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Economics and the Well-Being of Canadian Children

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1. Introduction

The basic argument of this paper is that as economists we need to pay more attention to how policy affects the well-being of children as individuals, and not just as members of families. Except with reference to programmes explicitly designed for children (e.g., the Child Tax Benefit) the issue of how economic policy, in general, affects the well-being of the children themselves is relatively missing in the economics literature, though children constitute nearly 25 percent of the Canadian population.¹ For example, discussions of monetary policy are unlikely to consider the impact of alternative choices for children's well-being; debates about the merits of labour-market mobility do not pay much attention to the impact of mobility on children; discussions of optimal tax structures do not look at the issue from the perspective of the child.²

Why have children been relatively under-studied by economists? Several explanations seem likely. First, for example, economic models are typically models of individual choice, so it is harder to adopt such models to study the behaviour of children than the behaviour of adults. Second, economists study markets, but young children live in a world which is dominated by factors outside the market as traditionally defined (e.g., home production activities as well as state-provided public goods such as schools and parks).

Third, following Becker (1974;1991), many economists have focussed upon the household as the basic unit of analysis. In the Becker model, the head of household is assumed to be altruistic, and household behaviour is assumed to reflect the preferences of the head, given he or she controls the major part of family resources. An altruistic and 'non-paternalistic'³ parent maximizing his or her own utility would automatically also maximize the well-being of the child,

in which case there would be no need to consider the well-being of children separately from the well-being of their families. However, it is quite obvious that many parents are ‘paternalistic.’ Since parent and child are different people with different tastes and preferences, they can disagree about how to maximize the child’s well-being. For example, a sixteen-year old might prefer a career as an artist while his parents prefer that he take over the family business. Further, it is obvious that while most parents are altruistic, some parents neglect or abuse their children. Thus, it is important to consider the impact of policy on the well-being of children as individuals, and not just as members of families.

To motivate the remainder of the paper, Section 2 presents evidence about how well Canadian children currently fare. Should we be worried about the well-being of children in Canada, or are they doing well enough that our scarce research resources should be directed elsewhere?

2. How Well-Off Are Canadian Children?

What does being poor mean?

Ashley, age eight: You can’t buy food. You don’t have a place to live. You can’t buy a Nintendo. You can’t have nice clothes . . . You can’t go to the movies. . . You can’t do what you want to do

Do you know what not having money means?

Sophia, age three: You don’t have money to buy a popsicle.

If you had the power, what would you do about poverty?

Patty, age eleven: I’d move all the rich people onto the street, and all the poor people into the rich houses, and let the rich people see how it feels to be poor (cited in Baxter, 1993).

In 1989, a unanimous, all-party motion called for the elimination of child poverty in Canada by the year 2000. Yet, Figure 1 indicates that we have made little progress toward achieving that goal. Poverty intensity⁴ among children aged 0 to 18 was actually higher in 1996 (the most recent year for which we could obtain data) than in 1989. Among young children, aged 0 to 6, poverty intensity was higher in 1996 than in 1976.⁵

This is in marked contrast with the remarkable reduction, over the same period of time, in poverty among the elderly in Canada. Figure 2 compares poverty intensity after taxes and transfer for children aged 0 to 6, children aged 0 to 17, adults aged 18 to 64 and elders aged 65+. Figure 3 indicates that market poverty (i.e., poverty calculated before transfers are received or taxes paid) has increased for young children (aged 0 to 6). The Canadian safety net has helped to keep poverty intensity among young children from climbing higher, but has been inadequate for the purpose of actually reducing poverty.⁶ In order to get an idea of the potential scope of taxes and transfers as poverty alleviation tools, Figure 4 contrasts the poverty alleviation achieved for elderly Canadians with that obtained for young children. Taxes and transfers are clearly highly effective in removing elderly Canadians from poverty. However, it is also clear that much more effort has been directed toward alleviating poverty among the elderly than among children.⁷

Another way of assessing the adequacy of Canadian poverty alleviation efforts for young children is to compare Canada with other countries.⁸ Figure 5 compares poverty intensity among young Canadian children with that experienced by young children in 11 other relatively affluent countries (the US, Denmark, Finland, the UK, Belgium, France, Germany, the Netherlands, Norway, Spain, and Sweden). Notice that Canada's performance is better only than that of the US and the UK. Finally, Figure 6 indicates that while Canada starts with market poverty

intensity roughly comparable with that, for example, in Denmark, France or Sweden, we are not as successful at reducing poverty intensity among young children as these other countries. Thus, the current level of resources directed to children through the tax/transfer system in Canada is less than is available in other comparable countries.

This section indicates that we should not be complacent about the well-being of Canadian children. Their well-being falls short of goals we have established, is less than that experienced by other age cohorts within Canada and is less than that experienced by children in other affluent countries. Though, what I have presented thus far is a very traditional measure of the well-being of children -- poverty intensity as calculated using *family* income and assuming that all family members share equally. I would argue that this is not an ideal measure of children's well-being. If we are to 'get serious' about understanding the economic well-being of Canadian children, we need a measure better-suited for *children*.

3. How Are Children Different from Adults? Choosing a Definition of Well-Being Suitable for the Study of Children

At the very beginning, we need to be clear about whether we are interested in the impact of economic policy on children today, while they are children, or tomorrow, after they become adults. In much of the existing economics literature, the focus has been upon the second question. That is, many researchers have asked what I will call the 'investment' question: "how does a child's economic experiences during childhood affect his or her eventual economic attainment during adulthood?" Becoming a 'successful' adult is obviously important; we care very much about what happens to our children after they become adults, but children are people

now, too. As Jens Qvortrup (1990, p.8) argues, children should not always be ‘reduced to human becomings.’ Thus, throughout this paper, I try to keep both the investment and the ‘children count now’ perspectives in mind, and I look for a definition of well-being which is suitable for both present and future dimensions of each child’s well-being.

A second important question is whether or not any of the commonly used approaches to understanding adult economic well-being is appropriate for application to children? Can we just ‘add children and stir’? I argue that we cannot. There are important differences in needs, opportunities and capacities.

A two-year-old child and a 40-year-old adult differ, for example, in the extreme dependence of the child on the significant adults in her life. The child has no direct access to any income of her own (even if she is an heiress, an adult will legally be in charge of the funds). The child will not yet have adequate language skills to make her wants known (though she will certainly try!), or the cognitive skills or life experience necessary to assess her own needs, as separate from wants. She will not be able to imagine the future or adequately prepare herself for it -- her discount rate will be very high. And, vitally, the central adults in her life will be the most important thing in the world to her.

The differences between older children and adults will be less dramatic, but they exist nonetheless. A sixteen-year-old child and a 40-year old adult are likely to differ, for example in the importance they attach to peer relationships. They will also differ in their assessment of risk. Adam Smith makes this point in The Wealth of Nations (p. 211):

The contempt of risk and the presumptuous hope of success are in no period of life more active than at the age at which young people choose their professions. How little the fear of misfortune is then capable of balancing the hope of good luck

If we ignore differences between adults and children and use a definition of economic well-being which treats children as ‘short adults,’ we run the risk of making inappropriate policy choices.

Let’s consider, then, the appropriateness of alternative possible ‘adult-focused’ measures of economic well-being for the study of children, while children as well as after they become adults. I consider 3 basic approaches to understanding well-being: 1) utility/happiness; 2) inputs (income/consumption); 3) functionings.

At the level of theory, economists interested in measuring well-being are probably most likely to use the idea of ‘utility,’ where utility is akin to ‘happiness’ -- a subjective experience of well-being resulting from the consumption of goods and/or leisure time or resulting from having a particular income, depending on the model employed.⁹ In practice, economists do not often directly use the concept of utility to evaluate well-being. Empirical studies which attempt to estimate utility functions (e.g., Zabalza and Arrufat, 1987) most often define utility as dependent on a variable such as income (or consumption), with the assumption that an additional dollar of income is worth more to a poorer person than to a richer person. A major problem of such studies is determining the nature of the utility function, which is non-observable (e.g., how much more valuable is the last dollar of income to the poorer person?).

The ‘utility’ approach is problematic for a study of the well-being of children because: (1) at the level of theory, there is the problem that utility functions are typically assumed to be ‘given,’ yet children’s preferences are clearly in the process of forming/changing, indeed ‘growing up’ is the defining characteristic of childhood; (2) in the standard utility-maximizing

approach, it is generally assumed that we can infer preferences from the observed choices of individuals (who are assumed to have made these choices in order to maximize utility). This ‘revealed preference’ approach only makes sense for individuals who have actually made the choices, which is not often the case for children (e.g., data on family expenditures are more likely to reflect the choices of parents than the choices of children). Even where children choose, parents have veto power, hence we can never know if observed choices were the preferred ones, from the child’s point of view. It is no solution if children are assumed to share in the level of utility experienced by their parents, via a ‘household utility function’ since this ignores within-household dynamics (including the possibility of child abuse/neglect), essentially making children ‘disappear.’

A more direct approach to measuring ‘utility/happiness’ is simply to ask people for self-evaluations. For example, it has become relatively common for European economists to measure poverty, using a subjective approach (see Hagenars, 1986) [this is much less common in North America]. While at first glance ‘happiness/utility’ would seem to be the same thing as ‘well-being,’ critics such as Sen (1992) make the point that a chronically deprived person may come to accept his or her lot and, not expecting more, report a higher level of happiness/satisfaction than we might expect from observed external circumstances.

Alternatively, a ‘spoiled child’ may be ‘unhappy’, despite having a great deal. Particular patterns of socialization/ life experience can lead some people to expect more, some to expect less.¹⁰ The question is, in evaluating personal well-being, is it appropriate to accept that a person who is rich in terms of material resources nevertheless feels ‘unhappy?’ In a positive sense, the spoiled child really is unhappy. However, disinterested observers may differ on normative grounds about how

much weight should be assigned to this unhappiness. For adults, the problem is potentially resolvable by drawing a distinction between the selfish and the moral self (ie., I may recognize the morality of discounting my own low spirits because I recognize that my objective life circumstances are much better than those of many others). For young children, such a distinction makes little sense until a moral self has developed -- and a large part of 'growing up' is the development of a moral self, as the criminal law clearly recognizes.

There are also practical problems with a subjective approach to measuring the well-being of children. While for older children, self evaluations are possible (though very seldom carried out), the limited language/cognitive skills of the very young clearly limit the feasibility of this approach unless we are prepared to use the subjective evaluations of their parents. Parents' assessments of their children's well-being may depend more upon parent's current state of mind than upon his or her child's (e.g., I am in a bad mood and so I find my child's behaviour particularly unacceptable). Moreover, Curtis, et.al., 1999 use NLSCY microdata to demonstrate that parents and children (aged 10 and 11 years) often do not make the same subjective assessment of the child's level of well-being. Which, then, is the more appropriate? Parents' behaviour will presumably be motivated by his/her perception and parents are very important decision-makers in the lives of young children. On the other hand, if social welfare depends upon the well-being of each member of society, regardless of age, then presumably the child's assessment is the more appropriate for an assessment of social welfare?

In practice, economists rarely use subjective measures of well-being.¹¹ Rather, well-being is most frequently proxied very simply by income¹² and/or assets (if data on assets are available, which is relatively rare) or by expenditures¹³. This might be labelled an 'input'

orientation which is much narrower, but still consistent with Rawls (1971) suggestion that a person's level of well-being be measured in terms of 'primary social goods.'¹⁴ A focus on the availability of inputs which could generate well-being avoids the self-evaluation difficulties discussed above, but for either children or adults, this introduces the problem that individuals may differ in their needs. For example, a child who must use a wheel-chair to get around will, compared to others who do not need to purchase wheelchairs, be less well-off if living with the same income (ignoring any associated discomfort, inconvenience, restrictions, or stress).

Another reason why income is an inadequate proxy for well-being is that, since data are most often only available at the household rather than the personal level, most studies make the simplifying assumption that people living within the household share income equally. This is obviously not appropriate in all cases. Since adults have access to higher personal incomes than children, the assumption of equal sharing may over-state the well-being of children in cases where sharing is less than complete (see Phipps and Burton, 1995). Although for adults the problem might be partially resolvable with better data, for children, it is conceptually difficult to see how we can assess well-being in terms of income when children have so little direct access to income or so little power to spend.

Expenditures have the conceptual advantage over income that at least some items can be identified as designated for the child. For example, children's food, clothing or toys might be thought of as 'private consumption' which would be direct inputs to their well-being. In practice, however, expenditures on children's food or toys are not currently reported separately from other food or recreation items (e.g., in the Statistics Canada Family Expenditure Surveys). Children's clothing is currently separately recorded in FAMEX data.¹⁵

But, the major part of children's consumption is of family-level public goods (e.g., housing, heating, the television, the telephone or family vacations). While it might thus seem appropriate to assume equal sharing with respect to the benefits of such expenditures, the assumption is still not necessarily valid since adults typically choose the public goods (e.g., type of house, car or vacation), and some choices may be better for children relative to adults (e.g., more yard to play in versus more yard maintenance to do). Moreover, many family-level public goods are 'impure' public goods. For example, children may have smaller bedrooms or have to share with a sibling; they may or may not be able to play in any room they choose. Children's programming may dominate what is seen on television, though children typically choose from a restricted choice set as defined by the parents (in terms of both quantity and content). Of course, this restriction on choices may be 'better' for the children, but such issues complicate the use of family-level expenditure data as a proxy for child well-being.

A further limitation of either family income or family expenditures as proxies for child well-being is that they constitute an incomplete list of important inputs to child well-being. First, state-provided public goods (e.g., healthcare, education, public parks or swimming pools) are particularly important for children. Second, unpaid activities carried on within the home are extremely important inputs to child well-being (e.g., kisses for scraped elbows¹⁶, bed-time stories or help with homework). While unpaid work is an important source of well-being for adults as well, it seems particularly relevant for young children, who typically spend a larger proportion of their time at or around home.

An alternative approach to measuring well-being advocated by Sen (1992) is to focus on realized well-being in the form of 'functionings' or 'beings and doings.' Examples of elementary

‘functionings’ are: being adequately nourished; being in good health; avoiding escapable morbidity/premature mortality. Examples of more complex ‘functionings’ are having freedom from fear/anxiety, being attached to family, having friends. The functionings approach offers a more attractive conception of what it means to be human than the more mechanistic $U(Y)$ -- ‘utility factory’ image, for example. For the study of children’s well-being, a further conceptual advantage is that functionings, elementary or complex, are characteristics of the child, whereas income, for example, is not. And, to the extent that social relationships are central to the well-being of the child, then an important advantage of Sen’s approach is that the list of functionings can directly include ‘loving/caring’ dimensions such as being attached to family or having friends.¹⁷

Each of the functionings discussed thus far make sense whether we are talking about an adult or a child. Thus, they are relevant whether we are talking about the well-being of a child now, or whether we are interested in the well-being of children once they become adults. For most people, however, the capacity to exercise functionings will expand over time. For example, ‘taking part in the life of the community’ makes more sense at 15 or 50 than at 5 months.¹⁸

While I believe the ‘functionings’ approach is the best currently available approach to measuring child well-being, it is not without its problems. First, although the NLSCY is now beginning to collect information about many aspects of child functioning, we do not have historical data, for example. Second, while many physical health outcomes and perhaps some cognitive outcomes might be measured even for very young children without the need for subjective self- evaluations (e.g., birth-weight, mortality, morbidity, weight and height, vocabulary or math skills, completion of grades at school), the measurement of higher-level

functionings (e.g., being attached to family, having friends, being free of anxiety) again introduces the problem that very young children will be unable to report these things for themselves and so we will have to rely upon parental assessments.

While there is less evidence about ‘functionings’ to put the well-being of Canadian children in either historical or international perspective, what evidence there is again suggests that there is room for improvement.¹⁹ While infant mortality rates have been declining over time in Canada, Figure 7 indicates that infant mortality rates in Canada are generally higher than in Norway. The incidence of low-weight births, while lower than in the US, is again higher than in Norway (see Figure 8). Figure 9 shows that while there is no statistical difference between Canada and the US in the probability of young children (aged 0 to 11) experiencing an accident or injury which requires medical attention, accidents are less likely among Norwegian children. Finally, Figure 10 shows that Canadian children are *more* likely to be fearful/anxious than children in the US or especially than children in Norway.²⁰

To conclude this section, I would like to note that while I think that a ‘functionings’ approach is the best currently available way to understand the well-being of children, each of the other approaches has important insights. Through the rest of the paper, I will make reference to empirical work which ranges across income, expenditures, or various ‘functionings.’

4. Economic Theories of the Determinants of Children’s Well-being

This section of the paper outlines existing economic theories of what *determines* children’s well-being, a vital step if we are to understand how economic policy can affect children’s well-being, either now or in the future. A first comment I would like to make about

the state of economic theory in this field is that there is considerable room for new work to be done. My assessment of the literature is that the empirical work is far ahead of the theoretical work, at this stage.

Our discipline is dominated by models in which individual agents make utility-maximizing choices, so it is not surprising that the most influential economic model of the determinants of children's well-being to date is one which focuses on how *parental* choices affect outcomes for children.²¹ Becker (1991, chapters 5 and 6) and Becker and Tomes (1979; 1986), for example, assume that children's well-being once they become adults essentially depends upon investment decisions made by their parents. The focus of their analysis is on parental decision-making,²² and children "today" appear nowhere in the model. "Children are born in and accumulate human and nonhuman capital in the t th generation and work, consume, and produce their own children in the $t+1$ generation' (Becker and Tomes, 1979).

This approach supposes that each individual lives during two periods -- childhood and adulthood. The utility of the parent today is assumed to be a function of own consumption today and child's income tomorrow:

$$u_1 = U(c_1, I_2)$$

where c_1 is adult consumption today and I_2 is child's income tomorrow, when the child is an adult. Thus, the parent is assumed to care about the well-being of his/her child as an adult. In the second period, when the child becomes an adult, his or her utility will be

$$u_2 = U(c_2, I_3).$$

Thus, the children keep disappearing from the model until they have become adults, at which point they reappear as the current-period utility maximizers. The model clearly takes the

investment perspective on the well-being of children: the determinants of children's well-being today is not an issue -- the child today doesn't exist.

Given this framework, Becker assumes that parents allocate resources between personal consumption today and investment in the future of their children in order to maximize parents' utility today. Utility maximization occurs subject to the constraint of available income, and the relative prices of consumer goods versus investment in children. Children's well-being tomorrow will depend upon how much parents choose to invest in them today (as well as upon the genetic and possibly material asset endowments which they may have inherited from their parents and upon any 'pure luck' which they may experience). Investing in children means making 'expenditures on their skills, health, learning, motivation, 'credentials,' and many other characteristics' (Becker and Tomes, 1986, p. S5). The prediction of this framework is that children's incomes (once they are adults) will depend upon parents' incomes (positively) and number of other children in the family (negatively, since additional children mean less money to spend on any one individual child. Note that given this framework, more siblings always reduce well-being.)

Leibowitz (1974) builds upon this basic framework by adding the idea that investments in children depend upon both the amount and the *quality* of time parents spend with them as well as upon material investments. 'Quality' of time with children is assumed to increase with the education level of the parent, presumably because more human capital increases productivity in parenting? Thus, parental choices about, for example, labour supply, will determine both how much money and how much time is available for children. Note that the focus is again on outcomes for children once they become adults rather than with their well-being today.

In the excellent survey by Haveman and Wolfe (1995), this framework is again expanded to indicate that children's well-being will depend upon 3 primary factors: 1) the choices made by society which will determine the options available to either children or their parents -- what Haveman and Wolfe call "the social investment" ; 2) the choices made by the parents about both the quality and quantity of resources devoted to children -- "the parental investment;" 3) the choices made by the children themselves. 'Choices made by parents' is essentially the Becker/Leibowitz idea, but the introduction of choices made by society and choices made by children are novel, though no more than sketched by Haveman and Wolfe. There is considerable room for theoretical development of these ideas.²³ The outcomes discussed by Haveman and Wolfe are again investment-oriented (e.g., income, education of the children once they become adults), but the idea that children's well-being depends upon social choices means that children's well-being depends explicitly upon economic policies.

Consider how the 'social investment' might influence children's well-being. First, of course, there are direct impacts on family-level characteristics. For example, macroeconomic policies affect the labour incomes available to parents, and the mortgage interest which they must pay if they can afford to buy a house. Social transfers and taxes affect the disposable incomes available for 'parental investments' in children. Health and education systems are directly experienced by children who go to school, visit the doctor/clinic or stay in a hospital, as are libraries, parks, swimming pools and playgrounds.

Moreover, policy choices can affect children's well-being more indirectly. For example, macroeconomic conditions in combination with the availability or lack of availability of a social safety net will influence the level of economic security perceived by parents and children. In an

environment where parents are very worried about the risk of losing their jobs, perhaps both because rates of unemployment are high and because there would be few benefits available to them in this event, stress levels will be high. This may affect the quality of their parenting and thus children's well-being. Children may also be aware of parental stress and so feel anxious themselves. Notice that the effects noted here are possible for families with no actual experience of unemployment or the safety net.

5. Empirical Studies of the Determinants of Children's Well-being

While there are relatively few theoretical models to explain children's well-being, there is an enormous empirical literature in this area, though most of the studies have been done by non-economists. In Canada, much of what we now know about the factors associated with higher or lower levels of child well-being is the result of a rich new data source -- the National Longitudinal Survey of Children and Youth, which released a first wave of data for children aged 0 to 11 years in 1994 and has very recently released a second wave, following the same children, for 1996. (Studies using the second wave are currently in progress.).

What do we know at this stage? To summarize a few key points, we know, first, that family structure matters (e.g., Dooley, et.al., 1997). Children who live with lone mothers are likely to be less physically or emotionally healthy, other things equal, than children who live with two parents (though their cognitive outcomes are not necessarily worse). Second, children who live in poverty are generally likely to be worse off than others, though in the cross-sectional data, the effects are perhaps not so large as might be expected. Evidence (Curtis, et.al., 1998) using the longitudinal component of the Ontario Child Health Survey indicates that the effect of

poverty experience is much larger for children who have longer durations of poverty (and lone-mother effects are correspondingly smaller). Third, children whose mothers have very low levels of education (i.e., less than high-school) have worse outcomes, though children whose mothers have very high levels of education do not necessarily have better outcomes. Fourth, children with older mother (more than 35) tend to fare better (Dooley, et.al., 1997).²⁴ Results are thus not inconsistent with the predictions of theory, that children whose parents have more resources in the form of time, education and money will have better outcomes.

But, the empirical work also suggests that factors which do not appear in existing theoretical models have important associations with child well-being. For example, ‘parenting style’ is important (e.g., Ross, Roberts and Scott, 1998). ‘Quality of neighbourhood’ is important, both for children’s current well-being (Kohen, Hertzman and Brooks-Gunn, 1998; Boyle and Lipman, 1998), and for children’s eventual success (Corak and Heisz, 1998). Incorporating more complex relationships such as these in theoretical models of child well-being remains as an interesting challenge.

Notice that much of the empirical research by economists directed toward understanding children’s attainments has focused upon family-level variables as determinants of children’s well-being rather than upon policy or other broader societal factors (e.g., Haveman and Wolfe’s ‘social investment’). In part, this may be the result of the individual, choice-based framework which characterizes most economic models. In part, it is likely due to data availability -- economists most often work with large micro-data surveys with excellent information about family-level characteristics, so this is a logical starting point for research. Moreover, within a single cross-section of data for a single country, there is unlikely to be much variation in broader

social context (e.g., macroeconomic conditions, social policies or social cohesion). Yet, this does not mean that such variables are unimportant and it would be unfortunate if policy debates, informed by micro-oriented economics research, were to ignore the important role of general macroeconomic and social policy in influencing outcomes for children.

6. Economic Policy and the Well-being of Children -- Three Illustrative Cases

This section looks at economic policy issues through the lens of childhood -- do we see choices at all differently? Three illustrative cases are considered -- one from macroeconomics, one from public finance and one from labour economics. For each policy discussion, an effort is made; a) to consider policy implications for the child now as well as for the child after he/she grows up and; b) to discuss 'traditional' measures of well-being (e.g., the child's family income) as well as 'functioning' evidence, where available.

6.1 Unemployment and Children

In a recent paper, Atkinson (1998a) proposes a framework for establishing links between macroeconomic policy and the well-being of children as he attempts to assess how the European Monetary Union might affect children's well-being. He suggests that the questions of interest from the perspective of children include, among others:

- (a) whether the parents are going to have jobs today, and they and their children have jobs in the future,
- b) what interest rate the family has to pay on its borrowing, or gets on its savings,
- c) how much prices will rise and cause their housekeeping to become more expensive (p. 8).

Atkinson argues that to answer questions such as these, we need to develop better indicators of how changing macroeconomic conditions are affecting children: first, we need to

publish not just an *individual* unemployment rate, but also a *child-focused* unemployment rate (i.e., we need to know the number of children affected by unemployment); second, we need to consider developing a consumer price index for a bundle of good and services which are particularly important for children; third, we need to construct a ‘cost of borrowing’ index relevant for families with children.

I’ll explore just the first of these suggestions. Figure 11 uses microdata from the Survey of Consumer Finance from 1975 through 1996 to calculate the percentage of young children (aged 0 to 6 years), the percentage of all children (aged 0 to 17 years), the percentage of adults (aged 18 to 64 years) and the percentage of the elderly (aged 65+) who live in households in which either the head or spouse experiences unemployment during each year.²⁵ The striking point to take from Figure 11 is that children, particularly young children (aged 0 to 6), are the most likely of anyone to live in a household with unemployment -- 25 percent of young children in 1996 (down from 30 percent in 1993). In contrast, the elderly are relatively untouched by unemployment (less than 5 percent in any year since 1975).

Of course, the youngest children will, on average, have the youngest parents and young adults have always had particularly high rates of unemployment, so the information presented in Figure 11 is just common sense. But, it is nevertheless important to keep in mind in any assessment of whether the ‘short-term pain’ of higher unemployment outweighs the ‘long-term gain’ of lower inflation. An unemployment spell of 25 weeks²⁶ is 16 percent of a 3-year old’s life, and many argue that very early childhood experiences are particularly important from a developmental perspective.

While we need to know more about the links between parental unemployment and child

well-being, it is very clear that having an unemployed parent is hard for the child. Families experiencing unemployment have lower incomes, and this has been exacerbated in recent years as access to UI/EI has been reduced. For example, the ratio of regular UI beneficiaries to the unemployed was 0.83 in 1976 but only 0.42 in 1998 (CANSIM D980342 and D730603). Thus in terms of the traditional measure of family income, unemployment is bad for children.

In terms of broader measures of child well-being, there is a literature, largely outside of economics, (e.g., Paxson and Waldfogel, 1999 and Gillham, Tanner and Cheyne, 1997) which demonstrates that children with unemployed fathers are more likely to be the victims of child abuse. In addition, unemployment of either parent increases the probability of divorce (Osberg and Phipps, 1995) and as mentioned earlier, children living with lone parents have worse physical and emotional health than do otherwise similar children (Dooley, et.al., 1998).

Finally, Phipps (1999a) exploits variations across regions of countries and across 3 countries (Canada, Norway and the United States) and finds, for example, that increases in the local unemployment rate are associated with higher levels of fear and anxiety among children, even controlling for family-level income status. Thus, even children who do not directly experience unemployment may be affected by a climate of economic insecurity in which parents are very worried about losing their jobs. Moreover, the less reliable the social safety net, the more concerned parents are likely to be about what will happen if they do lose their jobs.

6.2 Dependent Child Exemptions versus Family Allowance versus School Lunches -- Does it Matter for the Child?

I have argued above that relationships with family are central to a child's well-being.

Unfortunately, though, we cannot assume that relationships among individuals within families are always *good* relationships. Thus, while highlighting the importance of family relationships to child well-being, it is at the same time important to focus upon the individual child embedded within that relationship. For example, we should not always assume that all members of all families always share the same standard of living. Children clearly depend upon the extent to which parents share.²⁷

Over the last decade, a substantial amount of research, both theoretical and empirical, has been directed toward understanding more about what goes on within families (e.g., Browning, et.al., 1992; Chiappori, 1988; 1992; Fortin and Lacroix, 1997; McElroy, 1990; Lundberg and Pollak, 1993; Woolley and Marshall, 1994). At the theoretical level, this research attempts to get inside what many have labelled Becker's (1974; 1981) 'black box' model of the family, which basically assumes we can treat families as units which maximize utility subject to budget constraints in exactly the same way as individuals. While a laudable attempt to actually talk about 'families' rather than just isolated 'agents', Becker's work has been severely criticized (e.g., Bergmann, 1995; England, 1993; Folbre, 1986; Macdonald, 1993; Strassmann, 1993; Woolley, 1993). Newer research has, instead, taken as a starting point the assumption that families are made up of individuals with unique preferences, and that outcomes we observe are likely to be the result of some bargaining process (cooperative or non-cooperative). [In practice, however, it is typically husband and wife who are assumed to be the game players in these models -- children don't appear as decision-making persons in their own right.]

One of the key messages of the empirical work in this area is that 'household' choices depend upon *who* receives the income within a family. In all of the empirical studies of which I

am aware, Becker's 'income pooling hypothesis' -- that another dollar of her income will be spent in the same way as another dollar of his income -- is rejected for most expenditure categories (e.g., Schultz, 1990; Haddad and Hoddinott, 1991 and 1994; Thomas, 1990; Browning, et.al., 1992; Chiappori, et.al., 1988; 1992; Fortin and Lacroix, 1997).

Of particular importance for this paper, there is some evidence that mother's income is more likely to be spent in ways which might benefit the child than father's income. For studies which use data for developing countries, the evidence in favour of this 'good mother' hypothesis is fairly clear (see Blumberg, 1988 for an excellent survey). For example, Thomas (1990) finds that non-labour income received by the mother has a larger positive effect on child health than non-labour income received by the father. Haddad and Hoddinott (1991; 1994) find that the proportion of total cash income received by the mother increases the budget share of food and reduces the budget share of alcohol and cigarettes.

Evidence on this point is more sketchy for affluent countries, though one very interesting study by Lundberg, Pollak and Wales (1995) focuses upon a 'natural experiment' which occurred in the UK in the late 1970's when a sizable family allowance benefit (about 8 percent of average male earnings) made payable to the mother replaced a dependent child exemption, which typically increased father's net income. Lundberg, Pollak and Wales find evidence that expenditures on children's clothing increased significantly relative to expenditures on men's clothing as a result of this policy change (though the authors note that over the period of their study, relative clothing prices and/or tastes for children's relative to men's clothing may have changed). Of course, expenditures on children's clothing may be a consumer good enjoyed more by parents than by children, so this result need not imply that children have higher levels of well-

being when their mother's control a greater portion of family income, though it is consistent with such an argument.

It is clear that we need to know more about the impact of mother's versus father's income on child well-being (rather than just upon patterns of family expenditures). However, the idea that it is better to give funds intended to benefit children to the mother certainly has a long history in Canada (i.e., back to original discussion of family allowances which were implemented in 1945).

If resources are not necessarily equally shared in all families, a related point is that children's well-being may also depend upon whether we deliver resources as a cash transfer to the family or in-kind to the child. An argument can be made, for example, that in-kind transfers (e.g., through public education, public medical and dental care, public daycare, school lunches) are a good way of directly increasing the well-being of children. Currie (1995) compares the relative effectiveness of US cash and in-kind transfer programmes in terms of their impact on the well-being of children, and she concludes that in-kind transfers 'deliver' in terms of improving child outcomes:

Children on Medicaid are more likely to receive routine checkups than similar children; WIC²⁸ has a positive impact on birthweight and child nutrition; and participation in Head Start leads to at least short-term and possibly longer term gains in cognitive functioning and schooling attainment. . . . In contrast, it is very difficult to identify any positive effect of cash transfers under the AFDC program. This does not mean that there are not benefits (p. 139).

Currie argues that families likely use unrestricted transfers as they would any other additional income; some is spent providing for the children but some is spent on other things. And, while a child who is given lunch or breakfast at school may be offered somewhat less at home in

consequence, her evidence is that such substitutions are only partial. Thus, while standard economic theory suggests that in-kind transfers are less efficient than cash (because a family might wish to purchase something other than what is offered in kind), concern about vulnerability within the family makes such transfers more appealing. The key point is that children cannot be given the cash directly. Adults will be the ones to allocate the income transfer in order to maximize adult utility, which might typically be assumed to depend upon child well-being, but cannot necessarily be assumed to do so.²⁹

How does all of this relate to the policy question raised in the title of the section? A relatively new literature on the distribution of resources within families indicates that family members may be affected differently by policies intended to direct the same level of resources toward improving the well-being of the child. Thus, the optimal *structure* of taxes/transfers might look different from the perspective of the child within the household than from the perspective of the 'household.' For example, unless otherwise specified, a tax exemption (or credit) for dependent children would likely be claimed by fathers, who in most cases have the higher personal income. A family allowance would be received by the mother (at least given the Canadian tradition). As discussed earlier, research suggests that even if the net impact on family income were identical, the implications for the well-being of the child might not be, since increases in net male income is not always used in the same way as increases in net female income. Finally, work by Currie (1995) suggests that a cash transfer to either parent may have a smaller impact on children's well-being than an in-kind transfer received directly by the child (e.g., a daily hot lunch at school).

6.3 Regional Mobility -- Costs for Children?

Economists would generally argue that it is a ‘good thing’ if an unemployed worker moves from Newfoundland to Ontario to take up a job, or if an employed worker moves from Winnipeg to Toronto to take a job which pays better. The literature on migration within Canada tends to consider the matter from the perspective of adult incomes,³⁰ and this is certainly very important. However, if we apply the lens of childhood, it is less clear whether economic mobility is always positive. Certainly, an increase in family income will be beneficial for child well-being, but other things equal, mobility itself appears to be very bad for young children (and, of course, this may also be true for adults).

Phipps (1999c) uses NLSCY microdata to study the impact of ‘changing residence’ on children’s well-being. Nine ‘functionings’ are studied: subjective health, happiness, experience of fear/anxiety, relationships with parents, siblings, peers, and teachers, experience of accident/injury requiring medical attention, and repetition of a grade at school.³¹ In every case, children’s outcomes are worse if they have ever changed residence than if they have not. This finding is consistent with empirical evidence presented by Coleman (1988), Corak (1998), DeWit, Offord and Braun (1998), and Hagen, MacMillan and Wheaton (1996).

Figures 12 and 13 indicate that having changed residence can have relatively ‘big’ effects. For example, the negative impact on child health associated with having changed residence is larger than that associated with single-parent status and of roughly the same magnitude as poverty status. The probability of repeating a grade at school is increased as much by having changed residence as it is by living with a lone parent or living in poverty. To the extent that they often match or exceed the effects of poverty or single-parent status, the effects associated

with having moved are 'big' and therefore of potential policy relevance. While more work is required in this area (for example, using longitudinal data), an implication of the results available to date is that we may need to re-assess the relative costs and benefits of economic mobility.

7. Conclusions

Children in Canada are not as well-off as they should be if we had achieved goals established in the late 1980's (e.g., eliminating child poverty by the year 2000); children experience a higher intensity of poverty than people of any other age; poverty intensity is higher among Canadian children than among children in many other affluent countries. Yet, economists have paid relatively little attention to the question of how policy, in general, affects the well-being of children.

This is probably largely due to the fact that we have focused upon the impact of policy on households, assuming that this is automatically in the best interests of the children. In most cases, this is probably true, but not in all cases (since we know, to give an extreme example, that some parents abuse or neglect their children). Thus, I argue that we need to pay attention to how policy affects the well-being of children as individuals.

When thinking about the economic well-being of children, it is important to consider both their future well-being and their current well-being. The economics literature, particularly the theoretical literature in this area, has thus far tended to take an 'investment' perspective and to focus upon children's eventual attainments, once they become adults. However, children are obviously people now, too, and any assessment of the well-being of society must keep account of how *all* its members are faring.

Since most approaches to understanding/measuring well-being used by economists were designed with adults in mind, they are not all equally suitable for application to children. For example, key differences between adults and children include: 1) children's preferences are in the process of forming -- they can't be treated as 'given;' 2) children do not control income and make choices in the same way as adults; 3) much of what is most important for children's well-being falls outside the market (e.g., home production; social relationships). Given these distinctions, I argue that Sen's (1992) 'functionings' approach is probably the best available option for understanding children's well-being. It is worth noting that Canadians should not be complacent about the well-being of children in terms of functionings, as we do not compare favourably with performance in countries other than the US.

There is, at present, a relative lack of theoretical work concerned with explaining the economic well-being of children, so there is much scope for new developments here. So far, the predominant approach focuses upon children's outcomes as largely dependent upon the choices made by their parents. Key predictions are that children will do better if parental income is higher or if there are fewer siblings with whom to divide parental time and money. Higher levels of parental education are also predicted to improve outcomes for children, other things equal, as this will enhance the 'quality' of time spent in parenting. The theoretical papers tend to take an investment perspective on children's well-being.

The empirical literature in this area is much larger, with attention paid both to eventual attainments and to the current well-being of children. In Canada, the advent of the NLSCY data set has resulted in an explosion of research on this topic. To date, researchers have concluded that children fare better if: 1) they live with two parents rather than one; 2) they have more

income; 3) their mother does not have less than high-school education. Of course, most of the research available to date using the NLSCY is based upon a single cross-section of data. We need to know more about changes over time and this will be possible as this panel of data grows (e.g., children may fare badly in lone mother families, other things equal, as a result of disruptions which occurred before the separation actually took place).³² And, though the NLSCY expands the possibilities for research on the well-being of children enormously, the arguments presented in this paper call for yet more new data collection, for example on unpaid activities carried on within families, or about macroeconomic conditions from a child's perspective.

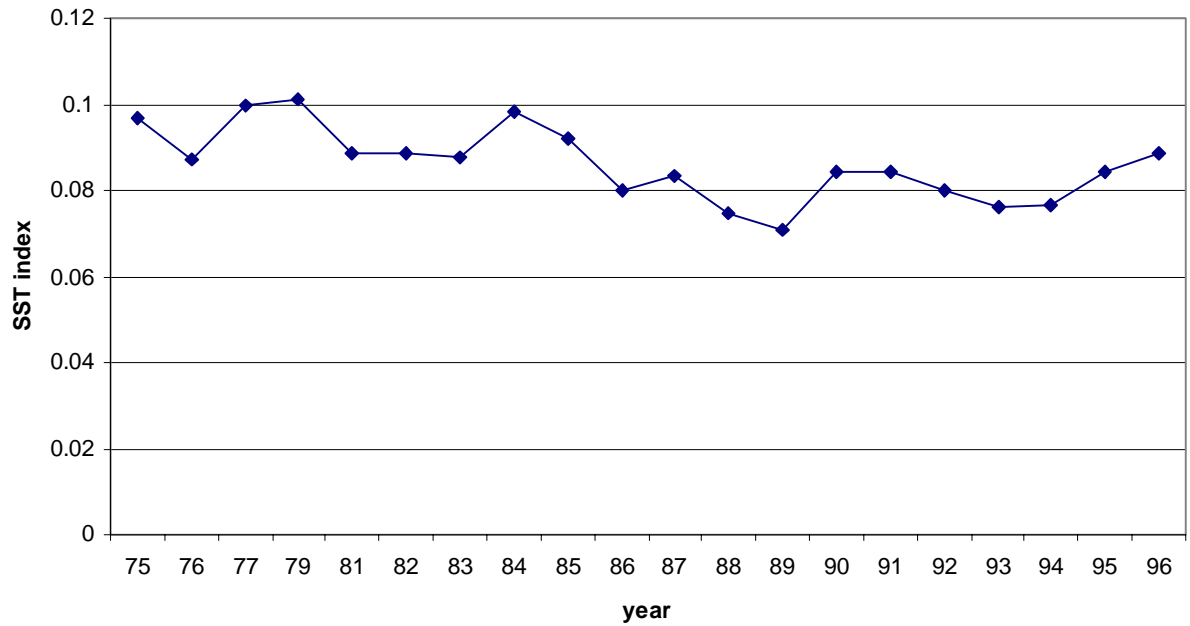
Finally, the principal theme of this paper has been that taking account of how policy might affect children is important if we want to make the best economic policy decisions possible. Three examples are provided -- one from macroeconomics, one from public finance and one from labour. First, I consider how unemployment affects children, and note that young children are more likely than anyone else to live in a family with an unemployed head or spouse. A single spell of unemployment of average duration can constitute a major portion of a young child's life, and early experiences are now regarded as developmentally critical, thus the costs of unemployment to the young child may be very large and very long-term. This is potentially important for our assessment of how to trade-off higher unemployment in the short-term against lower inflation in the longer term.

From public finance, I consider a question of optimal tax/transfer design from the perspective of the child -- specifically, does it matter whether resources are directed toward the child via a tax exemption/credit for the father, a family allowance paid to the mother or a school lunch (or other in-kind programme) received directly by the child. To examine this question, I

review a growing literature on the distribution of resources *within* families. Evidence, as well as folk wisdom, suggests that it may be better to issue a cheque in the mother's name (e.g., a baby bonus) than to allow the father to write off some of his taxable income; it may be even better to use 'in-kind' transfers received directly by the child.

Third, from the labour economics literature, I argue that 'regional mobility,' while increasing income/output, can have serious negative consequences for children's well-being, as assessed using microdata from the NLSCY. For example, children who have ever changed residence have poorer health, are less happy, have poorer relationships with family, friends and teachers, are more likely to repeat a grade at school, are more anxious and are more likely to have accidents than children who have never moved. In sum, looking at things from the perspective of the child can influence the policy trade-offs which we believe to be appropriate.

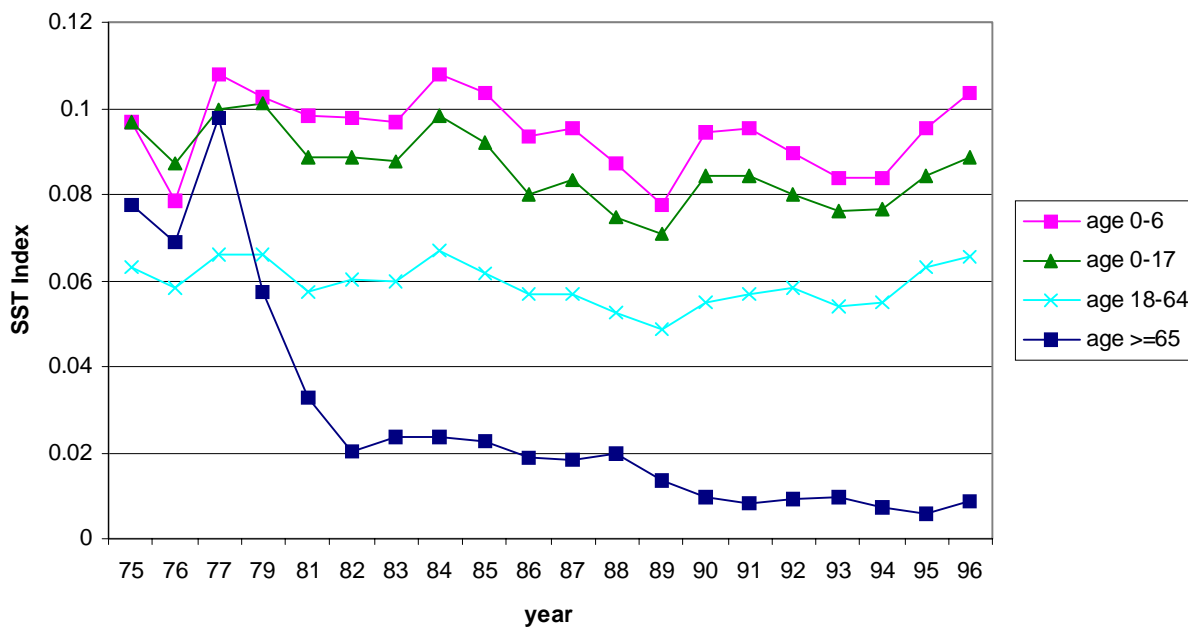
FIGURE 1
Poverty Intensity*
After Taxes/Transfers Ages 0-17



Source: Survey of Consumer Finances, author's calculations.

* The poverty line is calculated using 1/2 the median after tax income (OECD equivalence scales); 'poverty intensity' is measured using a Sen-Shorrocks-Thon index.

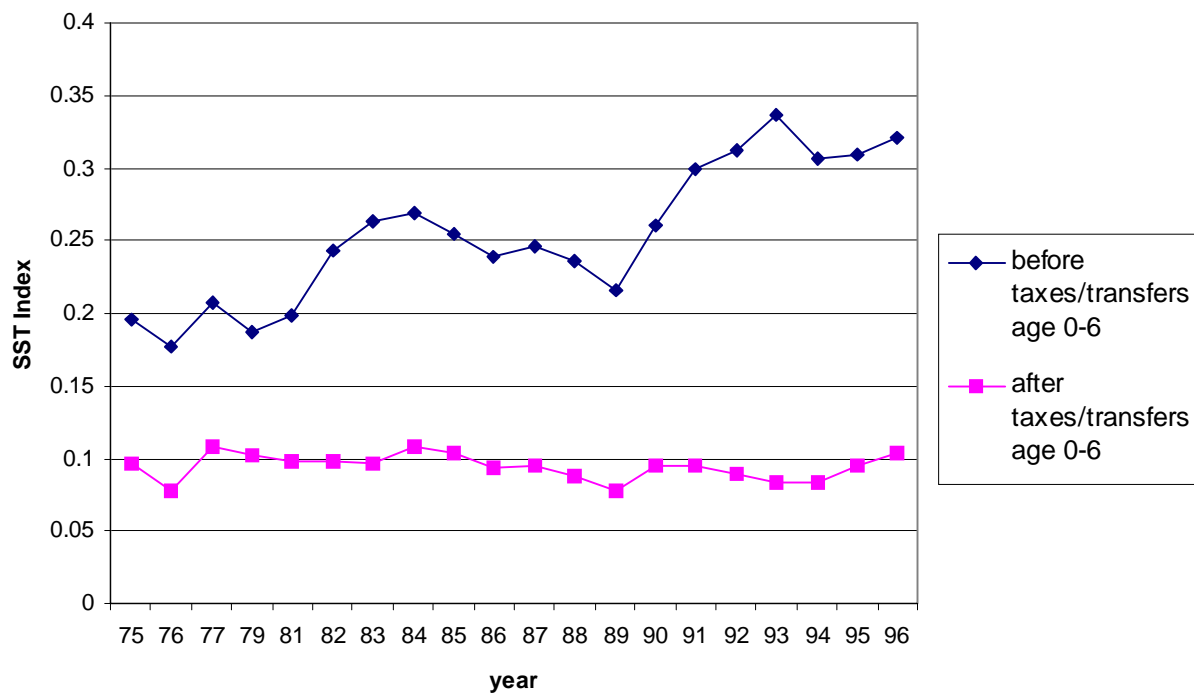
FIGURE 2
Poverty Intensity* After Taxes and Transfers
by age group



Source: Survey of Consumer Finances, author's calculations.

* The poverty line is calculated using 1/2 the median after tax income (OECD equivalence scales); 'poverty intensity' is measured using a Sen-Shorrocks-Thon index.

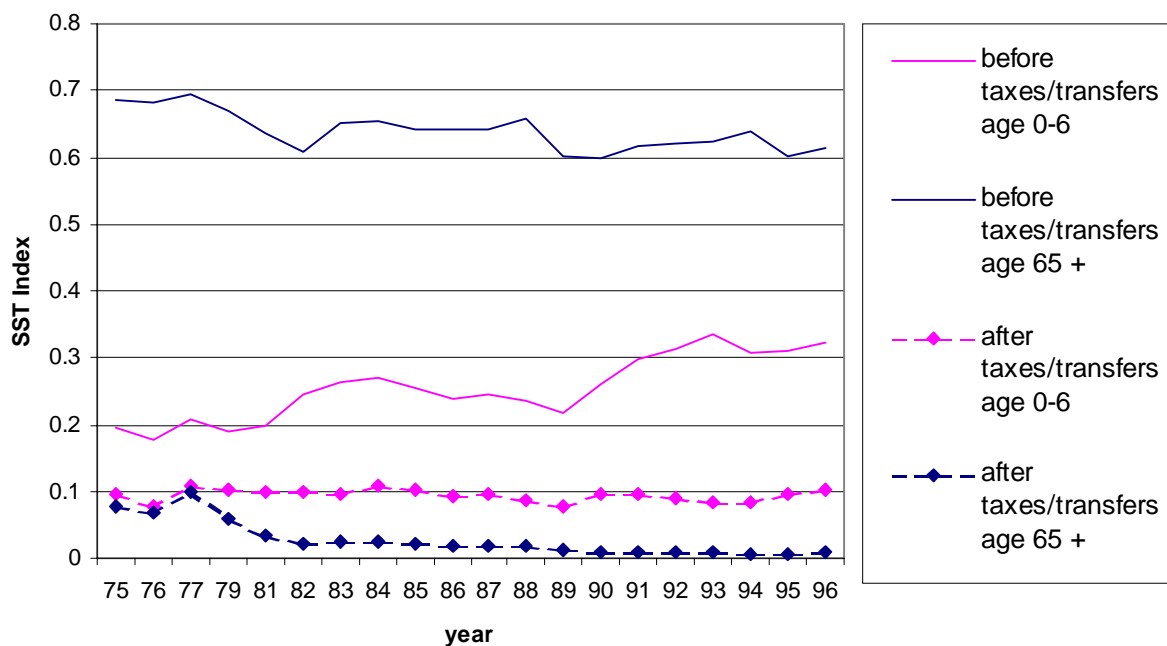
Figure 3
Poverty Intensity* Ages 0-6



Source: Survey of Consumer Finances, author's calculations.

* The poverty line is calculated using 1/2 the median after tax income (OECD equivalence scales);
 'poverty intensity' is measured using a Sen-Shorrocks-Thon index.

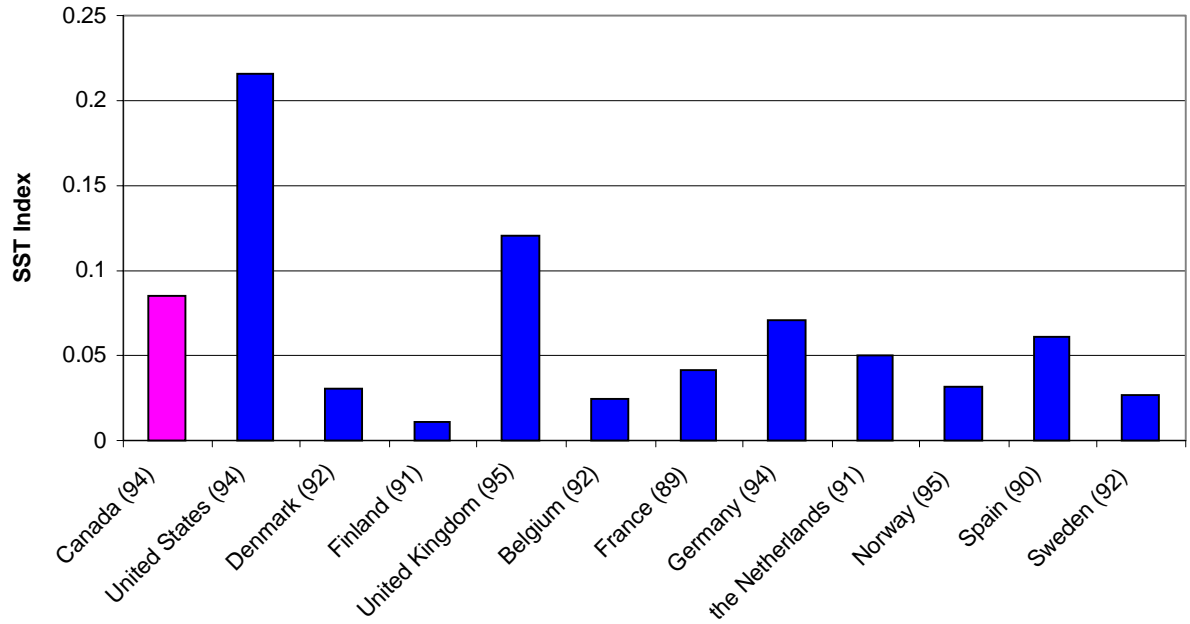
FIGURE 4
Poverty Intensity*
Ages 0-6 and Ages 65+ Compared



Source: The Survey of Consumer Finances, author's calculations.

* The poverty line is calculated using 1/2 the median after tax income (OECD equivalence scales);
 'poverty intensity' is measured using a Sen-Shorrocks-Thon index.

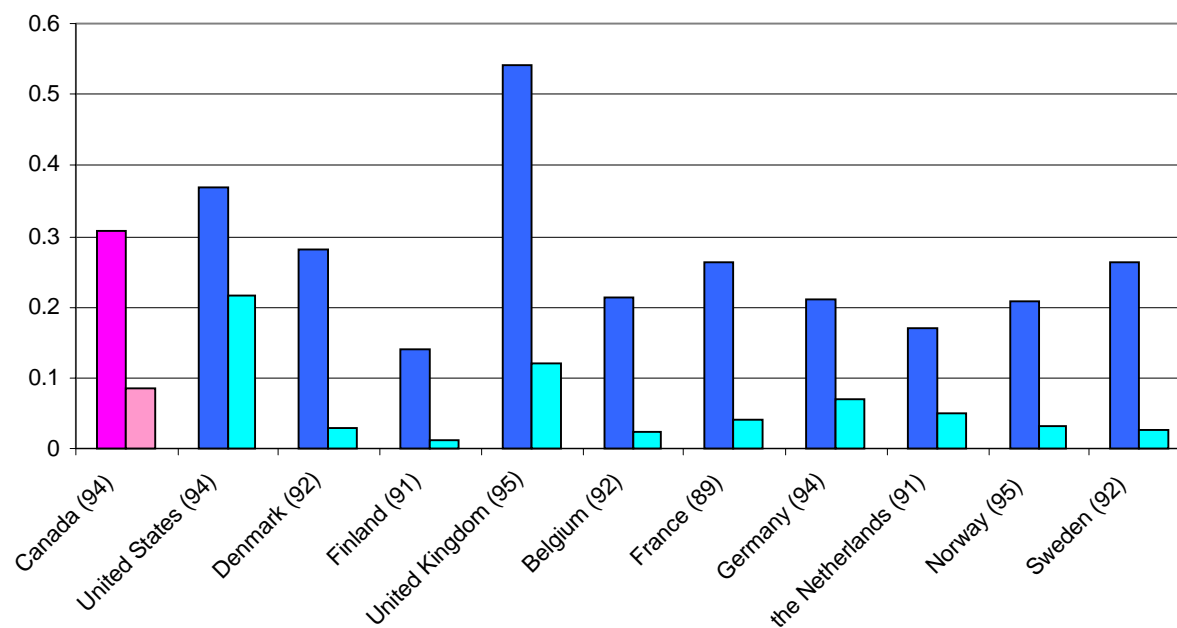
FIGURE 5
Poverty Intensity* After Taxes and Transfers
Children 0-6



Source: The Luxembourg Income Study, author's calculations.

* The poverty line is calculated using 1/2 the median after tax income (OECD equivalence scales); 'poverty intensity' is measured using a Sen-Shorrocks-Thon index.

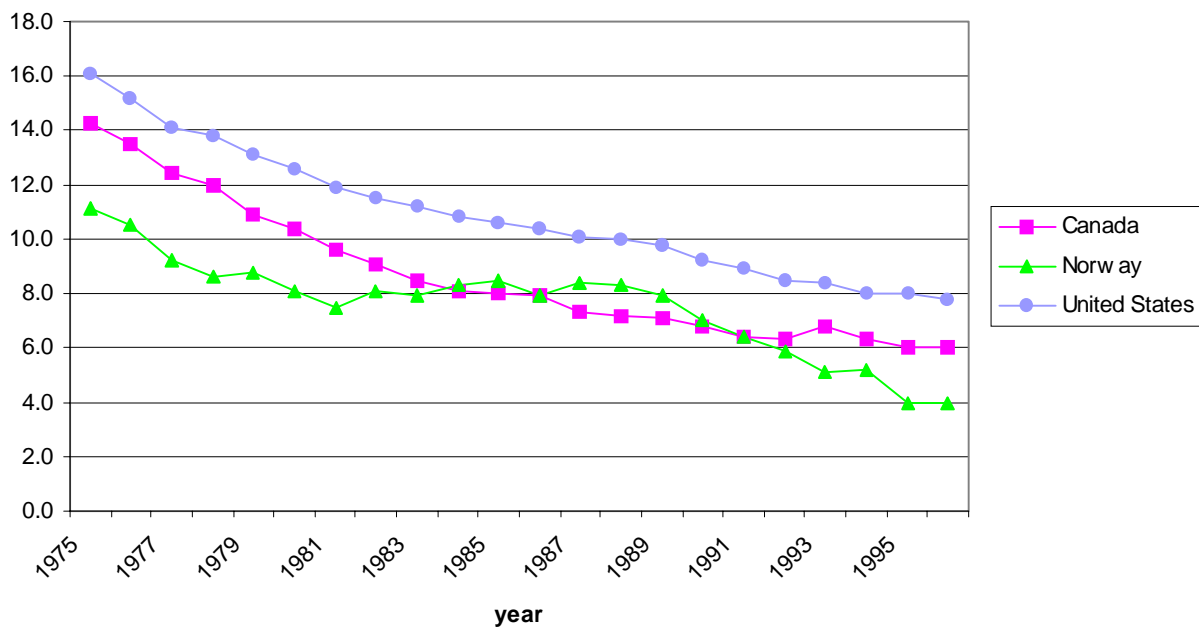
FIGURE 6
Poverty Intensity* Before and After Taxes and Transfers
Children age 0-6



Source: The Luxembourg Income Study, author's calculations.

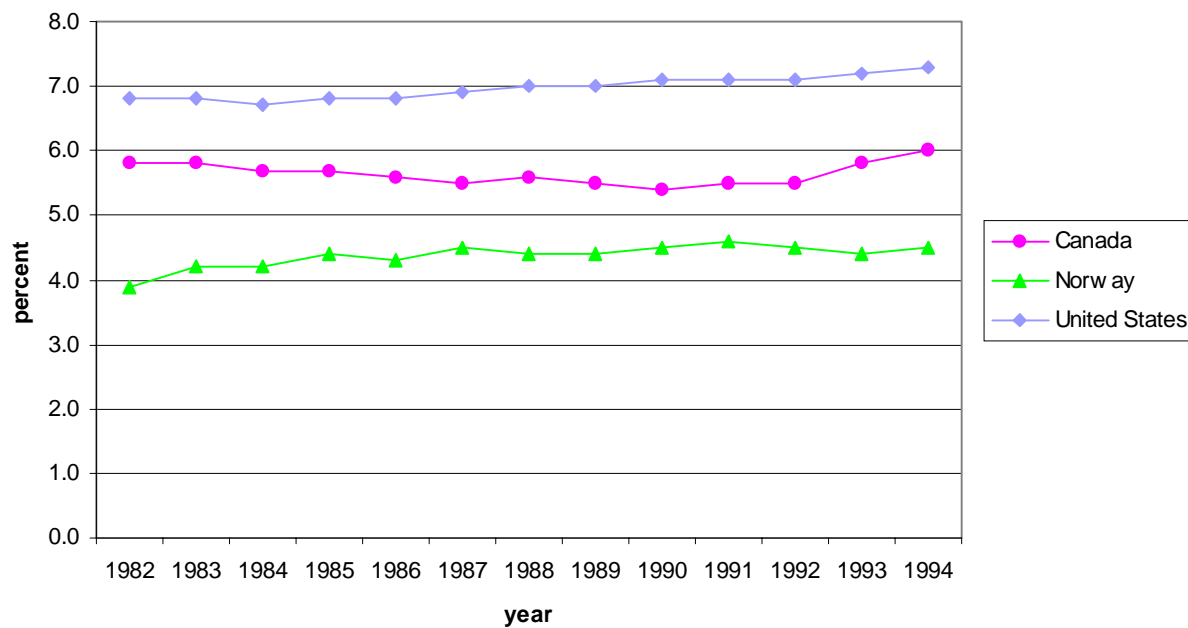
* The poverty line is calculated using 1/2 the median after tax income (OECD equivalence scales); 'poverty intensity' is measured using a Sen-Shorrocks-Thon index.

FIGURE 7
Infant Mortality
Number per 1000 Live Births



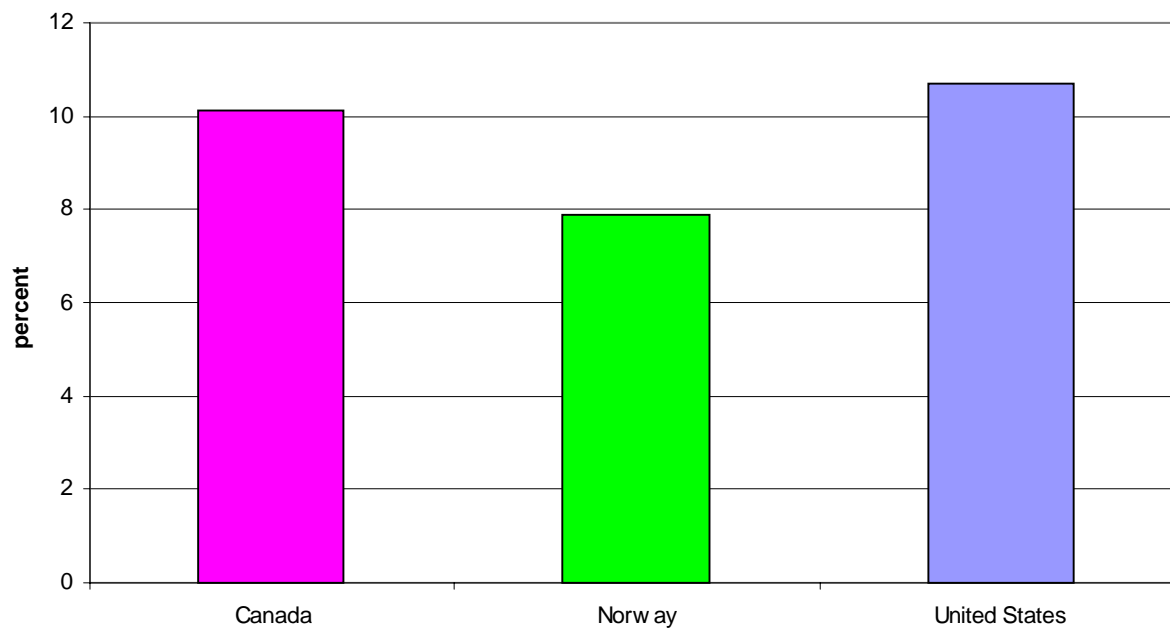
Source: OECD, Health Data, 1998.

FIGURE 8
Low Birth Weight
(Percent of Neonates Weighing Less than 5.5 lbs)



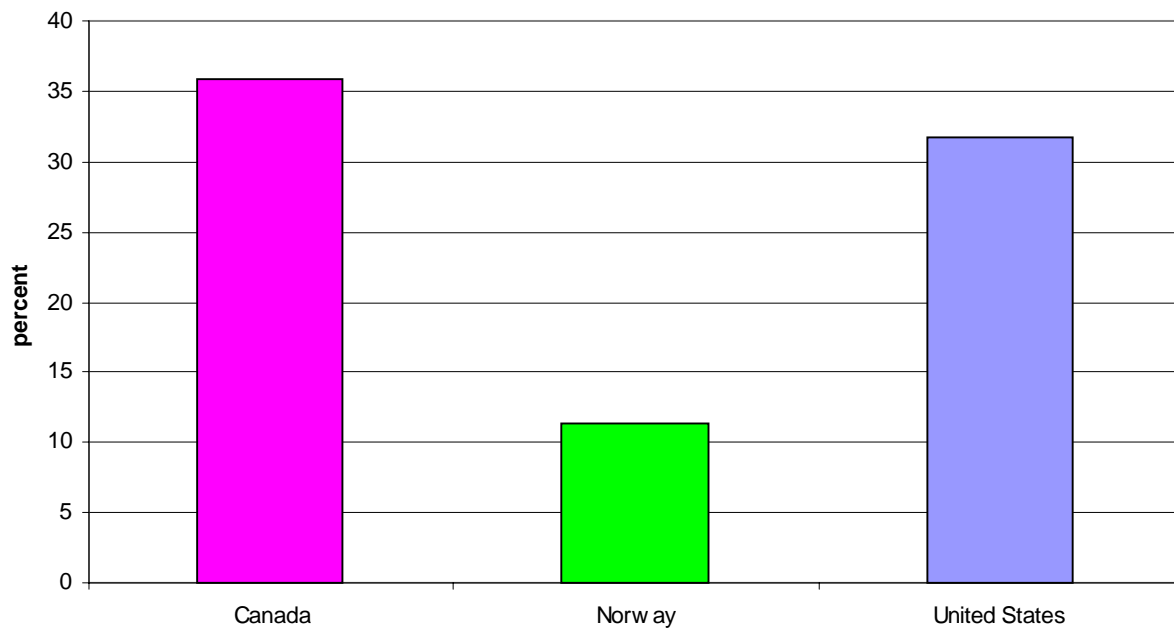
Source: OECD, Health Data, 1998.

FIGURE 9
Children Aged 0-11 Who Have Had Accidents Requiring Medical Attention
in the Last Twelve Months



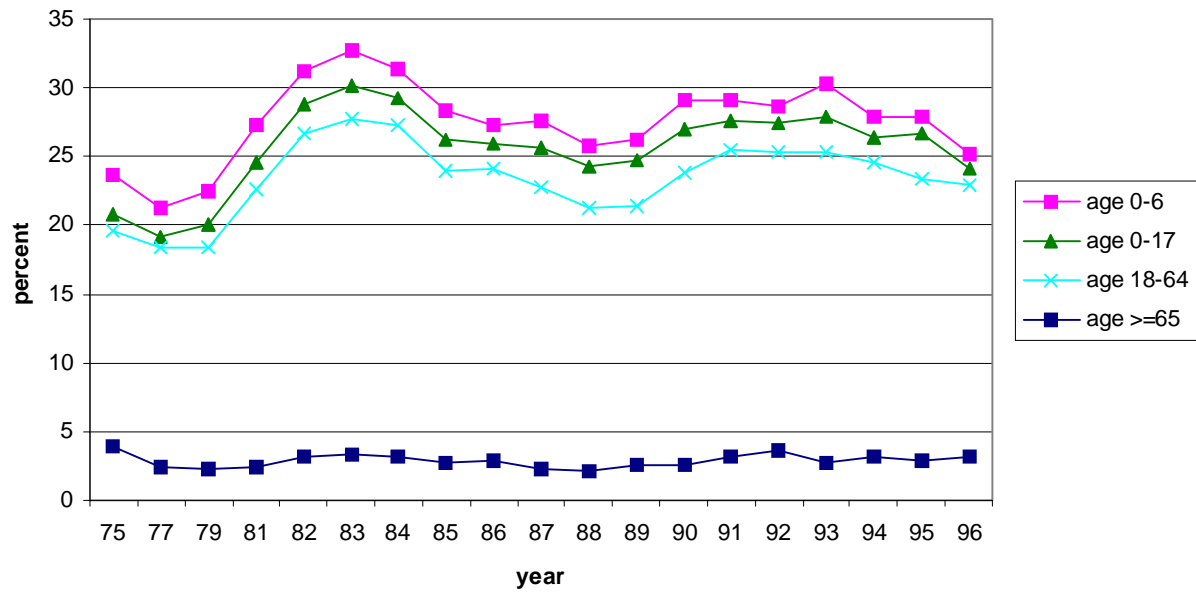
Source: Phipps, 1999.

FIGURE 10
Children Aged 4-11 Who Have Been
Described as Anxious/Frightened



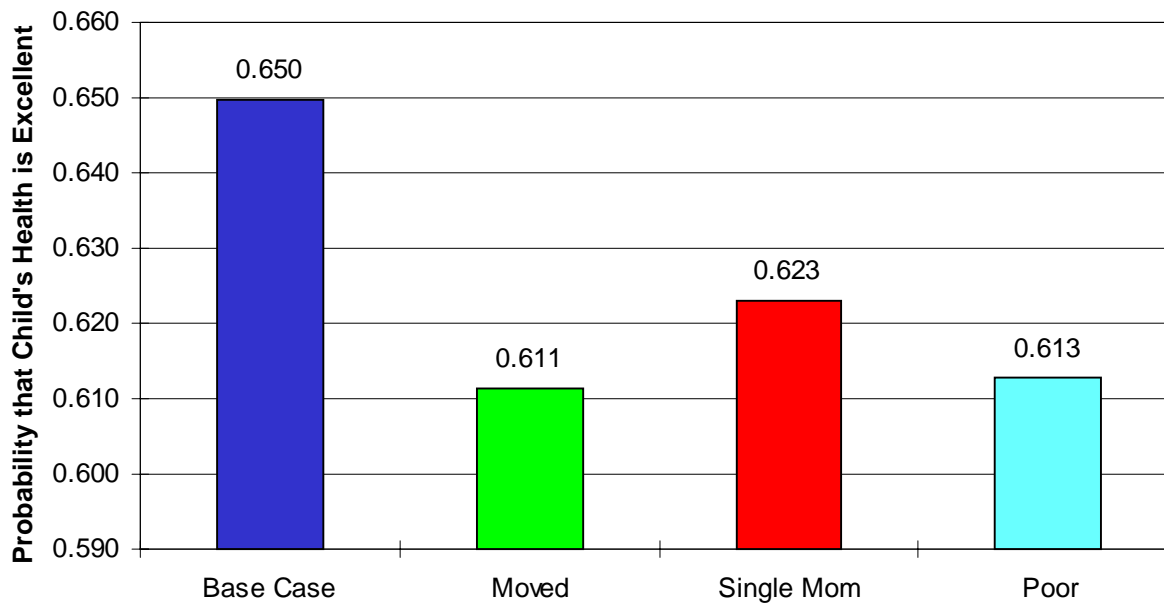
Source: Phipps, 1999.

FIGURE 11
Individuals Living in Households With
Head or Spouse Experiencing Unemployment
- by age category



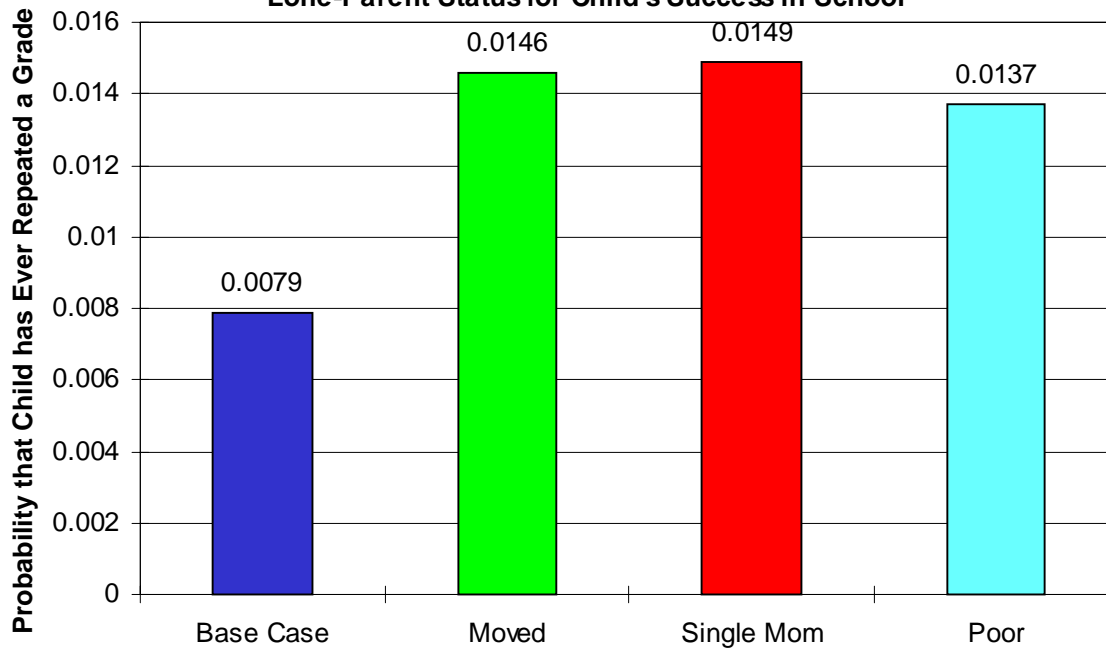
Source: Survey of Consumer Finances, author's calculations.

FIGURE 12
The Quantitative Importance of Having Moved Compared to Poverty or Lone Parent Status for Child's Health Now



Source: Phipps, 1998 which uses the National Longitudinal Survey of Children and Youth: Cycle 1, Release 2. Statistics Canada - Human Resource Development Canada

FIGURE 13
The Quantitative Importance of having Moved Compared to Poverty or Lone-Parent Status for Child's Success in School



Source: Phipps, 1998 which uses the National Longitudinal Survey of Children and Youth: Cycle 1, Release 2. Statistics Canada - Human Resource Development Canada

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Footnotes

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1. Survey of Consumer Finance microdata, 1996. Children are defined as persons under 18 years of age.

2. Five popular first-year microeconomics texts do not include the word ‘children’ in the index (Case, et.al., 1998; Lipsey, et.al., 1997; McConnell, et.al., 1996; Parkin and Bade, 1997; Stiglitz and Boadway, 1997). Neither do 3 current graduate level micro-theory texts (Kreps, 1990, Mas-Colell, et.al., 1995; Varian, 1992). Children are more likely to appear in research which asks how children affect the behaviour of other people. For example, there are many excellent papers which study the impact of children on economic behaviours such as mother’s labour supply, family expenditures, family saving (see for example, Browning, 1992 or Nakamura and Nakamura, 1992). The ‘economic cost of a child’ has also often been studied (e.g., Deaton, et.al., 1989; Nelson, 1990).

3. ‘Non-paternalistic’ in this context means that the parent cares only about the child’s utility, and not about what generates the utility.

4. ‘Poverty intensity’ is a measure which combines incidence and depth of poverty in a single index. The index used here is the Sen-Shorrocks-Thon (SST) index of poverty intensity which can be calculated as $I = (\text{rate}) * (\text{gap}) * (1 + G(x))$ where ‘rate’ is the percentage of the population with incomes below the poverty line, ‘gap’ is the average percentage gap between the incomes of the poor and the poverty line and $G(x)$ is the Gini index of inequality of the poverty gap for all people. See Osberg and Xu, (1999 forthcoming) or Myles and Picot (1999).

5. All poverty lines used in this paper are constructed as one-half median ‘equivalent income’ (i.e., income adjusted to take account of economies of scale available to individuals who live together using OECD equivalence scales). Thus, poverty is measured as a relative concept, both for comparisons across time and for comparisons across countries. This is standard practice in the poverty literature (see, for example, Smeeding and Sullivan, 1998 or almost any of the Luxembourg Income Study discussion paper series: <http://lissy.ceps.lu/wpapers.htm>). Indeed, the idea that poverty should be measured in relative terms has a very long history in economics.

Over 200 years ago, Adam Smith wrote: “By necessities I understand, not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without (p. 400). In 1983, Sen argued that ‘poverty is an absolute notion in the space of capabilities but very often it will take a relative form in the space of commodities or characteristics’ (1983, p. 161). In this paper, Sen uses the example of a bicycle which is a *commodity* with the *characteristic* that it produces transportation which gives an individual the *capacity* of moving from point A to B. Atkinson (1998b) argues for a relative poverty line. Specifically, he advocates “a standard of 50 percent of the average” (p. 27).

6. Note that the relative measure of poverty used for this analysis (ie., 50 percent of median income) actually yields a *lower* poverty line than the Statistics Canada Low-Income Cut-offs by 1994, if the family lives in an urban area. For example, the poverty line for a family of two parents and two children would be \$22,496 versus the LICO of \$26,209 (Osberg, 1999).

7. From a political economy perspective, it is interesting to consider the link between voting power and effective policy.

8. These comparisons are made using the most recent microdata available from the Luxembourg Income Study.

9. Many economic models which make use of the concept of utility are intended only as models of individual choice. No normative significance is attached to ‘utility’ in such cases.

10. There may be important gender differences here (Annas, 1993).

11. A search of the EconLit Silverplatter database for ‘subjective well-being’ yields only seven entries.

12. For example, there is a very large literature which studies child poverty (Dooley, 1989; Smeeding, et.al., 1988; Picot and Myles, 1998).

13. The literature on sharing within families tends to focus upon expenditures (e.g., Browning, et.al., 1994).

14. Rawls himself included liberty and opportunity, income and wealth and the basis of self-respect - p. 303.

15. An interesting question is whether beyond basics, expenditures on the clothing of young children might actually be better regarded as consumption of the parents rather than the children (e.g., designer sleepers for newborns). This point is less relevant for older children who might care very much about having designer labels.

16. I have in mind here both traditional ‘home production’ activities and ‘caring’ (Folbre, 1995) activities.

17. This approach is very similar to that advocated by Allardt (1993), who talks about 'having, loving and being' as the key components of well-being. Klasen, 1998 and Ross et.al., 1996 are examples of empirical work which essentially adopts a 'functionings' approach.

18. Currie, 1995, pp 16-32, outlines a variety of measures of children's well-being which have been used in empirical work. These include: measures of physical health status (mortality, birthweight, anthropometrics and nutritional status, illness, preventive care, activity limitations), test scores and scholastic achievement, long-run measures of social competence (e.g., high-school drop-out rates, juvenile delinquency). Although not phrased in this way, many of these measures could be viewed as child 'functioning.'

19. I focus at this stage on a 3-country comparison in order to make use of microdata for these 3 countries which I have been using in my own recent research (Phipps, 1999b).

20. Figures 9 and 10 make use of microdata from Norway and the US which is roughly comparable to the Canadian National Longitudinal Survey of Children and Youth (NLSCY). See Phipps, 1999b. Obviously, however, the Norwegian Survey was not conducted in English, so it is possible that some of the difference in response is due to translation/cultural interpretation, etc. Of course, this is also true even within Canada, as some respondents were asked questions in French or other languages. Nonetheless, the differences are so striking that it is hard to entirely explain them away on these grounds. It is also worth noting that Norwegian outcomes appear better than Canadian for any outcome for which data were available, so the data presented here are consistent with a general pattern (see Phipps, 1999b).

21. It is worth noting that the 'investment' rather than the 'child counts now' perspective dominates the theoretical economics discourse.

22. Behrman, Pollak and Taubman, 1995, for example, adopt a similar perspective.

23. For example, economists have recently become interested in the idea of 'social cohesion' (e.g., Osberg, 1999). Do more cohesive communities provide more/better programmes for children and how does this operate?

24. There are numerous other results. I emphasize only those which pertain most directly to the material at hand. Additional references to empirical work are made through the paper as appropriate.

25. This is obviously not exactly a 'children's unemployment rate,' but it gives the sense of what such a rate might look like and it is easily feasible, with many thanks to the Data Liberation Initiative.

26. The average for heads of household with some unemployment in 1996.

27. This also allows for the possibility that some parents may put children's interests first to the extent that the child is better off than the parent (e.g., the child gets new shoes while the mother

or father makes do).

28. WIC is a program to provide nutritional counselling and food supplements to pregnant and lactating mother and their infants as well as to low-income children up to age 5.

29. A potential problem with this line of argument is that it opens up the possibility of reasoning that some groups of parents (e.g., the middle-class) are 'good' while others (e.g., the poor) are not. This is *not* what I have in mind.

30. See for example, Day, 1992; Robinson and Tomes, 1982; Osberg, Gordon and Lin, 1994.

31. Regressions are generally ordered probits; however, since injury and repetition of a grade are dichotomous variables, regular probit analysis is used in these cases. See Phipps, 1999c for full details.

32. Kingston-Riechers (1998) found that 53% of women from dissolved first marriages reported physical abuse by their former partner, but that only 15% of currently married women reported physical abuse by their current partner.

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