

# Children more likely to receive welfare benefits if their parents do

October 17 2017

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Young adults' fortunes are closely linked to those of the families in which they were born. Credit: University of Melbourne

Young people are almost twice as likely to need social welfare payments if their parents have a history of receiving such assistance themselves, according to new research from the University of Melbourne.

Researchers Dr Nicolás Salamanca and Dr Anna Zhu from the Melbourne Institute, Applied Economic and Social Research and Professor Deborah Cobb-Clark and Dr Sarah Dahmann, from the University of Sydney, analysed 18 years of Centrelink records which delved into various social assistance programs, including health-related disability payments and [unemployment benefits](#).

"The new study is the first to reveal an intergenerational link in social assistance across different payments, and may have policy implications for creating a more level playing field for all Australian [children](#)," Dr Salamanca says.

The analysis represented the lifetime payment records of 124,285 Australians and looked at the extent to which adult children are more likely to receive benefits if their parents received benefits while they were growing up.

It found the 32 per cent of children whose parents did not receive welfare were themselves receiving a type pf benefit by the age of 26. Young people whose parents did receive benefits were almost twice as likely to need support, at 58 per cent.

"We found compelling evidence that there is an intergenerational link in welfare dependency, particularly in circumstances involving health-related parental disadvantage," Dr Salamanca says.

"For example, parental disability, especially when related to mental illness or substance abuse, appears to play a substantial role in limiting young adults' life chances."

"It may be that young adults are now caring for their disabled parents, reducing their ability to work and a need for unemployment benefits. This would also undermine a parents' ability to invest in their children's human capital."

Dr Salamanca says [family](#) structure played a significant role in intergenerational disadvantage with [young adults](#) more likely to be disadvantaged if they grew up in families headed by single parents who received welfare benefits, compared to families headed by two [parents](#) who received benefits.

But he also says the financial resources provided through Australia's many social assistance programs prevented children experiencing long-term disadvantage from falling even further behind.

"Young adults' fortunes are closely linked to those of the families in which they were born. Greater policy effort must be devoted to levelling the playing field for children growing up in particularly vulnerable families," Dr Salamanca says.

Provided by University of Melbourne

Citation: Children more likely to receive welfare benefits if their parents do (2017, October 17) retrieved 10 April 2024 from

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