

How childhood family income affects adulthood

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A study from the University of Otago's long-running Christchurch Health and Development Study (CHDS) throws new light on a current issue; links between family income and other outcomes later in life such as health and educational achievement.

The study, by Dr Sheree Gibb and colleagues, just published in *Social Science and Medicine* investigated the impacts of [family poverty](#) on children up to the age of 10 years and how this is reflected in later life.

It shows that poverty and low income during childhood were associated in adolescence and adulthood with poorer educational achievement, lower earnings and higher rates of welfare dependency up to the age of 30. The results held true even when a range of childhood and family factors were taken into account.

“For this cohort of 987 individuals the major effects of being brought up in a poor family appear to be a significant reduction in both educational achievement and earning opportunities that was still evident at 30,” says Professor David Fergusson.

“In contrast the children of families who earned the top 25% in income are more likely to leave school with qualifications, more likely to go to university, earned \$11,750 more a year at 30 and had rates of economic hardship less than a third of those in the bottom 25% in income.”

These results reflect a wide range of other international studies

demonstrating that poverty in childhood has a negative impact on both educational achievement and earning power in adulthood.

According to the OECD (2011) around 15% of children in this country are now brought up in poverty, and New Zealand has a high level (around 20%) of academic lowachievers at secondary school.

The study also notes that the evidence suggests there is an intergenerational transmission of [educational achievement](#), and economic improvement, whereby increasing [family income](#) is associated with increasing levels of economic and educational success.

“But contrary to popular belief being brought up in a poor family in this study does not mean increased rates of crime or mental health problems in adulthood,” adds Professor Fergusson.

The contextual impact of factors relating to the individual, as well as the family and social environment, were adjusted to distinguish these from the direct impact of low family income.

When this was done it found that poverty and other family factors are not associated with increased rates of crime in adulthood, or mental health problems or related outcomes; but the reasons are not yet clear.

The study therefore suggests caution with regard to claims that reducing childhood poverty will also have a significant and direct effect on crime and other psychosocial outcomes in New Zealand.

“This suggests the most prudent approach to reducing these social problems is through the development of multi-compartmental policies that attempt to reduce childhood poverty as well as the complex psychosocial problems faced by many poor families,” says Fergusson.

Professor David Fergusson says that an important limitation of these findings is they are based on a cohort of 1200 children who grew up in the 1980s. It is not clear to what extent the results can be applied to contemporary cohorts of children in poor families.

Provided by University of Otago

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