

The effects of child tax benefits on poverty and labor supply: Evidence from the Canada child benefit and universal child care benefit ^[1]

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Excerpt from Abstract

We investigate whether child tax benefits reduce child poverty and labor force participation among single mothers within the context of the 2015 expansion of the Canadian Universal Child Care Benefit (UCCB) and the 2016 introduction of the Canada Child Benefit (CCB). We compare single mothers to single childless women as single mothers have historically had the highest poverty rates. Our analysis indicates that both reforms reduced child poverty, although the Canada Child Benefit had the greater effect. We find no evidence of a labor supply response to either of the program reforms on either the extensive or intensive margins.

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