

The relationship between income and children's outcomes: A synthesis of Canadian evidence ^[1]

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AVAILABILITY

- **Full report** ^[2] (English)
- **Research highlight** ^[3] (English)
- **Annotated bibliography** ^[4] (English)
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Excerpt from the Research Highlight:

Since the federal government introduced the first family allowance program in 1945, income transfers to families with children have been a basic social policy in Canada. Though prompted by a range of goals, a central expectation motivating these kinds of transfers is that higher family income will lead to better child outcomes, especially in low-income families.

Using Canadian evidence from 34 relevant studies, including from longitudinal surveys, this synthesis critically examines this assumption and draws implications for public policy and future research: What can we really expect from government transfers, such as child benefits, that increase household income? Do they really improve child outcomes?

In essence, all other things being equal, the research specifically examining the causal impact of income suggests that higher income does improve a range of child outcomes (cognitive, behavioural, social and emotional) but that the improvement is small in magnitude. Much of the correlation between lower income and worse child outcomes is in fact explained by other factors that often go along with low income; income itself has a relatively small influence on child outcomes when researchers account for these other factors.

From a policy perspective, this finding suggests that we cannot expect income transfers to low-income families to vastly improve child outcomes, and that focusing exclusively on income to close the gap between children from low- and higher-income families, via transfers or otherwise, is unlikely to be effective.

Region: Canada ^[7]

Tags: poverty ^[8]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/research-policy-practice/14/04/relationship-between-income-and-children%E2%80%99s-outcomes>

Links

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