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For Poorer Children, Living in a High-Cost Area Hurts Development

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Geographic Variations in Cost of Living: Associations With Family and Child Well-Being

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Contact:

Jessica Efstathiou, Senior Media Relations and Communications Associate

E-MAIL

Young children in lower-income families who live in high-cost areas don't do as well academically as their counterparts in low-cost areas, according to a new study.

The study, by researchers at Child Trends and the University of California (UCLA), appears in the journal *Child Development*.

"Among families with incomes below 300 percent of the federal poverty threshold— that's below $66,339 for a family of four—living in a region with a higher cost of living was related to lower academic achievement in first grade," according to Nina Chien, a research scientist with Child Trends, who coauthored the study.

"This is the first study to show that income isn't enough," Chien added. "Cost-of-living differences also matter for children's development, particularly for children from lower-income families."

Researchers used data from the Early Childhood Longitudinal Study-Kindergarten Cohort, a nationally representative sample of more than 17,500 children at more than 2,000 schools who started kindergarten in 1998. They estimated the relation among such factors as cost of living, family income, material hardship, parents' investments in their children's educational activities, as well as assessments of parents' psychological well-being (such as moms' reports of depressive symptoms and conflict in the marriage), parenting practices (such as warmth and having routines), and school resources.

Researchers then looked at these factors in relation to children's academic achievement (as measured by teachers' reports and tests of how well the children read and did math), and social-emotional development (as measured by teachers' reports of children's behavior problems and social skills).

In addition to the pattern for all families with incomes below 300 percent poverty, findings specific to families below 100 percent of the federal poverty level pointed to further differences. Among children who lived in families below 100 percent of the federal poverty threshold, those who lived in a higher-cost area (compared to those in a lower-cost area) had parents who made fewer investments in educational activities and went to schools with fewer resources.

“This makes sense,” Chien notes. “For poor families already struggling to meet basic needs such as housing, utilities, and food, living in a higher-cost area meant that families had little left over to afford educationally enriching materials or activities for their children.”

Differences for lower-income families according to cost of living in the area of residence held even when taking into account a comprehensive set of demographic variables. The pattern was not seen in children from more affluent families, suggesting that their academic achievement wasn’t as sensitive to cost-of-loving variations.

“Many government assistance programs are applied by income and don’t take into account variations in cost of living,” Chien notes. “Our findings suggest that poor and lowerincome families living in higher-cost areas may have a greater need for public assistance to offset the higher costs of basic expenditures.”

The study was supported by the American Educational Research Association, which receives funds for its grants program from the National Science Foundation and the National Center for Education Statistics of the U.S. Department of Education, as well as by UCLA and a grant to the University of California, San Diego from the National Institutes of Health National Center on Minority Health and Health Disparities.

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