https://childcarecanada.org/taxonomy/term/7864> <sup>[6]</sup> <https://childcarecanada.org/category/tags/poverty> <sup>[7]</sup>

<https://childcarecanada.org/category/tags/statistics> <sup>[8]</sup> <https://childcarecanada.org/category/tags/federal-programs>