Research has shown that the resource inequality found in many wealthy nations is associated with dramatic health disparities between poor and privileged adults. These disparities appear to be related to childhood disadvantage as well as to adult status, and they have been attributed in part to chronic stress resulting from the perception that resources available to others are unavailable to oneself (an experience termed "social exclusion"). Thus, cognitive responses to inequality appear to partially mediate the effects of poverty on physical and mental health.

Given the apparent importance of cognitive appraisal processes in transmitting the effects of poverty, it is surprising that few studies have examined such processes in young children. Those studies that *have* examined children's appraisals have used methods such as open-ended queries, which rely on young children's limited verbal abilities and may fail to capture their beliefs.² In addition, this research has primarily been performed outside the U.S. and thus has limited applicability in the U.S. context. The relative paucity of research is surprising given the well-known relation between poverty and children's physical, mental, and academic functioning.

I hypothesize that cognitive processes begin to mediate the effects of poverty on functioning during the pre-school years, as children become aware of inequality and its effects on their own lives, and as this awareness leads to chronic stress. In the proposed study, I will use well-established methods from developmental psychology to establish the first part of my hypothesis (that children are aware of inequality and its effects). Thus, I aim to study 1) whether and when children demonstrate a coherent set of beliefs regarding the sources, effects, and experience of poverty; 2) whether and when young children link their beliefs to their own experience; and 3) whether children's beliefs are moderated by their socioeconomic status (SES).

Given the regularity with which young children are exposed to media, it can be expected that most children will have had some exposure to indicators of inequality; a remaining question, though, is whether they have the cognitive abilities to process these experiences. Based on findings that three-year-olds attend to status cues such as gender³ and understand ownership,⁴ and that four-year-olds associate race with wealth,⁵ I argue that children develop the capacity to think about about inequality and its implications by age four. However, because children living in poverty are more likely than more privileged children to have had emotionally salient personal experiences with inequality, and because these children and their families are more likely to experience limitations due to their status, I hypothesize that young children living in poverty will show an overall heightened awareness of inequality in comparison to more privileged children.

I will employ a cross-sectional, counterbalanced design, using two experiments in four, six-, and eight-year-old children (N=120). A continuous composite of financial, human, and social capital will be used as a measure of SES. To minimize bias and maximize variability in SES, stratified random sampling will be used to recruit low-, middle, and high-income families with equal racial diversity in each group. The first experiment will assess children's beliefs about their own SES and experience of inequality as well as about the sources, effects, and experience of poverty. This experiment builds on prior work with the Berkeley Puppet Interview (BPI) technique, in which two identical puppets interview the child. The puppets make opposing statements about themselves, then ask for the child's thoughts. For example: Puppet 1: "My parents don't have enough money." Puppet 2: "My parents have enough money. What about your parents?" Children may respond verbally or by pointing to a puppet, and one puppet always answers the child's response with a validating statement (e.g. "that sounds like me/my parents"). BPI responses are coded on a one-to-seven scale; a score of two or six indicates agreement with either puppet, a score of one or seven indicates a more extreme response than either puppet, and a score of three-to-five indicates partial agreement with either puppet.

Based on the results of qualitative research in older children, I predict that children in all three age groups will endorse statements consistent with their parents' report of their socioeconomic status (SES). I also predict that older children will be more consistent in their endorsements compared to younger children. Similarly, I predict that children will endorse statements attributing negative psychological effects to poverty (e.g. "poor children feel bad") and that older children will be more consistent in these endorsements. Finally, I predict that children will endorse both internal and external sources of poverty (e.g. "poor people don't work as hard as rich people (internal)" and "it is hard for poor people to get good jobs (external)," with older children endorsing external sources more frequently than younger children. I predict that socioeconomic disadvantage will moderate these findings, with more disadvantaged children showing greater accuracy in their self-reported status, greater consistency in attributing negative psychological effects to poverty, and a greater tendency to endorse external sources of poverty.

The second experiment will assess children's predictions and attributions related to poverty. This experiment will use two identical dolls that will match the child's gender and race. Children will be told a story about each doll's home, parents' employment, and other class markers, with images used to illustrate the story. One doll will represent a disadvantaged child and the other will represent a privileged child. Children will then be told new stories, with accompanying visuals, and asked to verbally or physically select the doll that belongs in the story. For example: "One of the boys went to school. He got in trouble because he talked too loud." After children have chosen a doll, they will be asked for the reason for their choice to assess their attributions; these will be coded for whether or not they invoke the doll's status.

I anticipate that all children will choose the disadvantaged doll in connection with negative scenarios at a rate higher than chance, and that this effect will be stronger in older children. I predict that personal disadvantage will moderate these effects, with disadvantaged children showing greater consistency than privileged children in connecting negative scenarios to the low-income doll. I predict that the difference between disadvantaged and advantaged children will decrease with age, as disparities in peer status (which correlates with SES) become more salient. I anticipate that attributions will be more elaborated in older children and that the frequency with which attributions invoke status will correlate with socioeconomic disadvantage.

The results of this study will begin to address the question of whether cognitive appraisals mediate the effects of inequality in young children. If my initial hypotheses are confirmed, future studies could test the next step in my larger hypothesis (i.e. do children's cognitive appraisals of inequality cause them to experience stress?). Further analyses could also examine for which groups such effects are strongest (e.g. children of color, children living in low-income neighborhoods). More broadly speaking, the results of this study will inform the growing literature on psychological effects of social inequality, contributing to our understanding of poverty as it functions in the current U.S. social context.

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