Commentary

Maximizing the impact of the Canada Child Benefit: Implications for clinicians and researchers

Maximilian Pentland¹, Eyal Cohen MD MSc^{2,3,4,5,6}, Astrid Guttman MDCM MSc^{2,3,4,5,6},
Claire de Oliveira PhD^{4,5,7,8}

¹Department of Economics, University of Western Ontario, London, Ontario; ²Division of Paediatric Medicine and Child Health Evaluative Sciences, Hospital for Sick Children, Toronto, Ontario; ³Department of Paediatrics, University of Toronto, Toronto, Ontario; ⁴Institute of Health Policy, Management and Evaluation, Dalla Lana School of Public Health, University of Toronto, Toronto, Ontario; ⁵ICES (formerly known as the Institute for Clinical Evaluative Sciences), Toronto, Ontario; ⁶Edwin S.H. Leong Centre for Healthy Children, University of Toronto, Toronto, Ontario; ⁷Centre for Addiction and Mental Health, Toronto, Ontario; ⁸Centre for Health Economics/Hull York Medical School, University of York, York, UK

Correspondence: Claire de Oliveira, MA PhD, Reader in Health Economics, Centre for Health Economics/Hull York Medical School, Alcuin A Block, University of York, Heslington, York YO10 SDD, UK. Telephone 44 (0)1904321438, e-mail: claire.deoliveira@york.ac.uk

Abstract

Child poverty remains a persistent problem in Canada and is well known to lead to poor health outcomes. The Canada Child Benefit (CCB) is a cash transfer program in effect since 2016, which increased both the benefit amount and number of families eligible for the previous child benefit. While the CCB has decreased child poverty rates, not all eligible families have participated. Clinicians can play an important role in screening for uptake of the program and helping families navigate the application process through several free resources. While prior research on past programs has shown benefit of similar cash transfer programs to both child and parental outcomes (both health and social), the CCB has not yet been extensively studied. Research would be valuable in both assessing the cost effectiveness of the program, especially across different income groups, and improving implementation in hard-to-reach populations.

Keywords: *Canada Child Benefit; Poverty; Tax services*

In the most recent United Nations Innocenti Report, Canada ranked 24th among high-income countries in income inequality. The most recent (2017) Statistics Canada data estimates the child poverty rate at 9.0% (622,000 children), down from 15.0% (1 million children) in 2012 (1). Although the determinants of child poverty are complex and multi-faceted, and include many social and labour force factors beyond the scope of this commentary, the decline in child poverty rates since 2012 may be due, in part, to the implementation of the Canada Child Benefit (CCB). Thus, a better understanding of this federal benefit is important to provide holistic care for families and advocate for broader social circumstances which impact child health.

Herein, we review briefly the history of child benefit programs in Canada, the specifics of this benefit, and what is known about its effectiveness. We also describe some relevant resources for clinicians of children whose families are eligible for this entitlement, and reflect on a research agenda encompassing child and family health outcomes.

CHILD BENEFIT PROGRAMS

There are several types of child benefit programs, usually cash transfer programs or tax benefits (see Glossary). The first important distinction is whether they are universal or targeted. Universal

Received: March 17, 2020; Accepted: July 15, 2020

© The Author(s) 2020. Published by Oxford University Press on behalf of the Canadian Paediatric Society. All rights reserved. For permissions, please e-mail: journals.permissions@oup.com

programs cover anyone with an eligible child, whereas targeted ones focus on vulnerable or high-risk groups. Furthermore, a program can either be conditional or unconditional. If conditional, the benefit must either be used in certain ways (e.g., purchase of food), or has conditions to maintain eligibility (e.g., requiring childhood immunization visits or, more commonly, parental employment). In contrast, unconditional programs do not have specific requirements attached to the benefit.

CANADA'S CHILD BENEFIT PROGRAMS

Child benefit programs in Canada date back to 1945 when all mothers with school-attending children under the age of 16 were eligible for a tax-free Family Allowance, which was implemented to avoid an economic recession after World War II. In 1964, the program was extended to include anyone under the age of majority. The next iteration occurred in 1974 when the program became indexed to inflation. In 1978, the program became more targeted by decreasing the universal family allowance and adding tax credits for lower income families. This lasted until 1992 when the universal family allowance ended and all child benefit payments became tax-based to target lower income families. In 1998, child benefits in Canada were reformed again giving families two different benefits: the National Child Benefit, replacing a Working Income Supplement, which could be 'clawed back' by provinces if they used the funds for anti-poverty initiatives, and the Canada Child Tax Benefit (CCTB). This reform consolidated a number of child tax credits and the family allowance. Additional changes occurred in 2006 when the Universal Child Care Benefit (CCB) was introduced providing all families with children under the age of six \$100 per month to supplement the CCTB. In 2016, the Trudeau government overhauled the entire federal child benefit system with the introduction of the CCB (2).

The CCB was introduced to increase overall spending on child benefits by providing a tax-free cash transfer payment for any household with children and a net annual income under \$200,000. To be eligible, at least one parent must be a Canadian citizen, a permanent resident, a protected person such as certain types of refugees, a temporary resident who has lived in Canada for at least 18 months, or a First Nations person. To apply, a family must file Canadian taxes to establish eligibility. The maximum amount (for families with a household income less than \$30,000 per year) is \$6,400 per year per child under 6 and \$5,400 per year per child between the ages of 6 and 17, to account for higher costs associated with younger children. In 2020, the benefit is scheduled to increase, as it will be indexed to inflation. [Appendix 1](#) outlines the CCB benefit by family income and number of children and [Appendix 2](#) outlines other provincial/territorial child benefits.

WHAT DO WE KNOW ABOUT THE IMPACT OF THE CURRENT CHILD HEALTH BENEFIT?

The CCB disperses approximately \$23 billion per year with an average of \$2,300 per family (3). In its first year, child poverty decreased from 11% in 2016 to 9% in 2017 (1). According to Employment and Social Development Canada, the federal government estimates that only about 88% of the 4,056,060 potentially eligible families received the CCB in its first year (4). There are concerns that the most vulnerable eligible families are those left out (5). While the reasons are likely complex, these may include families not filing tax returns due to no taxable income, those without the appropriate resources or understanding of the benefit such as vulnerable newcomers, or highly marginalized families including those living in shelters (6). There have also been concerns that members of some First Nations communities are unaware of the program or may not file tax returns related to a lack of trust in the Federal Government (5).

WHAT ARE THE POSITIVE HEALTH OUTCOMES ASSOCIATED WITH THE CCB OR PRIOR CHILD BENEFIT PROGRAMS IN CANADA?

Evaluation of the potential health impacts of the CCB program are limited to date, but other child benefit programs have had more extensive investigation. The CCB was recently assessed using the Canadian Community Health Survey, reporting a decrease in food insecurity in families with children, in particular those in the lowest income category, with the implementation of the CCB (7). The most recent evaluations of health outcomes of other child benefit programs have focused on the Manitoba prenatal cash transfer program for low-income women. Despite limitations, this work suggests these transfers were associated with improvements in Apgar scores, birth weight, and breastfeeding initiation and decreased the length of stay in hospital after birth (8). The Manitoba studies were included in a recent systematic review of 14 studies examining cash transfer programs and infant health outcomes in low-, medium- and high-income countries. This review reported a positive impact across these three settings, regardless of the type of transfer, although unconditional programs were found to be more effective (9). Another study of the Canada Child Tax Benefit from 1993 to 2006 found a positive relationship between the receipt of the benefit and improvements in child mental health (including separation anxiety), child development (motor and social development scores), and child physical aggression scores as well as measures of physical health (10). Parental mental and physical health

also improved. Not surprisingly, the marginal benefit for each additional dollar received was greatest for lower income families. Other Canadian studies have shown cash transfers have positive impacts on parental mental health as well as parental labour force participation (11,12). In contrast to the few studies examining health impacts, there is more literature focused on parental labour supply and other economic outcomes (10).

IMPLICATIONS FOR PRACTICE

Since about 12% of eligible families are not accessing the CCB, child health clinicians can play an important role by screening and identifying eligible families for receipt of these federal, and potentially other provincial or municipal, benefits. While few clinicians would have access to social workers or others with expertise in accessing government resources, there are readily available online resources to recommend to families. The Canada Revenue Agency (CRA) website lists by community pro bono programs for lower income families to help file taxes and thus collect benefits (13). The CRA website also provides a useful resource to calculate how much a family is entitled to collect (14). Furthermore, the federal government has recently simplified the application form (15). Reaching the most vulnerable families is consequential because they stand to gain the most per dollar of benefits received. While there are other actionable items, we present a simple, evidence-based option, which may not be known to all paediatricians.

RESEARCH OPPORTUNITIES

Research could inform the CCB program. A deeper understanding of the specific communities not benefiting from the CCB, and why, would help direct interventions to improve uptake. Population-based studies of the CCB impact on child and family outcomes, including rates and depth of poverty, and physical and mental health, could add evidence of the scope of benefit of the program. While the National Longitudinal Survey of Children and Youth has been discontinued, other relevant Statistics Canada data include the Canadian Community Health Survey (though limited to ages 12 and over) as well as linked hospital and tax file records. Many provinces facilitate research with linked administrative data including health, demographic, social services, and education data.

CONCLUSION

While other municipal and provincial benefits and other anti-poverty programs exist, the CCB represents an important program that has helped reduce Canada's child poverty rate.

Clinicians can help promote the uptake of this benefit to improve the health of children and their families, by screening for receipt of this benefit, directing families to appropriate resources, and advocating for strategies to increase CCB uptake within their communities. Research analyzing health benefits to children and their families by household income would help both inform other jurisdictions considering similar programs and add to the existing cost-benefit analyses and potential changes in eligibility for this program.

GLOSSARY

Poverty: Since 2018, Canada's has defined the poverty line using the 'Market Basket Measure' which represents the cost of a specific basket of goods and services which reflects a basic level of subsistence. The measure varies by region and household size and composition.

Unconditional: No conditions for the benefit to be received.

Conditional: Conditions such as requiring parents to send their children to school or vaccinate them in order to collect the benefit.

Universal: A benefit that anyone can claim regardless of income level.

Targeted: A benefit that targets a population that is more vulnerable, for example low-income families.

Tax Credit: Benefits where the amount of tax owed is reduced; this is different from a tax deduction, which reduces the amount of taxable income (this would only benefit those who have an income and owe taxes).

Cash Transfer: Benefits where families are given non-taxable cash benefits.

Funding: There are no funders to report for this submission.

Potential Conflicts of Interest: All authors: No reported conflicts of interest. All authors have submitted the ICMJE Form for Disclosure of Potential Conflicts of Interest. Conflicts that the editors consider relevant to the content of the manuscript have been disclosed.

SUPPLEMENTARY DATA

Supplementary data are available at *Paediatrics & Child Health* Online.

References

1. Statistics Canada. Canadian Income Survey. 2017. <<https://www150.statcan.gc.ca/n1/daily-quotidien/190226/dq190226b-eng.htm>> (Accessed January 3, 2020).
2. Government of Canada. The National Child Benefit Progress Report. 2004. <<https://www.canada.ca/en/employment-social-development/programs/child-benefit/papers/progress-report-2004/page04.html>> (Accessed January 3, 2020).
3. Canada Revenue Agency. Canada Child Benefit Statistics—2016–2017 Benefit Year. Government of Canada. 2017. <<https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/income-statistics-gst-hst-statistics/canada-child-benefit-statistics/canada-child-benefit-statistics-2015-tax-year.html#toc10>> (Accessed January 3, 2020).

4. Scotti M. As the Canada Child Benefit Turns 1, Who Has Actually Benefited? Global News. 2017. <<https://globalnews.ca/news/3614457/canada-child-benefit-turns-1-who-has-benefited/>> (Accessed January 3, 2020).
5. McKie D. Many Indigenous Families Not Applying for Canada Child Benefit: Documents. CBC News. 2017. <<https://www.cbc.ca/news/politics/canada-child-benefit-indigenous-1.4211545>> (Accessed January 3, 2020).
6. Women in Shelters Often Missing out on Federal Child Benefits: Ombudsman. Global News. 2017. <<https://globalnews.ca/news/3599011/canada-child-benefit-womens-shelter/>> (Accessed January 3, 2020).
7. Brown EM, Tarasuk V. Money speaks: Reductions in severe food insecurity follow the Canada Child Benefit. *Prev Med* 2019;129:105876.
8. Brownell MD, Chartier MJ, Nickel NC, et al. Unconditional prenatal income supplement and birth outcomes. *Pediatrics* 2016;137(6):e20152992. doi: 10.1542/peds.2015-2992.
9. Siddiqi A, Rajaram A, Miller SP. Do cash transfer programmes yield better health in the first year of life? A systematic review linking low-income/middle-income and high-income contexts. *Arch Dis Child* 2018;103(10):920–6.
10. Milligan K, Stabile M. Child benefits, maternal employment, and children's health: Evidence from Canadian Child Benefit Expansions. *Am Econ Rev* 2009;99(2):128–32.
11. Daley A. Income and the mental health of Canadian mothers: Evidence from the Universal Child Care Benefit. *SSM Popul Health* 2017;3:674–83.
12. Ang XL. The effects of cash transfer fertility incentives and parental leave benefits on fertility and labor supply: Evidence from two natural experiments. *J Fam Econ Issues* 2015;36(2):263–88. doi: 10.1007/s10834-014-9394-3.
13. Canada Revenue Agency. Free Tax Clinics. Government of Canada. 2019. <<https://www.canada.ca/en/revenue-agency/services/tax/individuals/community-volunteer-income-tax-program.html>> (Accessed January 3, 2020).
14. Canada Revenue Agency. Child and Family Benefits Calculator. Government of Canada. 2016. <<https://www.canada.ca/en/revenue-agency/services/child-family-benefits/child-family-benefits-calculator.html>> (Accessed January 3, 2020).
15. Canada Revenue Agency. RC66 Canada Child Benefits Application Includes Federal, Provincial, and Territorial Programs. Government of Canada. 2019. <<https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/rc66.html>> (Accessed January 3, 2020).