The Impact of Poverty on Early Childhood Development

Children are particularly vulnerable developmentally in the earliest years of their life. For children living in poverty, the probability of being exposed to developmental risk factors is considerably higher. This Policy Brief examines the impact of poverty on early childhood development. It highlights both the risk and the protective factors for children living in poverty, and provides recommendations for policy.

Historically, ‘poverty’ was defined in simple economic terms relating to the amount of money or material possessions one had or did not have. However, poverty has become a much more complex, multifactorial experience that extends beyond insufficient income. It incorporates the wider effects of social exclusion, shame, and reduced self-esteem and self-respect that result from a lack of access to material and cultural resources. This Policy Brief focuses on the extended concept of ‘relative poverty’ and its resulting personal and social costs.

Why is this issue important?

Poverty affects people of all ages, but there are unique issues associated with poverty in early childhood. Developmental immaturity in all domains – social-emotional, cognitive and physical - make young children especially vulnerable to the problems associated with poverty.

In particular, the development of the social-emotional domain is mediated through relationships (Shonkoff & Phillips, 2000). Crucially, as this development proceeds, children start to develop a sense of self (self-concept and self-efficacy) which aids their future ability to effect change and achieve goals (Bandura, 1977). However, children’s relationships, particularly with their parents or primary caregivers, are highly vulnerable to the stress that is often associated with poverty (National Scientific Council on the Developing Child, 2006). In turn, this compromises child development and stymies the realisation of human potential.

The ability of a child to reach his or her full potential, and become a self-sufficient and successful adult, is particularly limited when a family remains consistently poor. The personal and social consequences of poverty are then more likely to affect a child’s future prospects, prosperity and quality of life (Hayes, 2008).

Until recently, this long-term impact of poverty on young children had received little attention (Ridge, 2002). Children’s experiences of poverty were either overlooked, or assumed to be the same as those of the family as a whole (McDonald, 2008). This view considered children as ‘adults in the making’, and thus undervalued the important childhood experience of being a child (as opposed to becoming an adult) (Ridge, 2002). However, it is now understood that there is an interwoven and cumulative impact of poverty on the unique period of developmental vulnerability and potential that is early childhood (Brooks-Gunn & Duncan, 1997).

What does the research tell us?

Today’s consumer culture expands the context of the poverty experience even further with identities increasingly built and expressed through consumer items. More than ever, advertising directly targets even very young children as consumers (Langer, 1994). Brands and logos have become significant and children whose families are not able to purchase the ‘right’ goods or services may experience social exclusion. Likewise, social status is attached to specific products and activities. For example, games require specific brands or equipment and birthday parties ‘must’ be held at McDonalds. While the impact of this becomes more
pronounced in later years, young children whose parents cannot afford these products or activities may also be excluded from normal social interactions and opportunities. This includes being excluded from play where specific, branded toys may be required (Langer and Farrar, 2003).

The social exclusion of children because of poverty, combined with their ‘poverty of experience, influence and expectation’, can lead to the development of low self-regulation, low self-efficacy and poor self-esteem (Ridge, 2002).

**The effects of poverty**

From birth, children experiencing poverty can be affected by a number of interconnected factors; each of these individually can have a negative impact on development. However, they tend to cluster, so magnifying the effects.

**Stress**

The stress caused by poverty can corrode family relationships, including parents’ relationships with their children, making it more difficult for many parents to provide consistent and involved parenting (National Scientific Council on the Developing Child, 2006). It is now understood that stress resulting from poverty has a large impact on individuals, neighbourhoods and communities. Parental stress particularly impacts upon the developing child, but excessive stress, regardless of source, disrupts the neuron pathways of a child’s developing brain (National Scientific Council on the Developing Child, 2005). This can cause lifelong problems in learning, behaviour, physical and mental health.

Poverty is more likely to occur in households with a single parent, non-English speaking residents, larger families and parents with low education. Each of these factors compounds the stress of poverty.

**Health**

Babies born to mothers affected by poverty have a higher incidence of low birth weight. Low birth weight is associated with short and longer term problems such as higher rates of infection, cerebral palsy and possible obesity later in life (Stanley et al, 2005). Parents affected by poverty have higher rates of smoking (Gilley and Taylor, 1995) and smoking during pregnancy is associated with increased rates of prematurity and low birth weight. Children exposed to passive smoking generally have poorer health and a higher incidence of asthma. Mothers affected by poverty have lower rates of breastfeeding (Amir and Donath, 2008), despite it being widely accepted as beneficial, especially for premature or low birth weight babies. Mothers who do not breastfeed are also more likely to smoke, be young, overweight/obese and have lower levels of education (Amir and Donath, 2008: 256), all of which are known risk factors for poorer health outcomes for children.

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**Parenting**

Despite being caring and well-meaning, parents living in poverty generally have poorer parenting skills (Senate Committee, 2004) due to the effects of chronic stress and often low levels of education. Additionally, there is a higher incidence of child abuse and neglect, as well as accidents and hospital admissions in the children of parents living in poverty (Senate Committee, 2004), and higher rates of substantiated notification to child protection authorities (Stanley et al, 2005).

Mothers living in poverty have higher rates of depression (National Center for Children in Poverty, 2008). Maternal depression, particularly when combined with low income, threatens the development of healthy relationships with young children and also interferes with the ability to carry out parenting tasks in an optimal fashion (ibid).

**Literacy and Education**

Children whose parents are poor are less likely to be read to by their parents, contributing to poorer emergent literacy skills (CCCH Policy Brief 13, 2008). They are much less likely to have been exposed to libraries, museums and art galleries, which also assists the development of emergent literacy skills (CCCH Policy Brief 13, 2008). Unfortunately, lower socio-economic status families may be unable to afford the high quality early childhood education that is known to be particularly valuable to disadvantaged children (Sammons, et al, 2008).

**Housing**

Families living in poverty are more likely to experience poorer quality and less stable housing. They are also more likely to experience frequent moves that may disrupt the
development of neighbourhood and community links, as well as continuity with childcare and education (McDonald, 2008).

**Poverty and communities**

‘Collective efficacy’ occurs when members of a community work together for the collective good of that community. When poverty is concentrated in communities and there are associated issues such as mental illness or unemployment, it is common to find a weakened collective efficacy (Sampson, 2004).

A family’s and/or individual’s social status within a community can determine whether they feel valued, appreciated and needed, or whether they feel ignored, treated as insignificant, disrespected, stigmatised and humiliated (Wilkinson, 2005: 26). Not surprisingly, the most socially disadvantaged and socially excluded people are more likely to feel the latter and this may contribute to their being less likely to access conventional services within the community (Hayes, 2008).

**Learning to be poor**

A British study has found that children in poorer families may be ‘learning to be poor’, seemingly controlling their experiences and reducing their aspirations as a result of their family’s severely constrained economic circumstance (Ridge, 2002).

Children living in poverty are also more likely to be at risk for adverse early childhood development, but their parents often have the least resources and capacity to compensate for the risks (Oberklaid, 2007). ‘Double jeopardy’ is a term used for this paradox that perpetuates the poverty/disadvantaged cycle.

Children’s early learning experiences are particularly vital for their later development (National Scientific Council on the Developing Child, 2008). However, due to limited accessibility to quality early education programs, many children, particularly from vulnerable communities, reach school entry already at a distinct disadvantage (Elliott, 2006; Press, 2006, Walker, 2004).

Further, as successful school transition is facilitated by continuity in relationships, social environment, learning environment, physical environment and rules (Dockett & Perry, 2005; Fabian 2007), children living in poverty experience the greatest transitional discontinuities and less familial involvement, and thus often have greater difficulties engaging with school.

**Breaking the poverty cycle**

It is important to note that not all children born into poverty experience the problems described above. Research on resilience highlights protective factors for individuals that may reduce the impact of poverty. While some of these factors are innate and therefore immutable (e.g. being a girl), others can be incorporated into the lives of individuals at risk of suffering the effects of poverty. For example, research has shown that having access to a mentor, (or involved, significant adult other than a parent), can be a protective factor, helping a child cope with stress (Garmezy 1988). Such relationships may also help to develop a sense of belonging to a community.

There is also evidence that nurse home visits have a positive impact on low income single mother families (Olds et al, 2007). Positive outcomes for the infants in these families included greater mother-child interaction, lower levels of emotional vulnerability in response to fearful stimuli, lower levels of language delays and more superior mental development in comparison to a control group.

Recent data from the Australian Early Development Index showed that some children from low socio-economic status communities achieved better than expected outcomes on the assessed developmental domains (AEDI, 2008a). This indicates that at a community level, some protective characteristics and strengths can be developed to soften the negative impacts of poverty.

**What are the implications of the research?**

Children born into disadvantaged environments are more likely to experience compromised childhoods, unless interventions and supports are provided to offset the effects of poverty. This means that some children will have less opportunity to experience simply being a child.

Children born into environments where there is a) a lack of individual and family resources to participate fully in educational and social settings, and b) lower self-efficacy levels and a lower collective efficacy, may also have their capacity to fulfil their developmental potential reduced. As well as affecting the ability to thrive in the early years, these disadvantages are likely to carry into adulthood.
This lifetime experience of poverty can form a cycle within families and communities. If the cycle of poverty is not broken, society will ultimately bear the social and economic burden of disadvantaged communities who are unable to positively contribute to the wider community.

Fortunately, the benefits of investing in the development of interventions to improve early childhood experiences are now well understood. Strategies designed to increase resilience against the experience of poverty have achieved success for both children born into poverty and their families.

**Considerations for policy and programs**

Sufficient income is needed for people to fully participate in society, to take advantage of resources and opportunities and to freely make choices, including those for and about their children. However, income is not the only issue and money in the form of payments or subsidies, though important, is not the complete solution. Coordinated and concerted efforts to engage lower socio-economic status communities can also encourage people to participate in society. Poverty is complex, so to offset its effect on young children an integrated and coordinated approach is required. This can include strategies to promote social inclusion, and minimise social exclusion and disadvantage.

*Child care and preschool education:* Attending high-quality child care and participating in preschool education is an effective intervention for young children. The positive learning experiences and nurturing relationships provided in these settings deliver lasting benefits for all children, and particularly for disadvantaged children.

Reducing discontinuities in the transition from early childhood services to school also provides vulnerable children with a greater opportunity to engage with their education. This increases the likelihood of later school success and provides an opportunity to break the poverty cycle.

*Community membership:* Communities need to actively engage parents and encourage them to be more involved and connected with their community. This requires the provision of proactive, flexible, accessible and integrated services within communities to actively welcome parents and their children, and provide them with appropriate supports. Population-level data from the Australian Early Development Index may help communities to identify where additional and targeted support is needed (AEDI, 2008b).

*Supporting parents:* Many parents require support and information to become more actively engaged with their children. Demonstrating nurturing, responsive relationships to parents is also known to provide a strong foundation for early learning, behaviour and health. Service providers should be trained to engage with and work in partnership with families, rather than adopting a ‘top down’ expert model. In addition, encouraging and utilising peer supports in the community, and providing access to appropriate and useful information about parenting, are effective methods of supporting parents.

*Housing:* Families living in poverty require stable and affordable housing. This provides a secure base for child development, and for the development of consistent relationships between the child and significant others. Continuity and consistency of relationships experienced by children in the early years is particularly important in countering the stresses and disadvantages of poverty.