

**Breakout sessions:  
Socioemotional skills 1**  
*Bronte*

14:00-15:20

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# **The impact of income-related inequality on the behavioural and emotional development of children: a decomposition analysis of the UK Millennium Cohort Study**

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**CLOSER Conference – 30 November 2015, London**



# Background

- Recent government reports (Child Poverty Act 2010; Child Poverty strategy 2014-2017) calls for the implementation of policies and programmes to reduce socioeconomic inequalities in child outcomes.
- *Rationale:* reducing poverty is seen as an effective way to improve children's health, educational and labour market outcomes.  
⇒ *But....how to make well-informed decisions?*
- Policymakers' recommendations and decisions ideally rely on objective evidence-based information provided by research results on specific relevant issues.
- **FOCUS OF OUR RESEARCH:** relationship between income inequalities and child's behavioural and emotional development at age 11.

# Previous research

Well established empirical result: significant association between family income and children's developmental and behavioural outcomes.

- **Developmental psychologists:**

- family processes that mediate the association

- **Economists:**

- best model specification
- most appropriate measure of income
- adequate methods to address potential endogeneity of family income
- policy implications of statistical estimates

## HOWEVER...

→ ongoing disagreement about the precise nature, strength and size effect of the association between family income and children's outcomes motivates further investigation

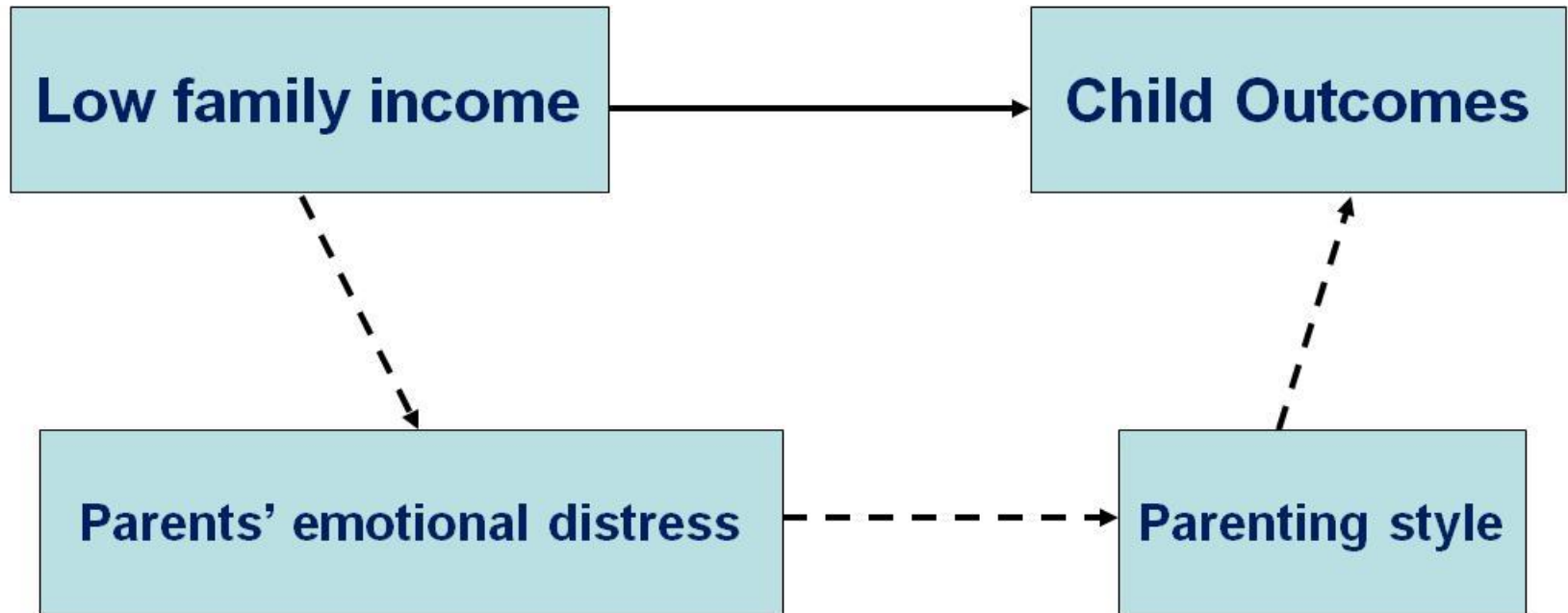
# Our original contribution

- Comprehensive analysis of the ‘family income-child behavioural/emotional development’ nexus at age 11 using data on contemporary UK (MCS)
- Combines economists’ and developmental psychologists’ perspectives in a unifying analysis to understand the pathways that mediate the association between income and child well-being

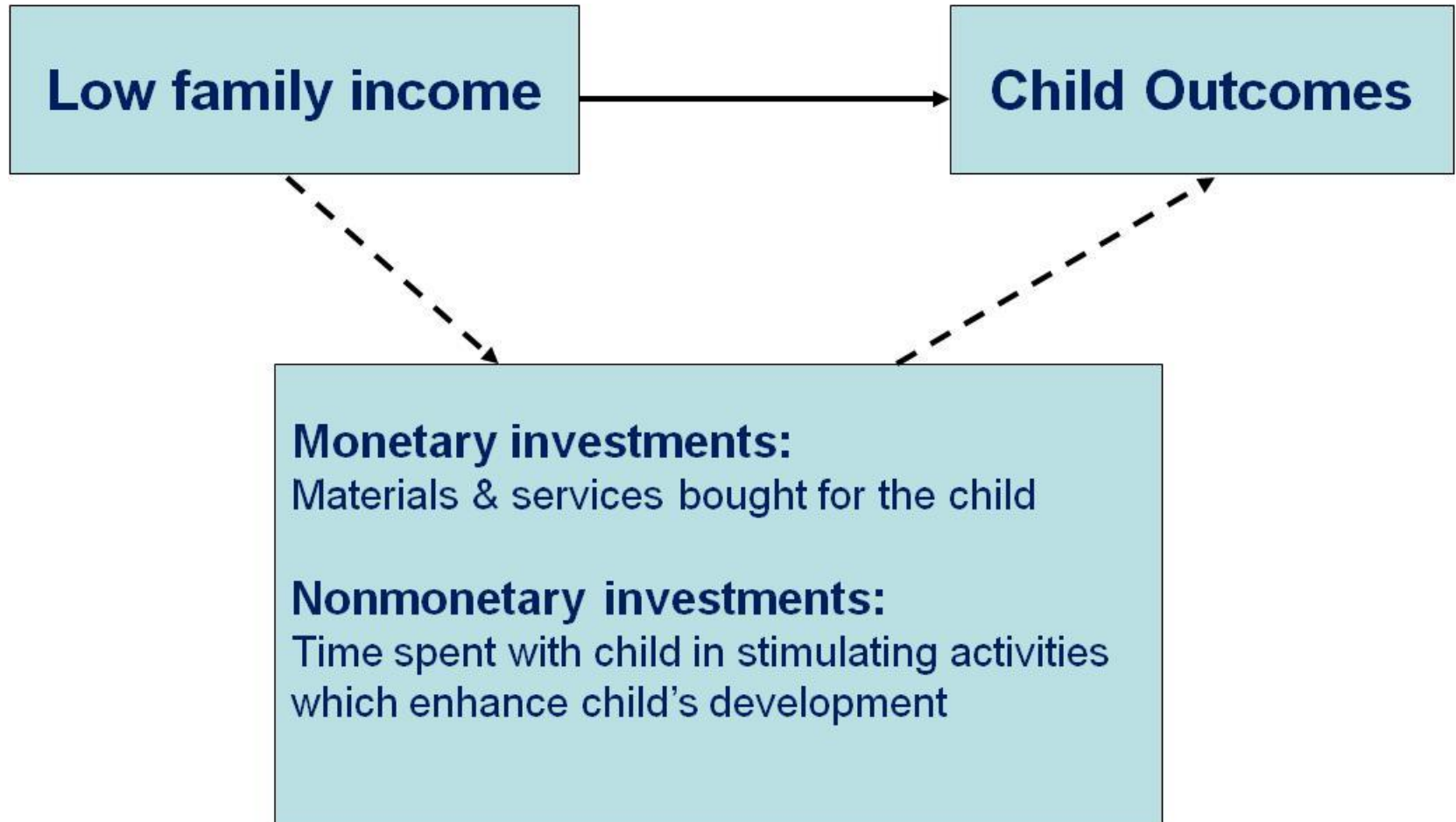
## HOW?

- Multivariate logit regression analysis to model the probability that the child has socio-emotional problems – Grossman (child) health production function
- Wagstaff Concentration Index to measure income inequalities in child socio-emotional outcomes
- Decomposition analysis to identify the key factors underpinning observed inequalities

# Theoretical background: parental stress model



# Theoretical background: parental investment model



# The bullying/social interactions pathway?

- Evidence that exposure to bullying is patterned by socioeconomic status – adolescents from families of low affluence report higher prevalence of being victims of bullying (Due et al. 2009 – multi-country comparative study)
- Evidence on the association between bullying and behavioural problems among primary school children - all children involved in direct bullying had significantly increased total behavioural problems compared to those not involved in bullying (Wolke et al. 2000)
- Evidence on the importance - since very young age - of social competence/successful interactions with age-mates as predictor of later mental health and well-being (Denham et al. 2003)



# Data

## **DATASET: Millennium Cohort Study**

- Nationally representative birth cohort study collecting information on health, wealth, education, family and employment from parents of almost 19,000 children born in the UK in 2000-2001 – five surveys carried out so far – at age 9 months, 3, 5, 7 and 11 years

## **VARIABLES:**

### **Child socio-emotional health at age 11**

- Derived from parent-reported responses to the Strengths and Difficulties Questionnaire (SDQ) . A Total Difficulty Score (TDS) was generated by summing the scores from the emotional, conduct, peer problems and hyperactivity scale. Sub-scales scores also used in the analyses.
  - SDQ-TDS: 0 if normal score (1 to 16)
  - SDQ-TDS: 1 if abnormal score (17 to 40)

### **Family income**

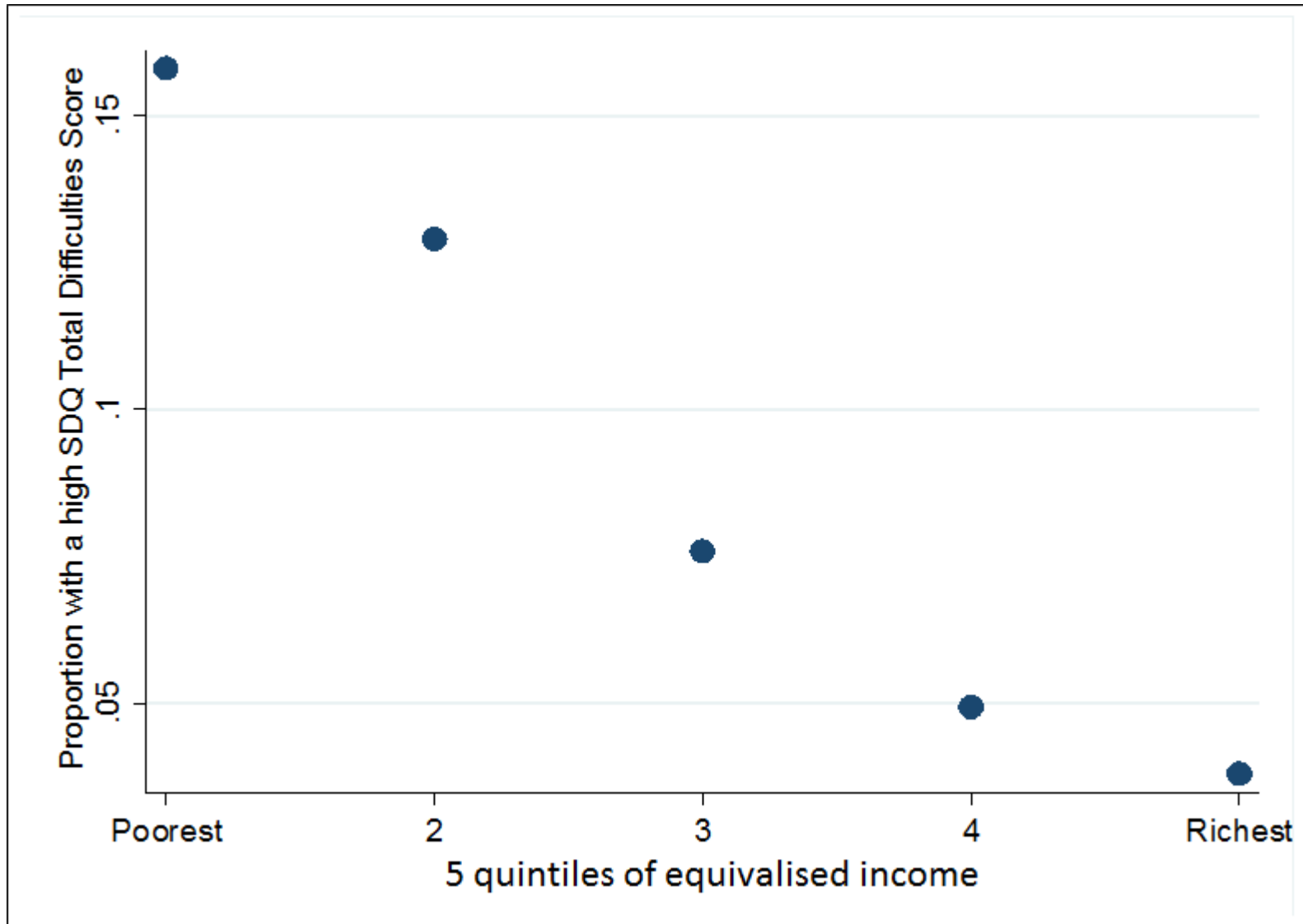
- Logarithm of family income equivalised to account for family composition
- Equivalised income quintiles

# Child health production function: multivariate analysis

Model specification	Regressors
<b>Model specification S1</b>	<b>Raw correlation</b> between family income and child outcomes
<b>Model specification S2</b>	<p><b>family income</b> (log of equivalised family income)</p> <p><b>child characteristics</b> (gender, ethnicity, number of older sibling, current health)</p> <p><b>child's initial stock of health</b> (birthweight, gestational age at birth)</p> <p><b>standard socioeconomic controls</b> (mother's education, maternal age at child birth)</p>
<b>Model specification S3</b>	<p>Same variables as in S2</p> <p>+ <b>'parental stress' variables</b> (mother's depression, parenting practices, discipline, child-parent relationship)</p>
<b>Model specification S4</b>	<p>Same variables as in S2</p> <p>+ <b>the 'parental investment' variables</b> (house tenure, indicators of quality and quantity of time spent by mothers with their children in intellectually stimulating activities)</p>
<b>Model specification S5</b>	<p>Same variables as in S2</p> <p>+ <b>the bullies/bullied and social interaction variables</b> (child bullies/is bullied, time spent with friends, special needs at school, child participation in sport)</p>
<b>Model specification S6</b>	<p>Same variables as in S2</p> <p>+ <b>'other family-related pathways' variables</b> (maternal smoking and drinking during pregnancy, length of breastfeeding, mother's self-reported general health and longstanding illness, maternal change of relation status since previous wave)</p>
<b>Model specification S7</b>	<b>S2 + S3 + S4 + S5 + S6</b>

# RESULTS

## High SDQTD Score Across Incomes



# Preliminary results: multivariate analysis (I)

Explanatory variables (model specification 7)	Odds ratio	P-value
<b>Income</b>	1.12	0.74
<b>Gender(male)</b>	1.26*	0.08
<b>Child ethnicity</b>		
Black/Black Caribbean (vs White)	3.40***	0.002
Other ethnicity(vs White)	0.04***	0.01
<b>Child current general health</b>		
Good (vs Excellent)	1.92***	0.002
Fair (vs Excellent)	2.25***	0.008
<b>Child current longstanding illness</b>	1.40**	0.04
<b>Child has one sibling (vs no siblings)</b>	0.70**	0.05
<b>Maternal drinking during pregnancy</b>		
Light drinking (vs no drinking)	0.67**	0.02
Moderate/heavy drinking (vs no drinking)	1.53**	0.03
<b>Maternal post-natal depression</b>	1.08**	0.05
<b>Maternal current depression</b>		
Medium (vs no depression)	2.31***	<0.001
High (vs no depression)	4.74***	<0.001

## Preliminary results: multivariate analysis (II)

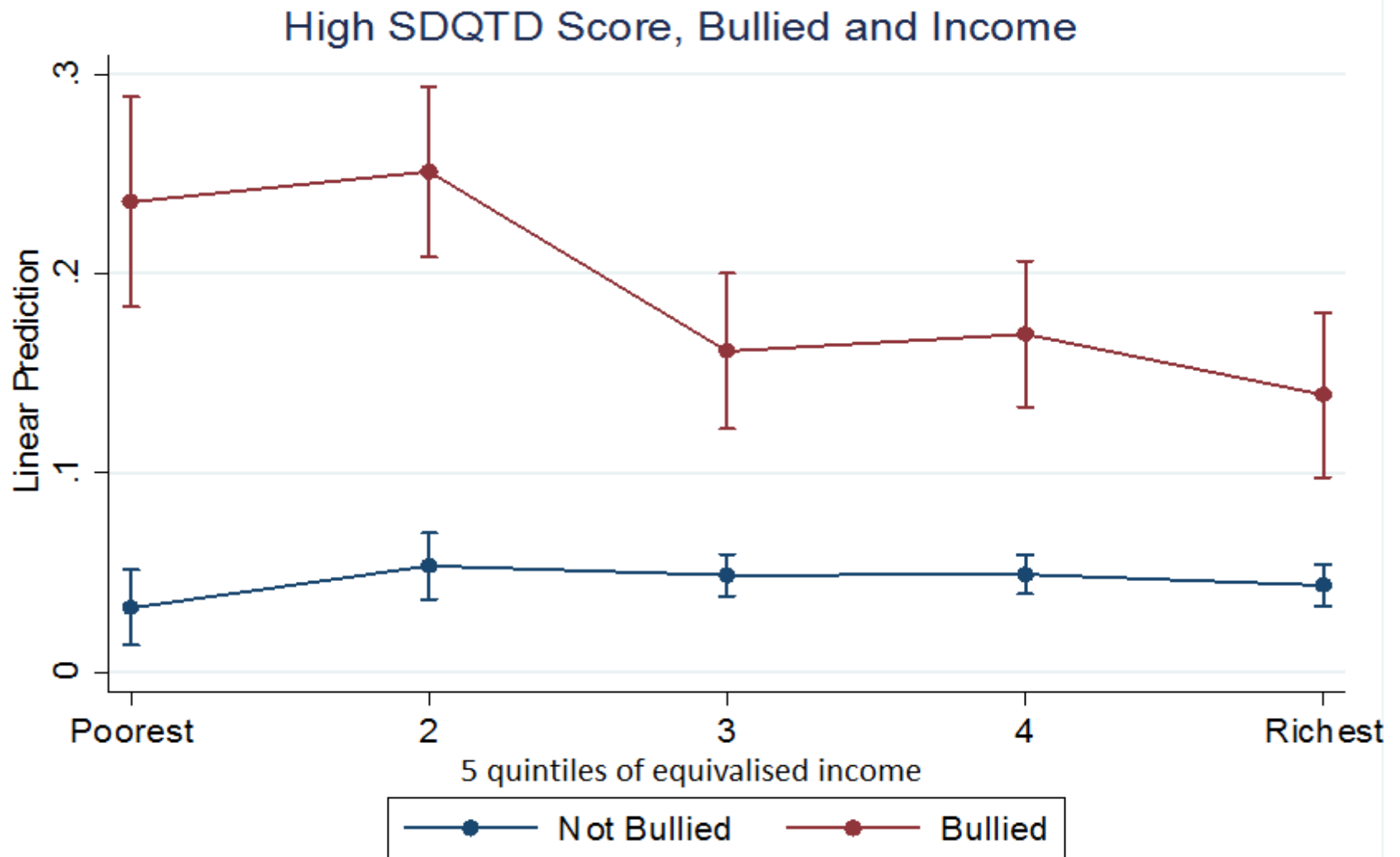
Explanatory vars	Odds ratio	P-value
<b>Maternal CPRS when child aged 3 years</b>	0.81***	0.005
<b>Maternal relational status change since child aged 7</b> Become partnered (vs become single)	1.81*	0.08
<b>Maternal time currently spent with child</b> Just enough (vs plenty)	1.56***	0.014
Not enough (vs plenty)	1.82***	0.001
<b>Current house tenure</b> Other (vs own/mortgaged)	0.26**	0.03
<b>Child has special needs at school</b>	4.26***	< 0.001
<b>Child time with friends</b> 1 to 4 times per month(vs less than once a month)	0.65*	0.08
More than once per week (vs less than once a month)	0.55**	0.02
<b>Child bullied</b> Somewhat bullied (vs not bullied)	6.54***	<0.001
Certainly bullied (vs not bullied)	21.09***	<0.001
Don't know (vs not bullied)	5.39***	<0.001
<b>Child bullies</b> Somewhat bullies (vs doesn't bully)	9.39***	<0.001
Certainly bullies (vs doesn't bully)	26.58***	<0.001
Don't know (vs doesn't bully)	4.73**	0.020

## Preliminary results: multivariate analysis (III)

Explanatory Variables	Coefficient	P-value
<b>Income</b>		
<b>Poorest</b>	<b>Base</b>	<b>Base</b>
<b>2</b>	<b>0.010</b>	<b>0.424</b>
<b>3</b>	<b>0.005</b>	<b>0.641</b>
<b>4</b>	<b>-0.001</b>	<b>0.910</b>
<b>Richest</b>	<b>-0.006</b>	<b>0.645</b>
<b>Bullied</b>	<b>0.260***</b>	<b>&lt;0.001</b>
<b>Poorest/Bullied</b>	<b>-</b>	<b>-</b>
<b>2/Bullied</b>	<b>0.019</b>	<b>0.625</b>
<b>3/Bullied</b>	<b>-0.121***</b>	<b>0.001</b>
<b>4/Bullied</b>	<b>-0.116***</b>	<b>0.002</b>
<b>5/Bullied</b>	<b>-0.147***</b>	<b>&lt;0.001</b>

# Controlling for variables listed above

# Bullying and Income



# Controlling for variables listed above

# Endogeneity

- Being “Bullied” and having a high SDQTD score may have an endogenous relationship:
  - Reverse Causality: The traits that lead to a high SDQTD score may increase probability of being bullied
  
- Solution:
  1. Instrumental Variables
    - No Appropriate IVs found
    - Binary Endogenous variable
  
  2. Lagged Variable:
    - Bullied in the previous 2 periods
    - SDQTD Score at age 3. PRIOR to attending school

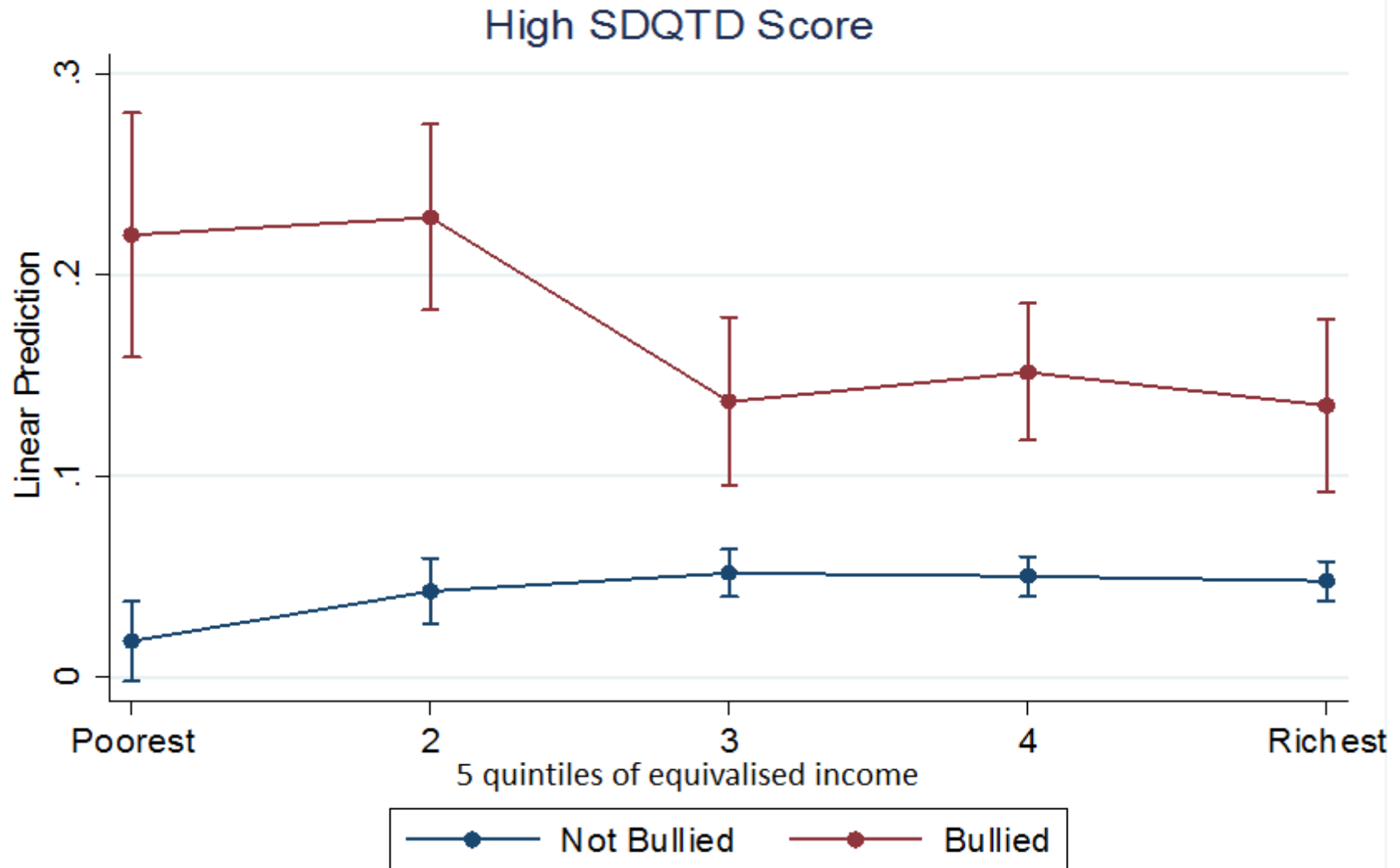


## Preliminary results: multivariate analysis (IV)

Explanatory vars	Coefficient	P-value
<b>Income</b>		
<b>Poorest</b>	<b>Base</b>	<b>Base</b>
<b>2</b>	<b>0.025**</b>	<b>0.030</b>
<b>3</b>	<b>0.034***</b>	<b>0.003</b>
<b>4</b>	<b>0.032***</b>	<b>0.008</b>
<b>Richest</b>	<b>0.030**</b>	<b>0.021</b>
<b>Bullied</b>	<b>0.202***</b>	<b>0.000</b>
<b>Poorest/Bullied</b>	<b>-</b>	<b>-</b>
<b>2/Bullied</b>	<b>-0.016</b>	<b>0.000</b>
<b>3/Bullied</b>	<b>-0.117***</b>	<b>0.003</b>
<b>4/Bullied</b>	<b>-0.100***</b>	<b>0.001</b>
<b>5/Bullied</b>	<b>-0.114***</b>	<b>0.000</b>

**# Controlling for variables listed above AND, Bullied lags + SDQTD Score at age 3**

# Bullying and Income



# Controlling for variables listed above AND, Bullied lags + SDQTD Score at age 3

# Concentration index (I)

## Concentration Index (CI)

- Measures inequalities in the distribution of a health variable ( $y$ ) across the income distribution, with individuals ranked from poorest to richest ( $R$ ).

$$CI = \frac{2cov(y, R)}{\mu_y}$$

→ **CI < 0** ('pro-poor' inequality)

→ **CI > 0** ('pro-rich' inequality)

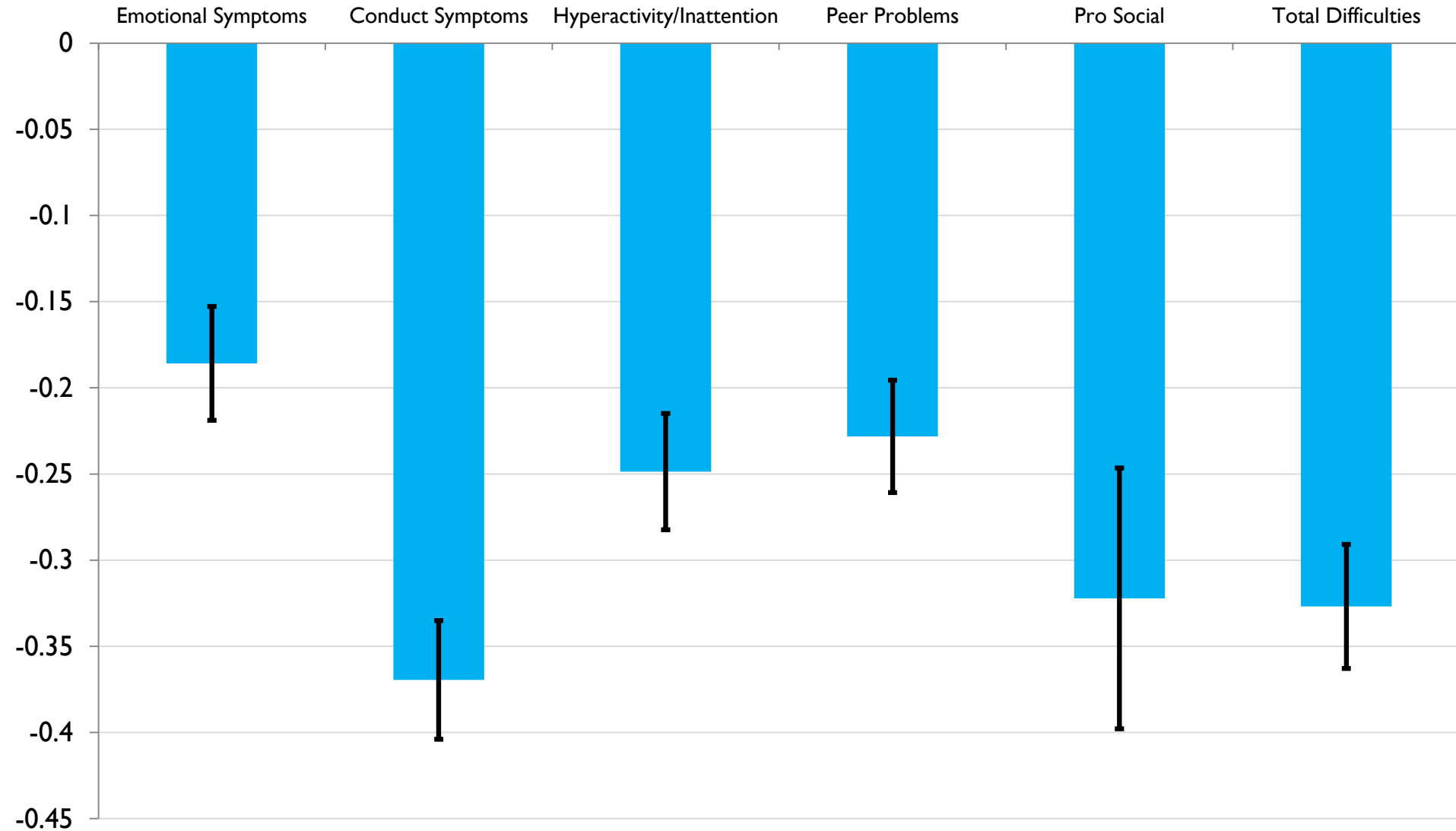
→ **CI = 0** perfect equality across the income distribution

- As the variable of interest is binary, we undertake a Wagstaff normalisation

$$CI_W = \left( \frac{2cov(y, R)}{\mu_y} \right) / (1 - \mu_y)$$

- Results in the study relate to Wagstaff Index  $CI_W$

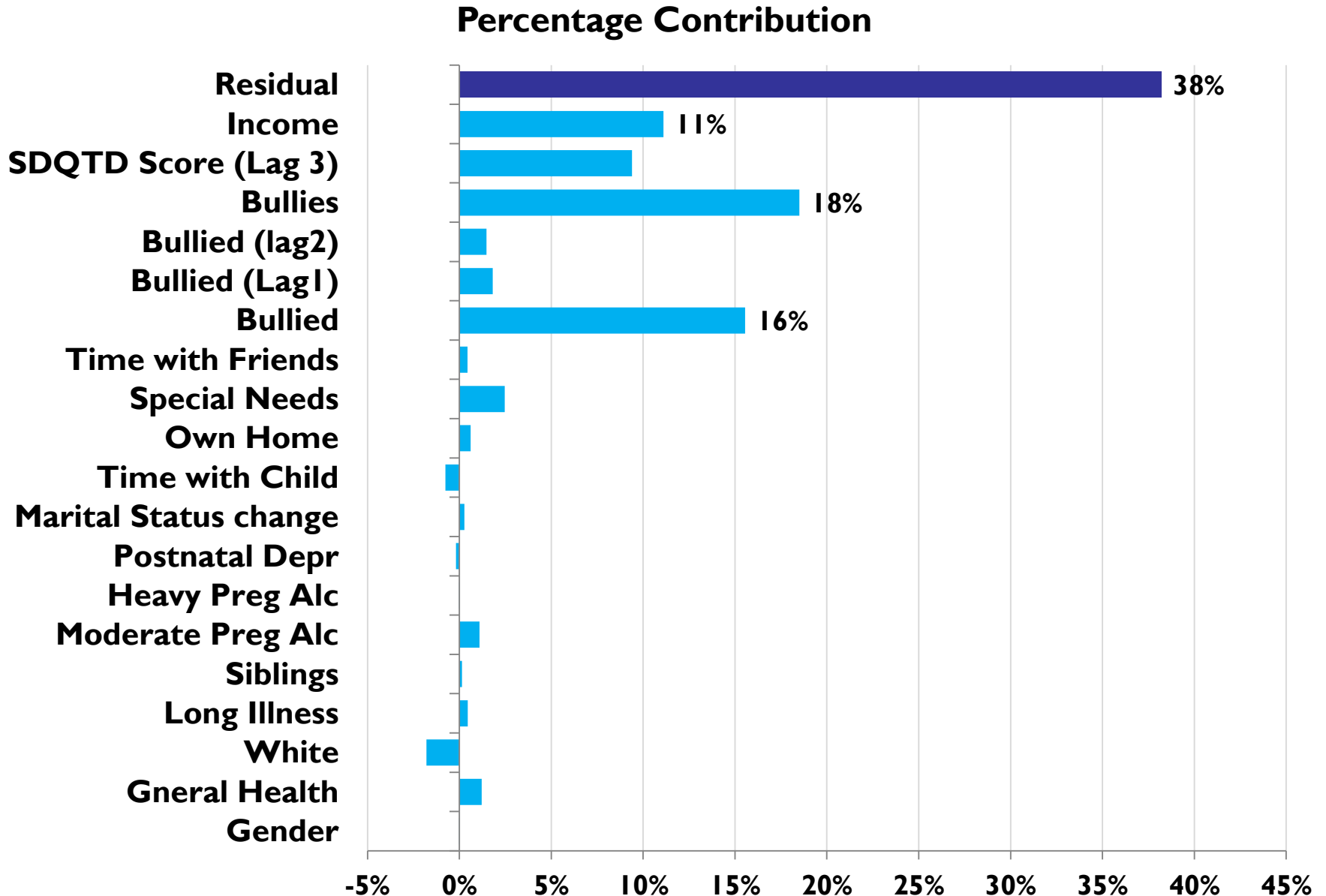
# Concentration index (II)



# Decomposition analysis

- Partitions the inequality from the concentration index into contributions
- Contributions calculated across other pertinent socioeconomic variables
  
- Decomposition has three components
  - Elasticity – Relationship between health and covariates
  - Inequality – Relationship between Income ( $R$ ) and covariates
  - Residual – Part of concentration index not explained by covariates

# Decomposition analysis



# Conclusions and policy implications

- There exists a ‘child behavioural outcomes /family income gradient’.
  - However, after controlling for variables that operationalise the 3 theoretical frameworks identified, association with income weakens. All 3 sets of variables play an important role, with strongest association brought about by the bullying variables. Maternal mental health emerges as another strong factor in the multivariate analyses.
  - Importance of early childhood years for later childhood outcomes
- Importance of public health/educational policies that may positively impact on poor children’s lives beyond what income redistribution can achieve

# Limitations

- Work in progress, so results still provisional
- Multivariate analysis:
  - correlation between variables that operationalise the constructs of the 3 theoretical framework
  - endogeneity between SDQ-TD and bullying (partially addressed)
- CI and decomposition analysis
  - Model specification issue? (high percentage of residual inequality)
  - endogeneity between SDQ-TD and bullying (partially addressed)
- Overall - associations rather causal relationships



**Thank you!**

# Additional Material

## **Formulae for decomposition analysis**

# Elasticity

- Regression of High SDQTD Score on the regressors
- GLM Regression with Binomial Family and Probit Link
- Marginal Effects calculated:

$$h = \alpha + \sum_k \beta_k x_k + \varepsilon$$

$$\textit{Elasticity} = \frac{\beta_k \bar{x}_k}{\bar{h}}$$

# Inequality

- Measure the distribution of each k regressor across the Ranking variable
- Calculate a Concentration Index for each k regressor

$$CI_k = \frac{2}{n\bar{x}} \sum_{i=1}^k \left[ \frac{x_i}{\bar{x}} (2R_i - 1) \right]$$

# Residual

- Generalised concentration index of error term
- Distribution of error across the ranking variable
- Unobserved part of the concentration index

$$GC_{\varepsilon} = \frac{2}{n} \sum_{i=1}^k \varepsilon_i R_i$$

# Decomposition

- Contribution of covariate to the inequality =  $\frac{\beta_k \bar{x}_k}{\bar{h}} * CI_k$
- If the contribution decreases (increases) the concentration index will decrease (Increase) by the same amount
- If either the elasticity or inequality ( $CI_k$ ) is zero, the contribution is zero

$$CI_W = \sum_k \frac{\beta_k \bar{x}_k}{\bar{h} (1 - \bar{h})} CI_k + \frac{GC_\varepsilon}{\bar{h}}$$

# Family and Neighbourhood Risk and Children's Problem Behaviour: The Moderating Role of Intelligence

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This research was supported by a grant from the ESRC to Eirini Flouri, Heather Joshi, Alice Sullivan, Richard Wiggins, and Nikos Tzavidis.

## Background

- Poverty (family and neighbourhood) and family adversity can have deleterious effects on children's emotional and behavioural problems
- However, children experiencing severe risk also vary in their response
- School-age children with higher general intelligence (or cognitive ability) may be protected from the harmful effects of risk



# Research questions

- Is general intelligence also protective for younger children?
- Can higher general intelligence change the course of development for children exposed to severe risk?
- Does the protective effect depend on developmental period?
- Are there gender differences in the protective effect?

# Data: Millennium Cohort Study (MCS)

- Longitudinal study following the lives of around 19,000 children born in four UK countries in 2000-2002.
- Oversampled families from:
  - Areas of high proportions of ethnic minorities
  - Areas of high child poverty, and
  - Wales, Scotland and Northern Ireland.
- Interviewed at 9 months, 3, 5 and 7 years.
- Sample: 16,916 families with data on dependent variable

## Emotional and Behavioural Problems (Ages 3, 5 and 7)

- Strengths and Difficulties Questionnaire (SDQ)

**Externalising** = Conduct Problems items + Hyperactivity items  
(ranges 0-20)

**Internalising** = Emotional Symptoms items + Peer Problems items  
(ranges 0-20)

- Measured at ages 3, 5 and 7 to explore trajectories in difficulties from pre-school to primary school

## Risk Measures (Ages 3, 5 and 7)

Family  
poverty

(Composite score  
of four indicators)

Neighbourhood  
poverty

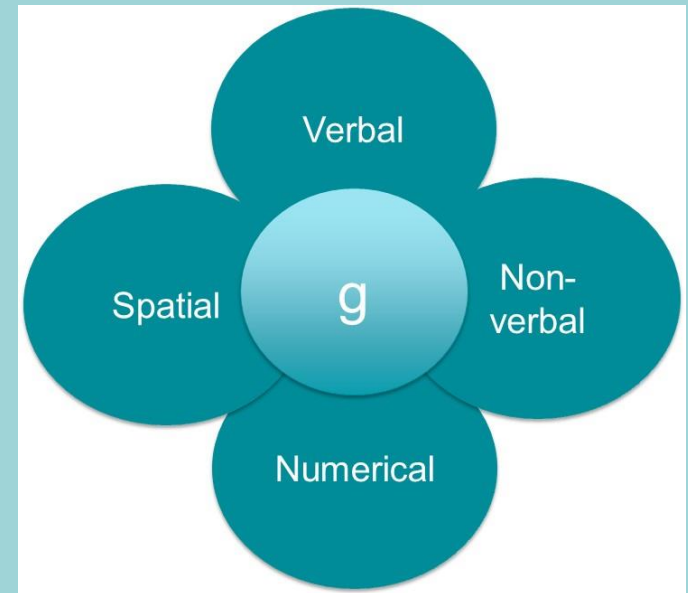
(Median income in  
deciles)

Family  
adversity

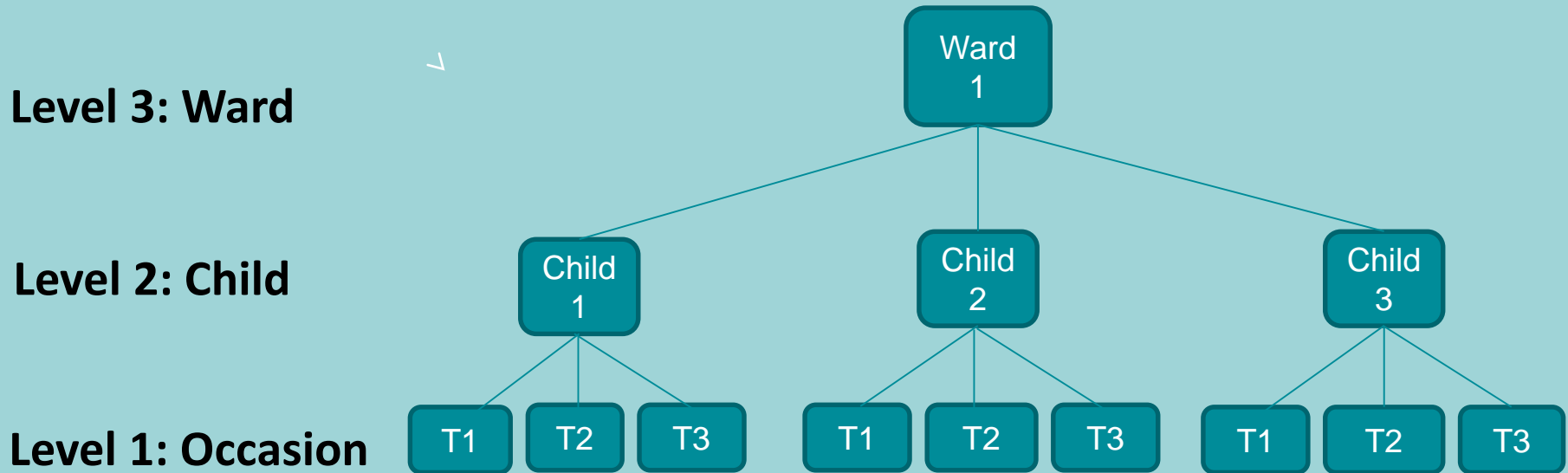
(# of events  
experienced)

## Measuring General ('g') Intelligence

- Factor regression scores derived from principal components analysis (PCA) at each age, based on several age-adjusted ability scores
- Converted to standardized IQ score,  $M=100$ ,  $SD=15$  (Hanscombe et al. 2012)



# Three-level Growth Curve Model



Random intercept and slope (for time variable, age)

# Main models – Fixed effects

## 1. Adjusted

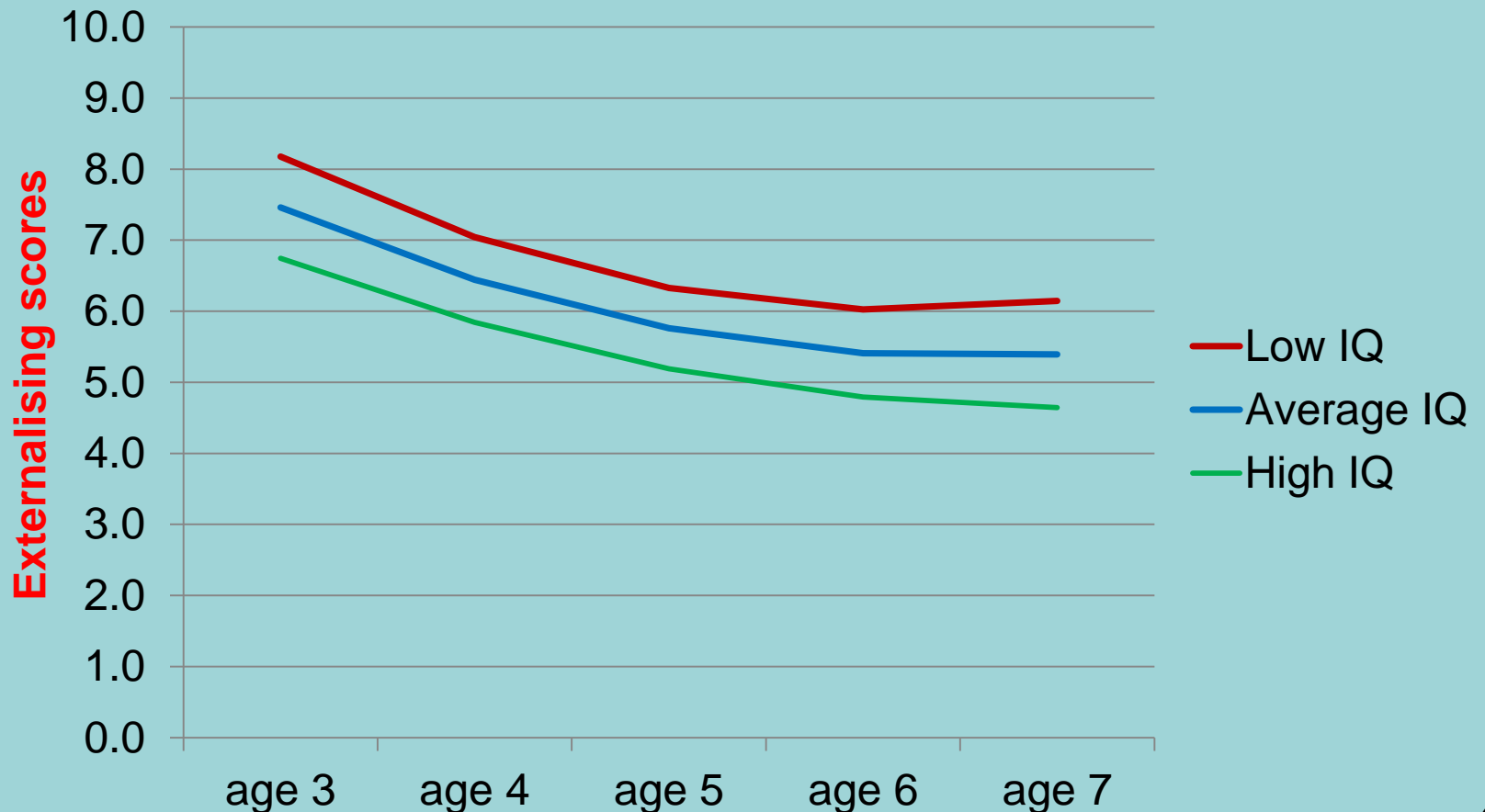
Age + age<sup>2</sup> + risk factors + risk factors x age + risk factors x age<sup>2</sup> + intelligence + intelligence x age + intelligence x age<sup>2</sup> + key covariates\*

## 2. Adjusted + Interactions of Risk and IQ

Adjusted model + intelligence x risk factors + intelligence x risk factors x age + intelligence x risk factors x age<sup>2</sup>

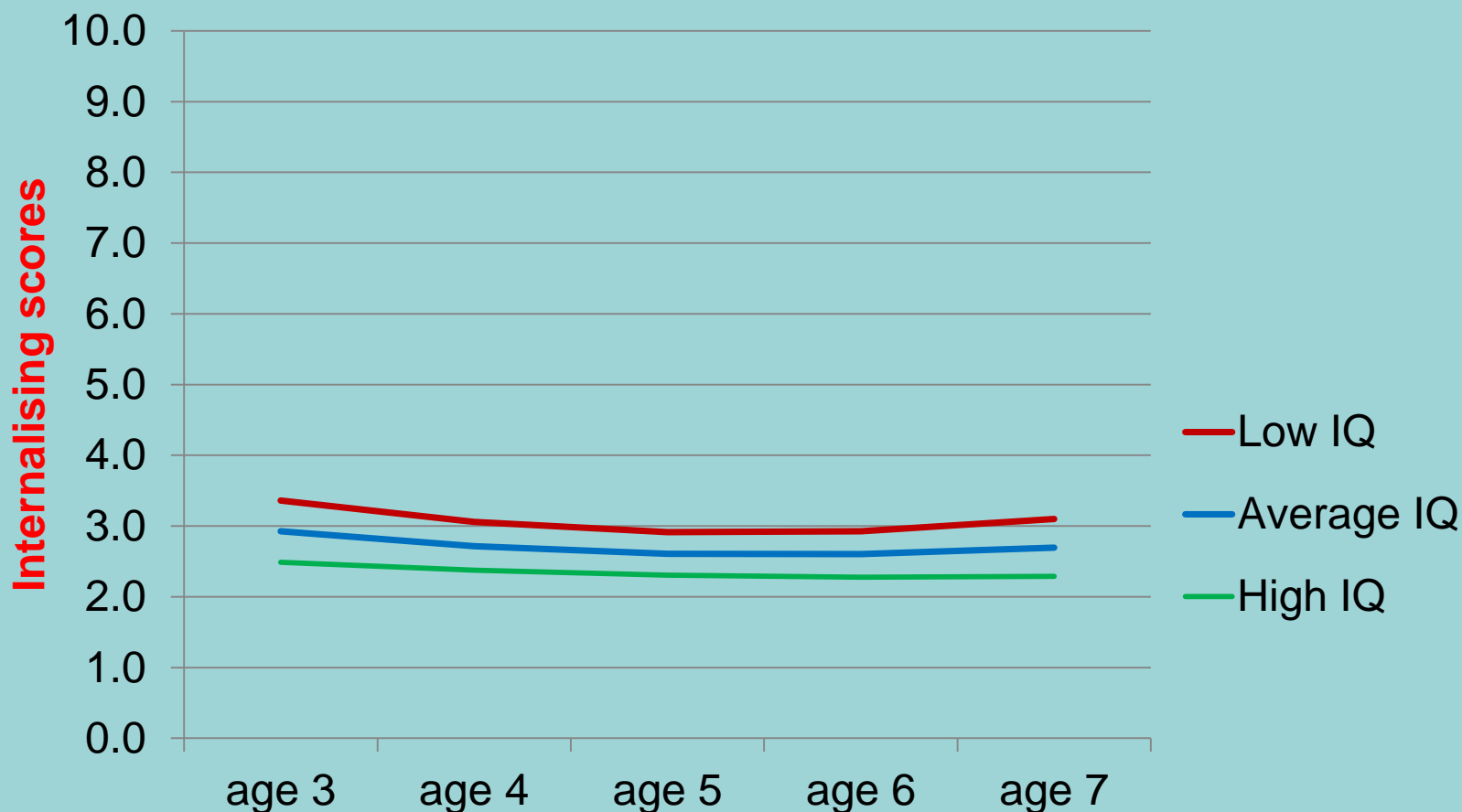
\*Multiply imputed missing data on covariates

Intelligence is related, contemporaneously, to **externalising** problems in the adjusted model

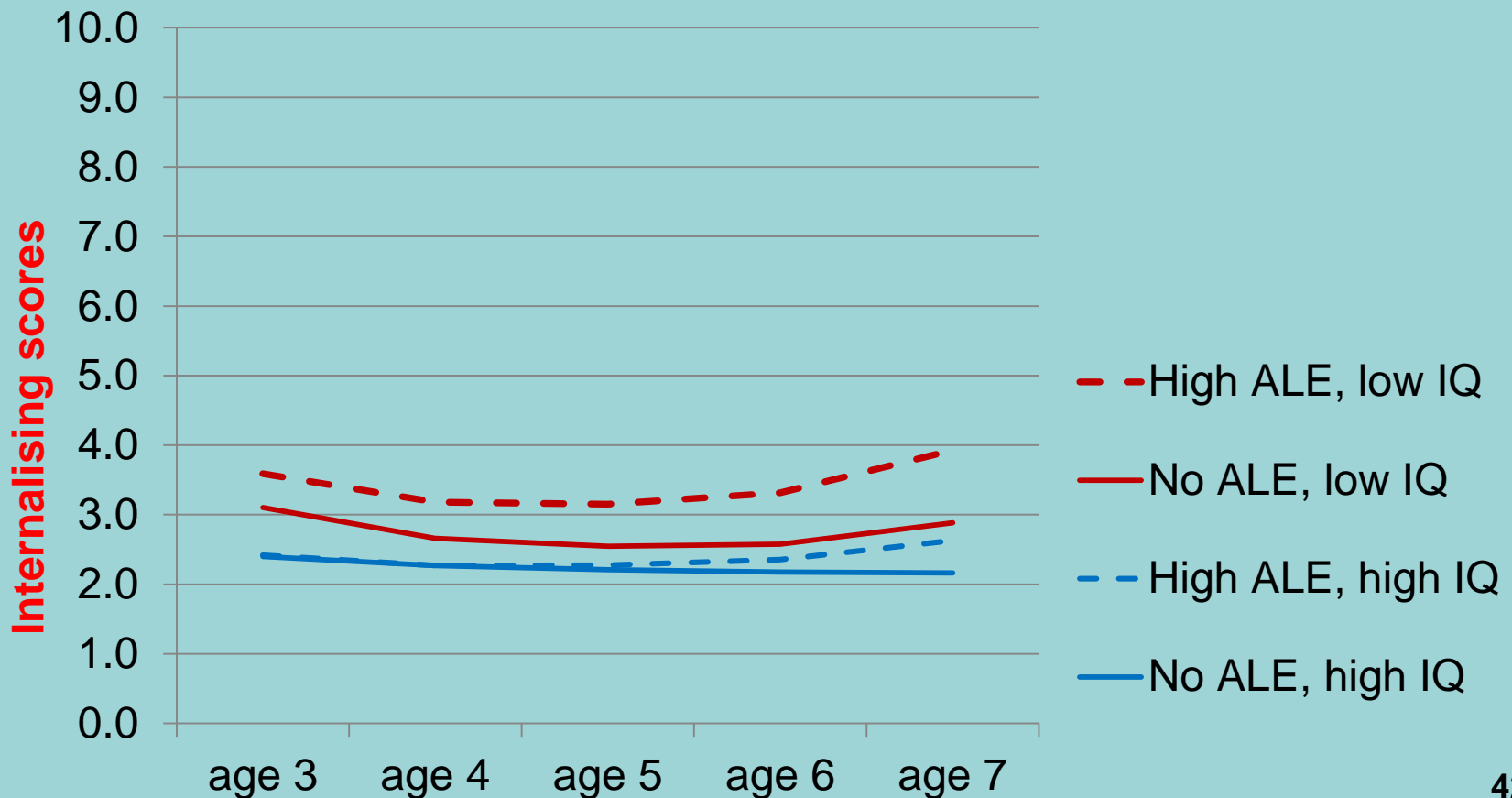




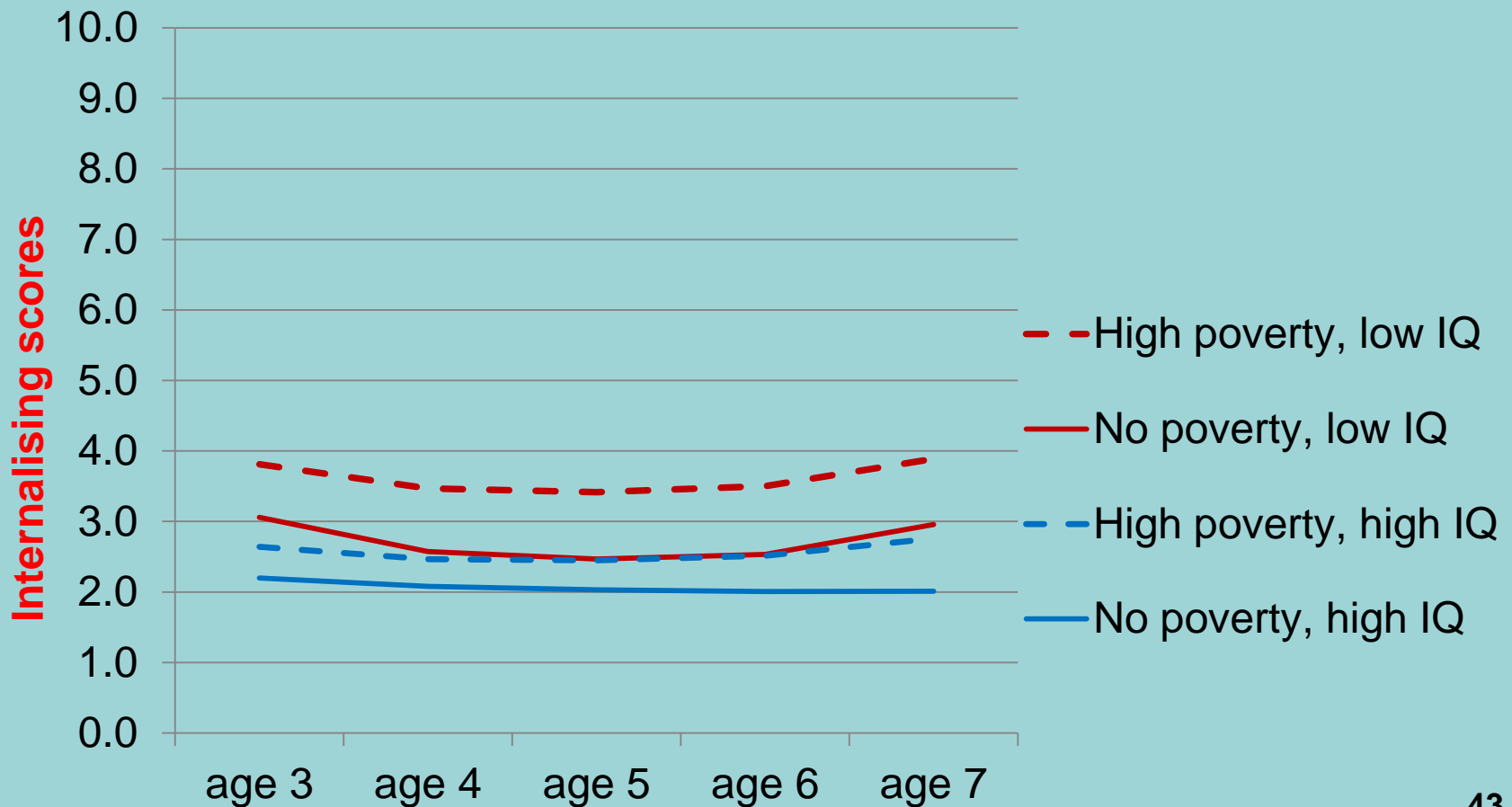
Intelligence is related, contemporaneously, to **internalising** problems in the adjusted model



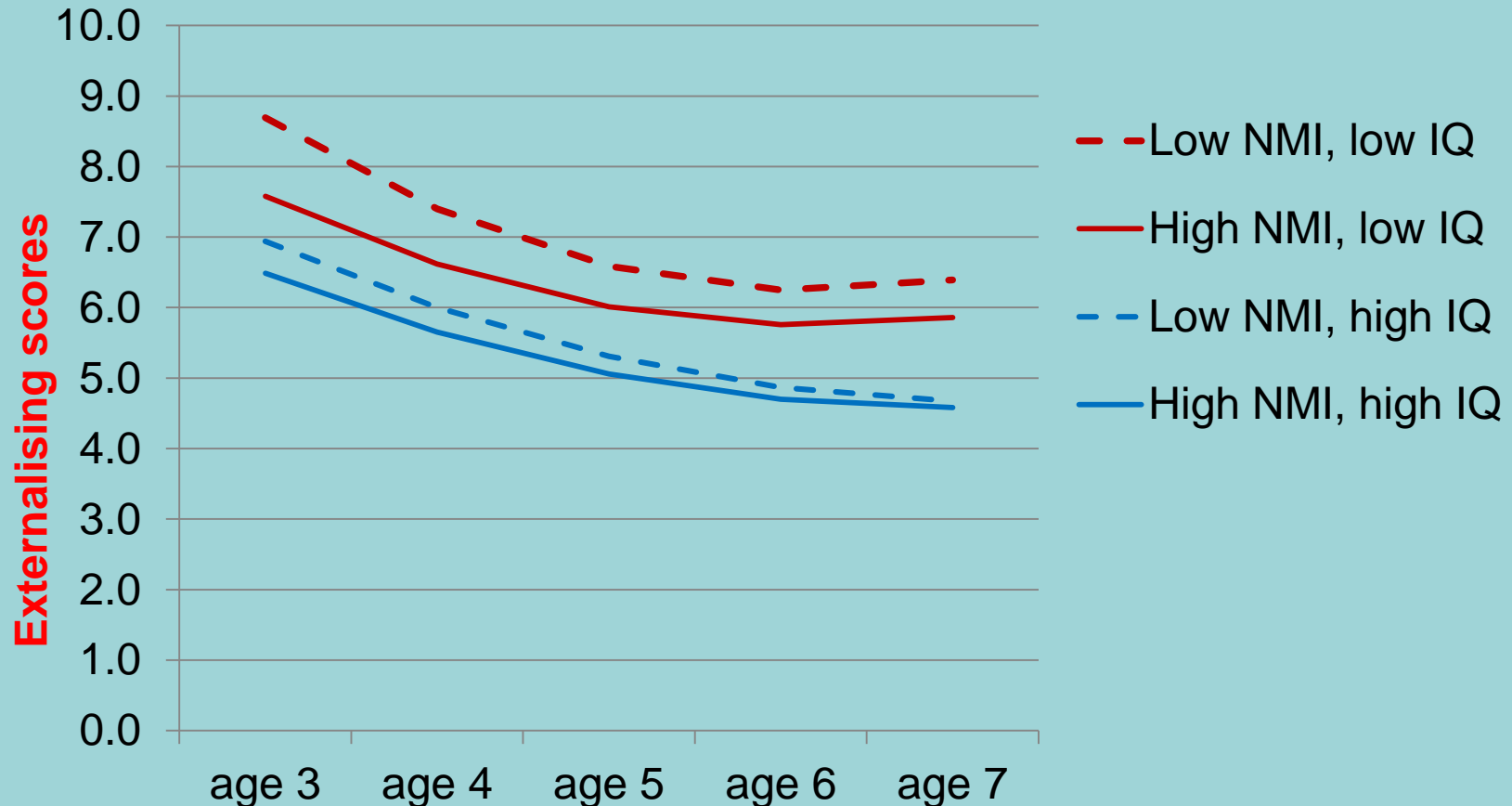
At ages 3, 5 and 7, IQ differentiates more the level of **internalising** problems for children experiencing **high adversity** than no adversity



At age 5, IQ differentiates more the level of **internalising** problems of **poor** children than **non-poor** children



At ages 3 and 7, IQ differentiates more the level of **externalising** problems of children in **poor neighbourhoods** than those in rich n'hoods



# Gender differences

- The models were estimated separately for girls and boys
- The buffering role of IQ appears to primarily benefit girls, consistent with research on adolescents

# Main findings

- IQ appears to consistently buffer the negative impact of experiencing adversity on internalising problems across early-to-middle childhood
- IQ also moderated the impact of poverty (both family and neighbourhood poverty) at school entry only
- IQ did not alter the course of developmental trajectories for children experiencing risk
- The buffering role of IQ appears to primarily benefit girls

# Conclusions

- IQ appears to be particularly important for children experiencing family stressors at any point in early-to-middle childhood
- For children experiencing family poverty and/or adversity, the transition to school at around age 5 may be especially difficult and helped by higher IQ
- Any benefits IQ may have seem to be in place by the time the child turns age 3

# Opportunities for cross-cohort work

- AVON Longitudinal Study of Parents and Children
- 1970 British Cohort Study



# Thank you for listening

Flouri, E., Midouhas, E., & Joshi, H. (2015).  
Family and neighbourhood risk and  
children's problem behaviour: The  
moderating role of intelligence.  
*Intelligence*, 53, 33-42.

**AWAITING  
PRES 4  
Warrinnier**

# *Tea/coffee break and poster session*

15:20-15:50

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