

# Does family income affect the healthy development of children?

by David P. Ross and Paul Roberts

In recent years, there has been a marked trend away from universality in Canada's social programs, and the income supports that remain are being narrowly targeted to the poorest of our citizens. For example, the Family Allowance program – an initiative that provided monthly payments to all parents – was eliminated in 1993 and replaced by the Child Tax Benefit that offers public money to the lowest income earners only. The major assumption behind such efforts is that only the very poorest Canadians need help to provide their children with optimal circumstances for their development.

However, some remarkable new data suggest that policy-makers need to exercise caution. With the release of data from the ground-breaking National Longitudinal Survey of Children and Youth (NLSCY) that is being conducted by Statistics Canada with support from Human Resources Development Canada, researchers are now in a better position to analyse the links between family income patterns and the well-being of children.

A review of some of the variables in the NLSCY indicates that it is not just the poorest Canadians who have trouble providing positive environments for their children. As we will see from the tables in this article, there is a gradual change at each income level in outcomes such as children's school readiness, parents' experience of depression, and families' ability to function normally – all factors which affect the healthy development of children. When more data from the NLSCY become available, we will be able to look at other factors that interact with family income and affect children's development, such as early childhood education and child-care experiences, parenting styles, and parental behaviours like drinking and smoking.

In the meantime, our analysis of the data suggests that if middle- and moderate-income families face reductions in their incomes, there is likely to be a negative impact on the healthy development of their children. Unfortunately, Statistics Canada's most recent data on household incomes indicate that the income gap between rich and poor families is growing, not shrinking. In 1995, the bottom 60 per cent of Canadian families received only 30 per cent of all earnings and returns on investments, down from 34 per cent in 1981. At the other end, the top 20 per cent of families received 45 per cent of all earnings and returns on investment, up from 41 per cent in 1981.

In this discussion, we will consider some of the factors measured in the NLSCY and compare them with family income levels. It should be noted that in these findings from the first year of the NLSCY, the results are for children aged 0 to 11 years. In future years, the survey will gather data on these same children as they age, allowing us to also examine the results for adolescents.

How does income affect the school readiness of children in two-parent families?

The School Readiness of Normal to Advanced 4- and 5-year-olds using the PPVT*, by Household Income and Region, Two-parent Families, 1994				
	Household Income			
Region	Less than \$30,000	\$30,000 to \$59,999	\$60,000 and greater	Total
Atlantic	76.7%	88.4%	94.3%	86.2%
Quebec	80.4%	90.5%	95.4%	90.2%
Ontario	72.8%	78.2%	89.7%	82.5%
Prairies	75.8%	84.5%	93.3%	86.2%

<b>B.C.</b>	69.5%	85.0%	83.6%	82.2%
<b>Canada</b>	75.5%	84.5%	90.8%	85.4%

\*Refers to the standard peabody Picture Vocabulary Test, used to determine the school readiness of 4- to 5-year-olds.  
Source: Prepared by the Centre for International Statistics at the CCSD using microdata from Statistics Canada's National Longitudinal Survey of Children and Youth, 1994.

Nationally, 75.5 per cent of the children from lower-income families that were surveyed by the NLSCY demonstrated normal or advanced school readiness, compared to 84.5 per cent of children from middle-income families, and 90.8 per cent from families with the highest incomes. And in each region, the distribution of children from different family income levels who were considered to be school ready followed the national trend, although in B.C. and Ontario, the proportion of school-ready children from low-income families was lower than in other regions, most notably Quebec. Overall, the highest proportion of children considered to be school ready was in Quebec, and the lowest proportions were in B.C. and Ontario. The results suggest that differing levels of social, educational and income supports available in the various provinces might affect the school readiness of children in poor families.

Are more parents in poor families depressed, compared to those in affluent families?

Children in Two-parent Families Where at least One Parent is Not Depressed\*, by Household Income and Region, 1994

	<b>HOUSEHOLD INCOME</b>			
<b>Region</b>	<b>Less than \$30,000</b>	<b>\$30,000 to \$59,999</b>	<b>\$60,000 and greater</b>	<b>Total</b>
<b>Atlantic</b>	77.4%	85.9%	89.7%	84.5%
<b>Quebec</b>	82.4%	86.2%	91.5%	87.1%
<b>Ontario</b>	73.7%	82.9%	89.5%	84.6%
<b>Prairies</b>	78.0%	83.7%	88.6%	84.5%
<b>B.C.</b>	77.5%	84.5%	88.7%	85.4%
<b>Canada</b>	77.7%	84.3%	89.6%	85.3%

\*Note: The NLSCY collected information from one adult in each family. The state of depression for the other parent was not determined.  
Source: Prepared by the Centre for International Statistics at the CCSD using microdata from Statistics Canada's National Longitudinal Survey of Children and Youth, 1994.

Unlike school readiness which measures particular outcomes of child-rearing, parental depression was measured by the NLSCY because it has an important effect on the healthy development of children. Because it was almost always the mothers who filled out the NLSCY questionnaires, the survey results on parental depression pertain mainly to the mothers, rather than the fathers.

The results in Table 2 are based on parents' answers to a series of questions that were then

aggregated into scores on a scale. Certain cut-offs on the scale were established to determine states of depression. The most important finding is that family income appears to affect the parents' likelihood of being depressed. Nationally, nearly 90 per cent of children in the highest-income families lived with a parent who was not depressed, but only three-quarters of children in lower-income families lived with a parent who did not suffer from depression.

Across the country, there is little variation in the findings on levels of depression for middle- and high-income parents. However, the proportion of lower-income parents in Quebec who were not depressed is noticeably higher than for those in Ontario. In Quebec, more than 80 per cent of the children surveyed from lower-income families were living with parents who were not depressed, whereas in Ontario less than three-quarters of the children from lower-income families had parents who were not depressed. These results suggest that factors such as social supports, which can influence low-income parents' mental health, might differ among the provinces and thus warrant further investigation.

Are lower-income families more likely to be dysfunctional than higher-income families?

Children from Normally Functioning Two-parent Families, by Household Income and Region, 1994				
	HOUSEHOLD INCOME			
Region	Less than \$30,000	\$30,000 to \$59,999	\$60,000 or greater	Total
Atlantic	89.8%	94.4%	96.5%	93.7%
Quebec	87.8%	93.3%	93.2%	92.2%
Ontario	90.0%	93.1%	95.0%	93.5%
Prairies	88.7%	91.5%	96.1%	92.7%
B.C.	88.6%	92.2%	95.9%	93.4%
Canada	89.0%	92.9%	95.0%	93.1%

Source: Prepared by the Centre for International Statistics at the CCSD using microdata from Statistics Canada's National Longitudinal Survey of Children and Youth, 1994.

How well families function has an important impact on the healthy development of children. The NLSCY asked parents a series of questions to determine how supportive and positive the home atmosphere was, and the quality of the interactions between the parents and their children. The responses to the individual questions were then aggregated into a single score on a scale. According to well-established cut-offs, families were then considered to be dysfunctional or not. Table 3 shows that healthy family functioning in two-parent families is affected by income, but not as strongly affected as levels of parental depression, or the children's school readiness. The proportion of children from 0 to 11 years of age who were living in normally functioning families rose from 89 per cent in the lower-income households to 95 per cent in the highest income families. There were no pronounced regional differences.

What about lone parents?

If lone-parent families were included in the above analysis, would we see a different pattern in the results? A preliminary analysis suggests that if lone-parent families were added to the total, the

overall proportion of depressed parents in the low-income group would increase. But children in lone-parent families appear to be as likely as those in two-parent families to live in well-functioning families, and to be ready for school by four or five years of age.

These are interesting findings because a much larger proportion of lone-parent families than two-parent families fall into the lowest income category. The one area examined here where lone parenthood appears to have a more significant negative effect on the child's environment is in relation to the parents' level of depression. More lone parents – 90 per cent of whom are mothers – report that they are depressed than do those living with a partner. The effect of lone parenthood on the healthy development of children is one issue that is currently of great interest, and it is the subject of further investigation at the CCSD.

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