

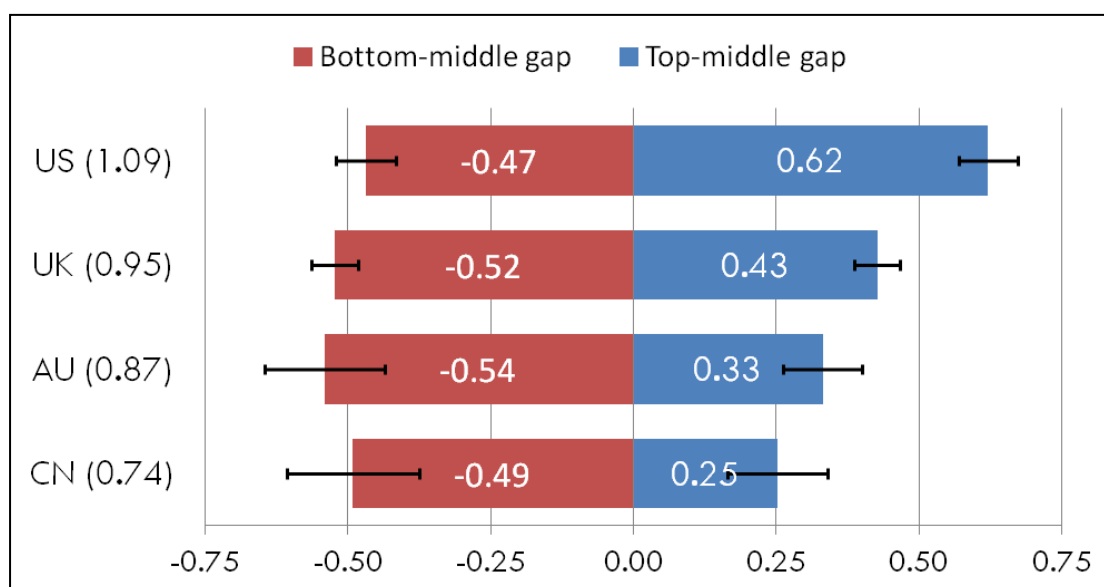
## Childhood resources and inequality at school entry in Australia, Canada, UK and US

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20<sup>th</sup> September 2012

One of the most disturbing aspects of social inequality is the transmission of inequality across generations. The impact of this is evident at school entry, with children from lower-socioeconomic status (SES) families entering school with lower levels of school readiness than their more affluent peers. As shown in Figure 1, the gap in early development between rich and poor is greater in the US than in other similar countries (particularly Australia and Canada). This provides suggestive evidence that at least part of the explanation for the gap might arise from variations in national socio-economic and policy environments.

**Figure 1. Income-related gaps in vocabulary at age 4 to 5**



*Notes.* Vocabulary scores expressed as standardized z-scores. The bottom-middle gap is the difference in average test scores between children in the lowest and the third (middle) income quintile groups in each country. The top-middle gap is the equivalent difference between the highest and middle quintile groups. Numbers in parentheses are the gap between the lowest and highest income quintile groups (the top-bottom gap). Black lines are 95 percent confidence intervals. Source: Bradbury et al (2012).

How do these four countries compare in terms of the resources available to families with young children and are these patterns related to their social policies and broader socio-economic environments? Some evidence on this question is provided below in Table 1. It shows that greater inequality in school readiness in the US exists alongside greater income inequality in society in general, lower levels of social expenditures on children and a smaller share of public spending on health.

**Table 1. Indicators of economic and policy inputs into child well-being inequality**

	Australia	Canada	United Kingdom	United States
Inequality (Gini, 2003-2004)	0.31	0.32	0.35	0.37
Child poverty (relative, 2005)	11.8	15.1	10.1	20.6
Per capita social expenditure on children aged < 6 as proportion of median working-age income				
Cash and tax breaks	9.9	na	8.9	4.3
Child care, education and other	8.8	na	12.7	6.4
Public expenditure as share of total health expenditure (2005)	66.9	70.3	81.9	44.4

Source: Bradbury et al (2012).

This paper builds on the authors' previous research documenting rich/poor outcome gaps at school entry in these four countries. Its conceptual framework is that the investments made in children reflect the interplay of three sources: the family, the labor market and the state (public policy). We provide a systematic consideration of the way in which the balance of these three factors among families with young children varies across the countries and how they vary between high and low income families. We then offer suggestions on what the US can learn from other countries in terms of policy to narrow the school readiness gaps.

The paper includes cross-national analysis of national data on social expenditures and other economic indicators, as well as analysis of contextual factors such as the child care experiences and parenting practices of children from different socio-economic groups. More specifically, the paper assembles data on inequalities in the following key areas that are central to the wellbeing and development of children prior to school entry

- Parental time resources devoted to child rearing (time use, employment and parental leave patterns)
- Parenting practices
- Family incomes and private expenditures on child-specific goods such as childcare and pre-school services
- Public policy impacts on family incomes through the tax/transfer system
- Public policy provision and subsidies for child health and childcare services (including measures of variation in service quality across socio-economic groups)

These data are drawn from both existing research studies and international data collections as well as new analyses undertaken by the authors using newly harmonized and nationally-representative cohort studies of individual children and their families. (The studies are the Early Childhood Longitudinal Study Kindergarten cohort for the US; the National Longitudinal Study of Children and Youth for Canada; the Longitudinal Study of Australian Children and the Millennium Cohort Study for the UK.)

## References

Bradbury, B., M. Corak, J. Waldfogel and E. Washbrook. (2012). Inequality in Early Child Outcomes. In J. Ermisch, M. Jäntti, & T. Smeeding (eds) *From Parents to Children: The Intergenerational Transmission of Advantage*. New York: Russell Sage Foundation.