

Evidence brief: A scoping review of the effectiveness of the Children's Fitness Tax Credit

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About the project

Children experiencing low income are less likely to engage in physical activity (PA), especially organized activities such as sports, due to financial barriers (e.g., costs of registration, travel, equipment). Among potential economic tools to address such barriers, tax credits are popular with many governments and taxpayers because they reimburse a portion of expenses incurred from a particular activity. The Children's Fitness Tax Credit (CFTC) was a federal tax credit available to families in Canada who registered their children in an eligible PA program between the years 2007 to 2016. Initially, the CFTC was a non-refundable \$500 tax credit that was changed to a refundable \$1000 credit in 2015. An additional \$500 could be claimed by families with children with a disability. Though the intent of the tax credit was to alleviate financial barriers to participation in organized PA, concerns were expressed by researchers and practitioners about accessibility to the CFTC for all Canadian children and limited understanding existed on the effectiveness of these credits.

The purpose of this this paper was to conduct a scoping review of both unpublished and published studies examining impact of the CFTC. In doing so, we posed two research questions seeking evidence for: (1) equitable take-up (e.g., claiming, use) of the CFTC by Canadian families according to income status and/or disability status of the child; and (2) effectiveness of the CFTC in promoting or facilitating PA or sport participation among Canadian children and adolescents. In total, seven documents revealing 26 findings were included in the review.

Key findings

- Few studies have examined uptake (e.g., use, claiming) or effectiveness of the Children's Fitness Tax Credit (CFTC) for facilitating children's physical activity.
- Canadian families experiencing low income were much less likely than wealthier families to have claimed the CFTC.
- No findings were observed for the role of disability status of the child in claiming or effectiveness of the CFTC.
- A majority of the findings revealed no or limited impact of the CFTC on motivation to enrol a child in an organized physical activity program or on the behaviour of the child.
- Overall, the evidence was considered weak because most of the studies in the review were cross-sectional, which limits making causal claims.

Policy implications (200 words)

- Tax credits do not appear to be a useful policy tool for promoting or facilitating physical activity of children, especially those experiencing low income.
- If tax credits are to be employed to facilitate or motivate physical activity or sport, they should be accompanied by other programs that alleviate the upfront costs of registration for families experiencing low income.
- Governments should consider the use of economic tools that have more empirical support, and/or that directly impact the accessibility of physical activity programs and infrastructure.
- Existing and future tax credit programs for physical activity or sport should be evaluated for equitable access and effectiveness.

Source

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