

VOICES FROM THE FIELD - Why Money Matters: Low Income and Child Development

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Policy perspective

Many Canadian children experience poverty at some point in their childhood. According to the National Longitudinal Survey of Children and Youth, close to one in three children was poor at least once in 1994, 1996 or 1998 and about one in 10 was consistently poor over these three years.¹ Persistently high levels of child poverty pose a critical challenge to policy-makers and society in Canada. Clearly, much more can be done to enhance the economic security of low-income households and to address the deleterious consequences of economic inequality for children and society more broadly.

The question from a policy perspective is how best to invest time and resources to this end. Does money really matter? Or is it a marker for something else? Should governments focus on direct service and therapeutic interventions to promote children's psychosocial development instead? Should they pursue a "targeted" approach to transfers and benefits, or attempt to build a more "universal" infrastructure to foster healthy child development and support families?

Bringing research evidence to bear on social policy, however, is not an easy task. "Research in the social sciences seldom produces unequivocal findings that can be used to make objective judgments to form public policy."² Data on the impact of low income on the psychosocial development of children are a case in point, as amply illustrated in the CEECD papers.³⁻⁸ There are no easy answers. In our haste to find "the" key intervention – the "magic bullet" – we run the risk of throwing the baby out with the bath water, literally.

Low family income has been linked to a variety of developmental outcomes; specifically, children from poorer families are more likely, for example, to experience behavioural problems and cognitive difficulties. Within this group, children living in persistent poverty or in severe poverty tend to be more vulnerable than those who experience low income for shorter periods of time or live in households with incomes close to the poverty line. Yet the pathways and mechanisms through which poverty produces negative effects among children are not clear. Other characteristics of low-income families and/or environmental conditions appear to be more important in predicting children's psychosocial development, including parenting skills, the cohesiveness of the family unit,

the mental health of mothers, and the extent to which parents engage with their children.^{3,4}

On the face of it, this research would seem to suggest that money does not really matter, that service interventions to enhance parenting skills and the like are potentially more effective in ensuring that children get off to a good developmental start. Predictably, there has been a great deal of controversy about these findings within policy circles and among practitioners. The research calls into question the efficacy of income transfers – which in their current incarnation respect the autonomy of low-income families to make decisions in the best interests of their children – while bringing back memories of home visitors berating poor mothers at the turn of the last century.

In reality, as most will attest, a range of factors or determinants contribute to healthy child development, including household income and access to services and supports. It may well be that service interventions targeted to low-income children may produce better psychosocial outcomes than a transfer strategy would. (This begs the question as to which interventions are best in this regard, a subject about which we have surprisingly little evaluative information^{6,7}). At the same time, money must always be part of the mix, precisely because of the complex ways in which access to financial resources shapes the environments within which children grow and hopefully prosper. Differences between parents in social and emotional functioning are not immutable or pre-determined. The characteristics of any family and the context in which they live are interactive and dynamic. “It may be that cash benefits by themselves have small effects but if they are coupled with efforts to reduce social exclusion and provide social support, they could have dramatic and lasting effects.”²

In this regard, the literature on income inequality should alert us to the powerful role that the social environment plays in health.⁹ We are still feeling our way towards an understanding of what this means. For those living at the bottom of the income ladder, the link with both material deprivation and restrictions on social participation and the opportunity to exercise control over one’s life is clear and damaging. Studies of adults – those looking at cardiovascular disease in particular – are persuasive on this point.¹⁰ Predictably, new longitudinal research is finding a similar gradient in health among children as well.¹¹

Money does matter; not having enough to meet basic needs matters; not being able to participate in the social and economic life of one’s community matters. While an income strategy alone may not be enough to tackle vulnerability among all children, it is a critical component of any strategy that is serious in its intent to enhance healthy child development, at the level of the individual child and family and at the level of the child population as a whole.

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