If we want to improve social mobility, we have to address child poverty


***Kerris Cooper** and **Kitty Stewart** discuss evidence from their new report on the effect of financial resources on children's development. They argue that the high quality evidence from the UK and other OECD and EU countries demonstrates that money in itself matters for children's development, above and beyond associated factors such as worklessness.*

A recent report by the Social Mobility Commission was damning in its evaluation of the little progress that has been made by successive governments in reducing inequalities. It highlighted that child poverty in the UK has increased since 2011 and that 'given the billions invested in services, it is disappointing that there has not been a greater impact on narrowing the attainment gap between poorer children and their better-off peers'.

Whilst Prime Minister Theresa May has signalled her commitment to creating a Britain "where advantage is based on merit not privilege", inequalities in childhood are likely to get worse as child poverty is forecasted to increase further still. A recent government report locates worklessness as the source of the problem and accordingly outlines action points related to tackling barriers to employment.

However, focusing on reducing worklessness is unlikely to reduce inequalities in children's life chances unless coupled with a serious commitment to reducing or eradicating poverty. This is for two reasons. Firstly, over half of those in poverty are in working households and the number of people in in-work poverty has been increasing.

Secondly, as our recent review of the evidence shows, money itself is important for children's outcomes, independently of other associated factors such as parental worklessness or parental education. Som the role of income poverty in damaging children's life chances cannot be ignored.

How do we know money itself matters for children's development?

In order to evaluate the effect of income on children's development we conducted a systematic review of all available OECD and EU evidence. First published in 2013, our review only included studies that were able to test whether money has a *causal* effect on children's development, independently of other factors often associated with low income, such as parental education and worklessness. We found strong evidence that money itself does make a difference to children's development, with the most abundant and strongest evidence for the impact of money on children's cognitive development.

Given that this has remained an important topic of concern we have updated the review with more recent studies. This is a fast-growing area of research and the latest evidence provides even stronger confirmation that family income has important consequences for children's educational attainment, social and behavioural development, and physical health.

Our updated review includes 61 high quality studies, with 55 of these finding significant effects of income on at least one measure of child development. Only five studies do not find a significant effect (and one study of lottery wins in Sweden finds a negative effect). The majority of the evidence is from the US where Randomised Controlled Trials and quasi-experimental evidence is more available, but eight of these studies are from the UK.

Why does money matter?

We found evidence that money affects children's outcomes through two pathways. Firstly, having low income prevents parents from being able to buy goods and services that promote healthy child development, such as good quality housing, healthy food, educational toys and extracurricular activities. Secondly, managing on a low income can be stressful and take its toll on parents' mental health, which then has a knock on effect on parenting behaviour. For example, mothers who are suffering from depression can lack the emotional resources needed for responsive and nurturing parenting behaviours.

The need to reprioritise child poverty

Child poverty has been 'deprioritised' in recent years, but our research demonstrates that if we want every child to have a fair start in life we cannot continue to ignore poverty. And tackling income poverty cannot rely on increasing parental employment, as high rates of in-work poverty show.

An anti-poverty strategy must address problems of low pay and insecure work. It must also ensure that benefits are adequate to meet children's needs. Currently, government policy is moving in the wrong direction. The freeze on working age benefits means their value is being steadily eroded as inflation rises. Meanwhile, policies like the benefit cap and the two-child limit have introduced a separation between the calculation of what a family needs and the support they are entitled to. The high court recently ruled the benefit cap to be unlawful in causing "real damage" to lone parents of children under two, as some mothers were pushed into homelessness and having to use foodbanks.

Ensuring benefits pay enough is not an outrageous idea or an impossible task – progress has been made in the past in reducing child poverty and this was accompanied by encouraging improvements in some child outcomes and parenting behaviours. If we want a society where "everyone has a fair chance to go as far as their talent and their hard work will allow", we need to put child poverty back on the agenda.

About the Authors

Kerris Cooper is a PhD researcher at the LSE.

Kitty Stewart is Associate Director of CASE and Associate Professor in the Department of Social Policy at the LSE.

Featured image credit: platinumportfolio, Pixabay/Public Domain