



Report summary
**Canada Child Benefit – Family
expenditures and consumption impacts**





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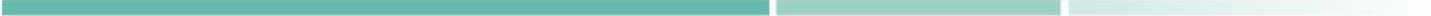
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Official title of the full report: Canada Child Benefit – Family expenditures and consumption impacts

Authors of the full report: Jason Adams, Sid Ali Amedah, and Maxime Fougère

Why this study

In July 2016, Canada introduced the Canada Child Benefit (CCB). The CCB helps families with children under the age of 18 with the cost of raising their children. It is a tax-free monthly benefit based on household's income that replaced existing child benefits. It provides increased support for low- to middle-income families with children.

The goal of this research was to measure the CCB impact on households' spending and wellbeing.

What we did

Estimating the direct effects of the CCB on household spending is challenging. Our analysis had 2 approaches:

- comparing the share of different child-related costs. This analysis looked at total expenses, before and after introducing the CCB. We calculated these averages for different types of households, including:
 - by the age of the children
 - by the amount of CCB the household would receive, and
 - by the number of parents in the household
- estimating expenditure elasticities. This analysis looked at how household spending in different categories changed for these different groups as their total expenditures increased

We used yearly data from the Survey of Household Spending, conducted by Statistics Canada.

What we found

Our findings suggested that:

- for some, receipt of the CCB coincided with a significant increase in spending for certain basic categories. This was without affecting other spending, which may have improved the wellbeing of these households.
- spending patterns varied by household type and income level. Childcare is one of the categories of spending that are the most affected by changes in total household spending. This is the case for households receiving higher proportions of the benefit.
- this could be a sign that these households have financial limitations. These limitations could prevent them from achieving their economic goals.
- spending on school-related items for those receiving lower proportions of the CCB is also sensitive to changes in total spending.

What it means

This research helps build understanding of the way that households spend child benefits. It also helps to understand the impact of this expenditure on wellbeing.

By doing this analysis for different groups of households:

- we learn more about the needs of these specific types of families, and
- the department benefits from a better understanding of these households' priorities

As a result, it improves the ability to form policies to help those in need.

Contact us

Strategic and Service Policy Branch, Social Policy Directorate, Social Research Division

Email: ESDC.NC.SSPB.RESEARCH-RECHERCHE.DGPSS.CN.EDSC@hrsdc-rhdcc.gc.ca