Modest financial support does not seem to help poor children

A modest increase in monies provided to poor and socially disadvantaged families tied to work requirements does not seem to improve children’s health or well-being. This is the conclusion of a new review supported by SFI Campbell, which has examined nine randomised trials with over 25,000 participants.

Disadvantage in childhood has serious consequences
In the US, every fifth child grows up in relative poverty. In European countries such as Italy, Portugal, Ireland and the UK, the figure is approximately every seventh child. In all countries, there is a strong link between low household income and a long list of health-related, behavioural and educational problems in children.

No one knows the precise causes behind this. But children who grow up in relatively poor families are less likely to do well in the education system and are more likely to become unemployed or to take unskilled, low-paid jobs as adults. They also have a higher risk of health problems, which will often persist throughout their adult lives.

On the basis of this, a new Campbell review has looked more closely at interventions that attempt to reduce poverty for families through various forms of direct financial support. The question is whether financial benefits delivered as an intervention are effective at improving child health and well-being.

Modest financial benefits do not help
The types of support included in the review either involve a form of tax deduction or the direct payment of a small sum of money usually on condition of taking up full time work. In many cases, the extra money was temporary. Health Insurance and/or childcare support are often included as part of the package as well as job seeking support or similar.

The conclusion is that there was no evidence of a positive effect from this type of financial support to families on the children’s well-being – neither in relation to their physical health, their mental health nor their emotional state.

According to the authors, there may be several reasons for this. For most of the families, the overall increase in household income amounted to less than $50 a month. In only three out of the nine studies was the support more than $150 a month. Possibly, studies did not show any effect as the financial benefits were simply too low to make a difference to the families’ living conditions. Often, the benefits were for a set period of time only. The authors point out that a change in income that is
perceived as temporary will not usually encourage people to change their spending habits. This may help to explain the outcome.

Uncertainty regarding the effect of conditions
It has not been possible to examine the isolated effects of the individual elements in the support programmes. What, for example, is the effect of there being special conditions that have to be met in order for the family to be eligible for financial support? According to the authors, an employment requirement may have the opposite effect than the one intended. As well as increasing income, a requirement for full time employment may increase family stress particularly among single parent families. Such a requirement may thus negate any positive effects of the financial support.

Although the review does not find positive effects in relation to the children’s well-being, the authors do not wish to rule out the idea behind this type of intervention. The possibility that additional monies may make a difference to children in poor families still exists, according to the authors. But there is no evidence of effect of small and temporary financial benefits such as those in the cases examined.

Facts about the review
Nine different randomised controlled trials, with a total of more than 25,000 participants, are included in the review. The oldest study was reported in 1997, the most recent study in 2006. All studies took place in North America, eight of these in the US and one in Canada. All except one study covered several areas and included a mix of rural, suburban and urban samples. The participants were disadvantaged families and a high percentage was single mothers. The majority received or had applied for social benefits such as social security when they were selected to participate. At the start of the trial, the majority of children were between 3 and 10 years of age.

Recommendations for future research
The review shows that interventions in the form of conditional payments of small sums have been thoroughly tested and evaluated. Thus, according to the review authors, further studies of this nature are not necessary. On the other hand, there is a major need to examine the effects of the payment of larger sums without conditions for receipt. In such future studies, it is important that high quality data is collected about the children, e.g. regarding their health and development, their behaviour, emotions and educational attainment.