



Introduction

People living in poverty have insufficient household income to meet an acceptable standard of living, and are thus prevented from realising their full potential^[1,2]. As this Research Snapshot outlines, the experience of poverty in the early years can have widespread impacts on children's health, development and educational success, well into adulthood. Poverty can also influence parenting skills and family functioning, leading to poor outcomes for children.

Poverty in Australia

Despite record economic growth and our prosperity as a nation, the rate of poverty in Australia is higher than the average of OECD countries. In 2014, the child poverty rate in Australia was 17.4%, affecting more than 730,000 children^[1]. While a number of people move in and out of poverty (e.g. following short-term periods of unemployment), a smaller proportion experience deep and persistent disadvantage^[2]. Among those most likely to experience deep and persistent disadvantage are lone parent families, people with a long-term health condition or disability, people with low educational attainment, and Indigenous Australians^[3].

The lifelong effects of poverty

The learning and achievement gap between poor children and their more advantaged peers first appears in early childhood, and can widen over time, limiting their opportunities for academic success^[4]. As reported in the 2015 Australian Early Development Census, children living in the most socio-economically disadvantaged areas are over four times more likely to be developmentally vulnerable compared to

children residing in the least disadvantaged areas in Australia^[5].

The lifetime experience of poverty can form a cycle within families described as an intergenerational transmission of disadvantage^[6,7]. This occurs because children growing up in adversity have a higher risk of poor development, and their parents are likely to have limited ability to protect against these risks. Also, as a consequence of growing up poor, children may have reduced aspirations and hopes for the future^[7]. Intervening in the early years to improve educational outcomes is crucial to help break the cycle of disadvantage, and protect against the harmful impact of adversity on children's development^[2,6].

How poverty gets 'under the skin'

Early childhood disadvantage can get 'under the skin' to shape lifelong physical and mental health outcomes^[8]. Health inequalities between poor children and their more advantaged peers are evident in early childhood and persist throughout adulthood, impacting across many of the body's systems. For instance, elevated cortisol levels, high blood pressure and impaired immune function, have all been reported among disadvantaged children compared to those children who aren't living in poverty^[8]. There is also a higher risk of adverse health outcomes for poor children later in adulthood, including cardiovascular disease, respiratory disease, diabetes, obesity, certain cancers, disease of the digestive system and mental health disorders^[9,10].

Poverty in early childhood can have lasting effects, partly due to the sensitivity of developing brain function in children's formative years^[11]. Growing up in

environments characterised by chaotic, unpredictable or adverse conditions can lead to continual activation of the body's stress responses designed to ensure survival^[12]. This can then impair children's ability to respond effectively to stressful experiences throughout their life. However, research demonstrates that support from caregivers can help protect against harmful effects of poverty on brain development in early childhood^[13].

Experiences of adversity can also inhibit the brain's development of core capacities, known as executive function^[14]. These skills are likened to an "air traffic control system" for the brain, and enable children to remember and follow instructions, focus their attention, switch between tasks, solve problems, and learn from mistakes^[14]. The development of executive function also supports children's ability to effectively self-regulate their emotions and behaviour^[15, 16].

While the experience of poverty in early childhood undermines the development of executive function, poor children can still be assisted to develop these skills that form the foundation for future success in schooling and beyond^[16]. This requires careful and conscious attention to the environment of relationships that young children grow up in, providing opportunities for responsive and consistent care; enabling them to feel a sense of belonging and purpose, and; be challenged and supported in their learning and development^[16].

Parenting and family functioning

Research suggests it is not economic hardship per se but the accompanying poverty of relationships and experiences in early childhood that dramatically shapes health and developmental outcomes^[7, 17]. Poverty can have harmful effects on children through limiting parents' ability to provide consistent and responsive care, and a stimulating learning environment for their child^[11]. In particular, they may have less time

or capacity for crucial "serve and return" activities, in which adults respond to and encourage infants' efforts to interact through language, gestures and emotional expression^[12, 15]. However, there is considerable opportunity to help adults cope with adversity and manage parenting effectively, to provide optimal support for their child's development^[15, 18]. Fully integrated, two-generation programs, which provide services to both parents and children, can address the needs of both children and their caregivers, and assist adults to develop the core capabilities necessary for success in parenting and the workplace^[18, 19].

Importantly, the experience of at least one stable and responsive relationship with a parent or caregiver has been found to help buffer against the detrimental impacts of adversity on child development^[20]. Furthermore, a positive and engaging home learning environment is stronger than a parent's education and class in creating good outcomes for children^[21, 22].

Conclusion

Despite our overall economic prosperity as a nation, a substantial number of people in Australia are being 'left behind'^[1-3]. The experience of poverty in the early years can significantly impact on children's lifelong health and wellbeing, limiting their opportunities for full participation in society^[8-10]. We all have a critical responsibility to help protect children from these harmful effects of poverty and work towards breaking the cycle of disadvantage^[23].

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