#### (MIS)PERCEPTIONS ABOUT CHILDREN

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# Key challenge: identifying developmental delays in children

- Family and school investments critical for early child development (ages 0–6) (Cunha, Heckman, Lochner, Masterov, 2006, Cunha, Heckman, Schennach, 2010)
- Misperceptions about cognitive delays → suboptimal family investment choices (Dizon-Ross, 2019, Kinsler and Pavan, 2021)
  - Inequality in child development | Persistent delays | Resource misallocation
- Teachers' and mothers' perceptions about cognitive skills affected by *reference group bias* (Kinsler and Pavan, 2021, Elder and Zhou, 2021)
  - Overestimation of cognitive skills in schools with low average cognitive skills

# This paper: Teachers' perceptions about non-cognitive delays

- Non-cognitive skills are important for labour market outcomes (Deming, 2017), schooling and risky behaviours (Heckman, Stixrud, and Urzua, 2006), marriage stability (Lundberg, 2015), and health (Conti, Heckman, Pinto, 2015)
- Teachers inform families, schools, and governments about non-cognitive delays
  - No standardized tests for population of children
  - Potential bias in perceptions of non-cognitive skills (Elder and Zhou, 2021)

#### This paper:

Use objective measures of non-cognitive skills and rich information about child home and school environments from the Longitudinal Study of Australian Children.

- 1. Are teachers' perceptions of non-cognitive delays influenced by average neighbourhood child development?
- 2. Are teachers' perceptions about non-cognitive delays transmitted to mothers?
- 3. How do teachers/mothers perceptions relate to school/home environment?

# 3 key findings

1. Quantify the role of average neighbourhood child development in teachers' perceptions of *non-cognitive and cognitive* delays for children ages 4-5

• Use *objective measures of non-cognitive* and cognitive skills in Longitudinal Study of Australian Children (LSAC) 1. Quantify the role of average neighbourhood child development in teachers' perceptions of *non-cognitive and cognitive* delays for children ages 4-5

- Use *objective measures of non-cognitive* and cognitive skills in Longitudinal Study of Australian Children (LSAC)
- Conditional on children's objective development measures
  - $\Downarrow$  neighbourhood non-cognitive development  $\rightarrow$   $\Downarrow$  reporting of all delays
  - ↓ neighbourhood cognitive development → ↓ reporting of cognitive delays (Kinsler and Pavan, 2021, Elder and Zhou, 2021)

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- Teachers with college degrees are more likely to report delays for children with low objective development measures.

# This paper: 3 key findings

2. Document the relationship between teachers' and mothers' perceptions about children's *non-cognitive* skills for children ages 4-5 and 8-9

• Mothers contacted by schools about their children's behaviour update their perceptions about children's non-cognitive delays

2. Document the relationship between teachers' and mothers' perceptions about children's *non-cognitive* skills for children ages 4-5 and 8-9

- Mothers contacted by schools about their children's behaviour update their perceptions about children's non-cognitive delays
- 3. Consequences of misperceptions for *child environment* 
  - Underestimation of non-cognitive and cognitive delays by teachers/mothers  $\rightarrow$  under investment in the rapy
  - Overestimation of non-cognitive delays by mothers →
     lower quality of parent-child interactions and lower educational aspirations

# Literature and contribution

• Misperceptions about children's human capital

(Kinsler and Pavan, 2021, Elder and Zhou, 2021, Dizon-Ross, 2019, Boneva and Rauh , 2018, Attanasio, Cunha, and Jervis, 2019, Kiessling, 2021)

- Quantify reference group role for perceptions of non-cognitive & cognitive delays
- Impact of early childhood teacher | program qualities on children's outcomes (Chetty, Friedman, Hilger, Saez, Schanzenbach, and Yagan, 2011, Heckman, Pinto, and Savelyev, 2013, Manning, Wong, Fleming, and Garvis, 2019)
  - Explore the role of teacher and classroom characteristics in delay recognition
- The role of teachers' for parents' perceptions about children's cognitition (Dizon-Ross, 2019, Doss, Fahle, Loeb, and York, 2019, Bergman, 2021)
  - Focus on the transmission of information about non-cognitive skills
- Drivers of inequality in parenting across neighbourhoods/socioeconomic status (Attanasio, Cattan, Meghir, 2021, Kautz, Heckman, Diris, Weel, Borghans, 2014, Falk, Kosse, Pinger, Schildberg-Hörisch, Deckers, 2023)
  - Focus on the role of neighbourhood-related information frictions

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# Roadmap



# Data: LSAC - B(aby) and K(indergarten) cohorts

Following 10000 children starting from ages 0-1 and 4-5 in 2004 biennially

- Pool children from both cohorts when they are ages 4-5 and 8-9
- Objective interview measures: children's non-cognitive | cognitive skills
- Teachers' & mothers' perceptions: children's non-cognitive | cognitive delays
- School and home environments of children

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- Teachers' & mothers' perceptions: children's non-cognitive | cognitive delays
- School and home environments of children
- Neighbourhood = postcode (over 3,000 in Australia)
  - **Sample** = random draw of 409 postcodes ( $\sim 37$  children per postcode)
  - Example: two postcodes in Sydney 2006 Merrylands ~ 5,319 families | median weekly household income \$873 2006 Putney ~ 886 families | median weekly household income \$1,715

detailed map

map

### Interviewer-evaluated objective measures of child development

- Psychologists trained interviewers to conduct
  - direct observations of non-cognitive skills + cognitive tests
- Assessments of cognitive and non-cognitive skills used objective scales.
  - Non-cognitive skills: count of the number of times and intensity of attitudes (Review of Observational Methods in ADHD diagnosis Platzman, et al., 1992)
- "All interviewers received two weeks of intensive training across procedures."
  "A large part of the training involved practice interviews, with one day devoted to interviews with parents and children." (LSAC Data User Guide)

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#### Advantages of interview measures of development:

- Training + objective scale  $\rightarrow$  designed to limit bias in assessments
- Available for a large, nationally representative sample

# Interviewer-evaluated development: non-cognitive | cognitive scores

- Non-cognitive score (ages 4-5 and 8-9): first principal component of 3 interview direct observation measures (in-person interview lasted 1 2.5 hours with and without the parent present)
  - 1. Positive: smiling, laughing, or sounding excited, happy, or pleased
  - 2. Negative: fussing, pouting, whining, crying, vocal/physical expression of anger
  - 3. Focus: To what degree did the child remain focused on the PPVT tasks?
    - ▶ Detects children in the left tail of non-cognitive skill distribution (density plot)

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    - Detects children in the left tail of non-cognitive skill distribution density plot
- Cognitive score (ages 4-9): Peabody Picture Vocabulary Test (receptive language)
  - Who Am I test (ages 4-5) used to address measurement error (language and numeracy abilities)

# Teachers' and mothers' perceptions: non-cognitive | cognitive delays

- Perceptions match developmental dimensions measured in interview
- Teachers evaluate children ages 4-5 compared to children of similar age
  - Non-cognitive delays social/emotional development
  - Cognitive delays receptive language development
- Teacher reports delay = child is much less | less competent than other children

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- Teachers evaluate children ages 4-5 compared to children of similar age
  - Non-cognitive delays social/emotional development
  - Cognitive delays receptive language development
- Teacher reports delay = child is much less | less competent than other children
- Mothers evaluate children ages 0-15 compared to children of a similar age
  - Non-cognitive delays:

Overall, compared to other children of the same age, do you think your child is? 1 Easier than average; 2 About average; 3 More difficult than average

• Mothers report non-cognitive delays: child is more difficult than average

# Average neighbourhood development: Computation

- Construct leave-one-out measure of neighbourhood child development (same age, both cohorts):
  - 1. De-mean objective interview measures by year and age group
  - 2. Average neighbourhood child development = the average de-meaned measure for children from the same postcode as child i excluding child i
  - 3. Standardize within age groups to match the scale of child development scores

# Roadmap: Teachers' perceptions



# Teachers' perceptions informed by child development

- $\Uparrow$  measured development =  $\Downarrow$  likelihood teachers report delay
  - (a) Share teachers: non-cognitive delays

(b) Share teachers: cognitive delays



mother

# Teachers' perceptions influenced by local environment

•  $\Uparrow$  neighbourhood non-cognitive development =  $\Uparrow$  likelihood teachers report non-cognitive delays



## Estimation: Teacher perceptions and local environment

$$T_{it} = \beta^{T,N} \bar{D}_{it}^N + \beta^{T,D} D_{it}^I + \gamma_t^{T,X} X_{it}^T$$

- $T_{it}$  teacher reports delay for child i at age 4-5
- $D_{it}^{I}$  child interview development score
- $\bar{D}_{it}^N$  -neighbourhood average development
- $X_{it}^T$  Control variables:

child's gender child's cohort child's age in months family socioeconomic status (SES) index

#### Role of reference group: Perceptions about delays

Estimated regression coefficients  $\beta^{T,D}$  and  $\beta^{T,N}$  (table)



#### Role of reference group: Cross-influence of developmental dimensions

Estimated regression coefficients  $\beta^{T,D}$  and  $\beta^{T,N}$  (table)



# Robustness checks

- 1. Confounding factors:
  - Interview efforts
    - behaviour of parents and siblings during the interview
    - sleeping problems
    - interview months
  - Selection of teachers
    - teacher and classroom characteristics
- 2. Measurement error in interview scores  $\rightarrow$  distorts coefficients towards zero
  - TSLS adjustment for measurement error (Agostinelli and Wiswall, 2016)
- 3. Correlated errors in perceptions: Seemingly unrelated regression specification
- 4. Sensitivity to functional form
  - Linear probability model vs average marginal effects of the logistic model

#### Robustness checks: Average neighbourhood non-cognitive score

95% CI estimated  $\beta^{T,N}$  for average neighbourhood non-cognitive development cognitive



## Teachers' perceptions adjusted for role of reference group

- I adjust for the role of the neighbourhood child development in perceptions
  - Predict probability of reporting delay at mean neighbourhood development
- (a) Adj. share teachers: non-cognitive delays





# Teachers' perceptions adjusted for the role of reference group

- I adjust for the role of the neighbourhood child development in perceptions
  - Predict probability of reporting delay at mean neighbourhood development using estimates adjusted for measurement error in child scores



#### Roadmap: Teacher and classroom characteristics and perceptions



# College-educated teachers more likely to report delays

Probability to report delays by teacher's education

(a) Share teachers: non-cognitive delays

(b) Share teachers: cognitive delays



• College-educated teachers report more delays

# College-educated teachers more likely to report delays

Probability to report delays by teacher's education

(a) Share teachers: non-cognitive delays (

(b) Share teachers: cognitive delays



• College-educated teachers report more delays for the right children?

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# Estimation: Teachers' quality and deficit recognition

- 1. Split children into high/low measured development subsamples:
  - Low measured development = interview development measure below median
- 2. Estimate linear probability regression separately for subsamples  $j = \{H, L\}$

$$T_{i,t} = \beta^{j,V} V_{i,t}^T + \gamma_t^{j,X} X_{i,t}^T$$

- $V_{i,t}^T$  are observed teachers' quality characteristics:
  - level of education (bachelors or postgraduate vs certificate or diploma)
  - experience in the childcare setting (0-5 and 6-10 years vs 11+ years)
  - childcare arrangement (daycare vs pre-school or kindergarten)
  - class size children to qualified staff ratio)
  - **age range** (age of oldest and youngest in class)

Educated teachers are more likely to report delays in low-skill children

- $\uparrow$  education  $\rightarrow \uparrow$  reports of delays for children with low measured development bias by teacher educ full table.
  - both for cognitive and non-cognitive skill

Estimated coefficient for teacher's level of education: College+



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# Roadmap: Mothers' perceptions


Estimation: Mothers' and teachers' perceptions (ages 4-5 and 8-9)

$$\underbrace{M_{it}}_{\text{mother reports}} = \alpha^{M,D} D_{it}^{I} + \underbrace{\alpha^{M,T} T_{i,t}}_{\text{teacher reports}} + \alpha^{M,X} X_{it}^{M} + \alpha^{M,M'} M_{it-1}$$

- $T_{i,t}$  measures of teachers' perceptions about delays
  - Ages 4-5: teacher's reports of non-cognitive and cognitive delays
  - Ages 8-9: Measure of teacher-to-parent communication School has contacted parents about child's behavior within the last 12 months
- $X_{i,t}^M$  Control variables:

r

child's gender child cohort age in months SES index mother's depression mother's involvement at school (ages 8-9)

# Teacher's perceptions affect mother's perceptions

|                              | Non-cognitive delay |            |  |
|------------------------------|---------------------|------------|--|
|                              | perceived           | by mother  |  |
|                              | Ages 4-5            | Ages 8-9   |  |
| Teacher: Non-cognitive delay | $0.08^{*}$          |            |  |
|                              | (0.02)              |            |  |
| Teacher: Cognitive delay     | 0.02                |            |  |
|                              | (0.02)              |            |  |
| School contacted about       |                     | $0.11^{*}$ |  |
| behavior                     |                     | (0.01)     |  |
| Non-cognitive score          | -0.02*              | -0.01*     |  |
|                              | (0.01)              | (0.00)     |  |
| Cognitive score              | 0.00                | -0.01      |  |
|                              | (0.01)              | (0.00)     |  |
| N                            | 2228                | 5561       |  |

\* 5% significance level.



#### Roadmap: School environment



#### Estimation: Perceptions and school environment

- School-based investments child received therapy  $I_{i,t}^S$ :
  - directed at *non-cognitive skills*:
    - behavioural therapy
    - psychological evaluation
    - guidance counsellor
    - other psychiatric and behavioural services
  - directed at *cognitive skills*:
    - learning support
    - speech therapy

$$I_{i,t}^{S} = \beta^{S,M} M_{it} + \beta^{S,T} T_{it} + \beta_t^{S,X} X_{it}^{S}$$

#### • $X_{it}^S$ - Control variables:

child's gender child's cohort child's age in months SES index neighbourhood characteristics

### Children with perceived delays more likely to use therapy

- Perceived non-cognitive delays  $\rightarrow \Uparrow$  use of both the rapy types
- Perceptions of cognitive delays by teachers  $\rightarrow \Uparrow$  use of cognition therapy

|                             | Behavioral or psych therapy | Learning or speech therapy |
|-----------------------------|-----------------------------|----------------------------|
| Teach.: Non-cognitive delay | $0.07^{*}$                  | $0.07^{*}$                 |
|                             | (0.01)                      | (0.02)                     |
| Teach.: Cognitive delay     | 0.01                        | $0.15^{*}$                 |
|                             | (0.01)                      | (0.02)                     |
| Moth.: Non-cognitive delay  | $0.15^{*}$                  | $0.10^{*}$                 |
|                             | (0.02)                      | (0.03)                     |
| Moth.: Concern cognitive    | $0.06^{*}$                  | $0.21^{*}$                 |
|                             | (0.02)                      | (0.03)                     |
| Ν                           | 4104                        | 4104                       |

 $\ast$  5% significance level.

### Roadmap: Home environment



#### Estimation: Perceptions and home environment

• Family-based investments  $(I_{i,t}^F)$ :

$$I_{i,t}^{F} = \beta^{F,M} M_{it} + \beta_{t}^{F,X} X_{it}^{F} + \beta^{F,M'} M_{it-1} + \beta^{F,I} I_{i,t-1}^{F}$$

#### • $X_{it}^F$ - Control variables:

child's genderchild's cohortchild's age in monthsSES indexneighbourhood characteristicsmothers' depression

- Control for unobserved heterogeneity
  - Lag of perceptions  $M_{it-1} \sim \text{idiosyncratic perceptions}$
  - Lag of investment  $I_{it-1} \sim$  idiosyncratic preferences

# Mothers reporting delays reach out for professional help

- Mothers who perceive non-cognitive delays
  - hire more tutoring for children  $\Uparrow$  0.1 times per week
  - are more likely to use community educational resources:
    - ▶ use parenting education courses  $\uparrow$  3 p.p.
    - ▶ report needing parenting education courses  $\uparrow$  5 p.p.
    - ▶ use parent support groups helplines  $\uparrow$  4 p.p.
    - ▶ use child health|wellbeing information from phone|internet  $\uparrow$  4 p.p.

(table) (by mom educ)

# Mothers reporting delays have lower quality of parent-child interactions

- Mothers who perceive non-cognitive delays:
  - engage in more hostile interactions:
    - $\blacktriangleright\,$  more likely to tell their child that they are not as good as others  $\Uparrow$  9 p.p.
    - $\,\blacktriangleright\,$  more likely to raise voice or shout at the child  $\Uparrow$  0.57 SD
    - $\,{\scriptstyle\blacktriangleright}\,$  more likely to lose temper with the child  $\Uparrow$  0.57 SD
  - engage in less warm interactions:
    - ▶ less likely to often display physical affection with their child  $\Downarrow$  5 p.p.
    - $\blacktriangleright\,$  less likely to often tell their child how happy he/she makes them  $\Downarrow$  7 p.p.
  - have lower educational aspirations for their children:
    - less likely to expect that the child will receive a university degree  $\Downarrow$  9.4 p.p.

table by mom educ

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#### Discussion

- Teachers' perceptions about children's non-cognitive & cognitive delays depend on the average level of neighbourhood non-cognitive development.
  - Early Childhood Education:

More educated teachers are more likely to recognize deficits in children with low objective measures of development.

- Teachers' perceptions affect mothers' perceptions.
- Children with perceived delays are more likely to use therapy.
- Mothers who perceive child deficits have a lower quality of parenting but are more likely to reach out for professional help.

#### • Policy implication:

• Training improves the recognition of children's developmental trajectories.

# Mothers reporting delays have lower quality of parent-child interactions

|                       | Phys. affection | Tell happy     | Tell bad       | Exp. $coll+$ | Lose temper      | Shout            |
|-----------------------|-----------------|----------------|----------------|--------------|------------------|------------------|
|                       | ind: often $+$  | ind: often $+$ | ind: $>$ never | ind          | $^{\mathrm{SD}}$ | $^{\mathrm{SD}}$ |
| Mother: Non-cognitive | -0.05*          | -0.07*         | $0.09^{*}$     | -0.09*       | $0.57^{*}$       | $0.57^{*}$       |
| delay                 | (0.02)          | (0.02)         | (0.02)         | (0.02)       | (0.10)           | (0.09)           |
| N                     | 6561            | 6583           | 6574           | 6186         | 2891             | 2898             |

\* 5% significance level.



Mothers reporting delays have lower quality of parent-child interactions

Effect of perceived non-cognitive delay by mothers' education

|                       | Mother Warmth          |             | Mothe                  | r Anger    | Exp. $coll+$           |         |
|-----------------------|------------------------|-------------|------------------------|------------|------------------------|---------|
|                       | $\operatorname{Coll}+$ | No coll     | $\operatorname{Coll}+$ | No coll    | $\operatorname{Coll}+$ | No coll |
| Mother: non-cognitive | -0.12                  | $-0.21^{*}$ | $0.56^{*}$             | $0.61^{*}$ | -0.07                  | -0.09*  |
| delay                 | (0.07)                 | (0.07)      | (0.07)                 | (0.08)     | (0.04)                 | (0.03)  |
| Ν                     | 2381                   | 3117        | 2380                   | 3116       | 2299                   | 2929    |

Control: lag perceptions, lag investment, mother's depression, neighbourhood ch-s, family income, number of children, mother's age, mother's employment, two-parent household, household language - English, child's gender, child's age, child's cohort. 5% significance level.



### Mothers reporting delays reach out for professional help

|                       | Parent educ. | Parent educ. | Support groups helpline | Child health info | Tutor        |
|-----------------------|--------------|--------------|-------------------------|-------------------|--------------|
|                       | ind: use     | ind: need    | ind: use                | ind: use          | weekly times |
| Mother: Non-cognitive | $0.03^{*}$   | $0.05^{*}$   | $0.04^{*}$              | $0.05^{*}$        | $0.10^{*}$   |
| delay                 | (0.01)       | (0.02)       | (0.01)                  | (0.02)            | (0.03)       |
| N                     | 6503         | 3690         | 6503                    | 3690              | 3570         |

 $\ast$  5% significance level.

main

# Mothers reporting delays reach out for professional help

#### Effect of perceived non-cognitive delays, by mothers' education

|                       | Tutoring               |         | Use educ               |         | Need educ              |         | Use support            |         | Use info               |         |
|-----------------------|------------------------|---------|------------------------|---------|------------------------|---------|------------------------|---------|------------------------|---------|
|                       | $\operatorname{Coll}+$ | No coll |
| Mother: non-cognitive | $0.19^{*}$             | 0.04    | $0.07^{*}$             | -0.03   | 0.07                   | -0.02   | $0.05^{*}$             | 0.04    | 0.05                   | 0.04    |
| delay                 | (0.06)                 | (0.06)  | (0.03)                 | (0.01)  | (0.04)                 | (0.02)  | (0.03)                 | (0.02)  | (0.03)                 | (0.03)  |
| Ν                     | 1349                   | 1624    | 2376                   | 3108    | 1401                   | 1666    | 2376                   | 3108    | 1401                   | 1666    |

Control: lag perceptions, lag investment, mother's depression, neighbourhood ch-s, family income, number of children, mother's age, mother's employment, two-parent household, household language - English, child's gender, child's age, child's cohort. 5% significance level.

#### main

# Children with perceived delays more likely to use therapy

|                          | Behavior               | al or psych therapy | Learning or speech there |            |
|--------------------------|------------------------|---------------------|--------------------------|------------|
|                          | $\operatorname{Coll}+$ | No coll             | $\operatorname{Coll}+$   | No coll    |
| Teach.: Non-cognitive    | $0.05^{*}$             | 0.08*               | $0.07^{*}$               | $0.08^{*}$ |
| delay                    | (0.02)                 | (0.01)              | (0.03)                   | (0.02)     |
| Teach.: Cognitive delay  | 0.05                   | 0.01                | $0.19^{*}$               | $0.17^{*}$ |
|                          | (0.03)                 | (0.01)              | (0.04)                   | (0.03)     |
| Moth.: Non-cognitive     | $0.17^{*}$             | $0.16^{*}$          | $0.10^{*}$               | $0.16^{*}$ |
| delay                    | (0.04)                 | (0.03)              | (0.04)                   | (0.04)     |
| Moth.: concern Cognitive | $0.10^{*}$             | 0.03                | $0.23^{*}$               | $0.22^{*}$ |
|                          | (0.04)                 | (0.02)              | (0.05)                   | (0.04)     |
| N                        | 1820                   | 2438                | 1820                     | 2438       |

Effect of perceived delays, by mothers' education (main)

Control: neighbourhood ch-s, family income, number of children, mother's age, mother's employment, two-parent household, household language - English, child's gender, child's age, child's cohort. \* 5% significance level.

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### Reference bias: perceptions about non-cognitive and cognitive delays

|                                   | Non-cognitive delay | Cognitive delay |
|-----------------------------------|---------------------|-----------------|
| Neighbourhood non-cognitive score | $0.02^{*}$          |                 |
|                                   | (0.01)              |                 |
| Non-cognitive score               | -0.06*              |                 |
|                                   | (0.01)              |                 |
| Neighbourhood cognitive score     |                     | $0.02^{*}$      |
|                                   |                     | (0.01)          |
| Cognitive score                   |                     | -0.09*          |
|                                   |                     | (0.01)          |
| N                                 | 5520                | 5270            |

 $\ast$  5% significance level.



#### Reference bias: Cross-influence of developmental dimensions

|                                   | Non-cognitive delay | Cognitive delay |
|-----------------------------------|---------------------|-----------------|
| Neighbourhood non-cognitive score | $0.02^{*}$          | $0.01^{*}$      |
|                                   | (0.01)              | (0.00)          |
| Non-cognitive score               | -0.04*              | -0.03*          |
|                                   | (0.01)              | (0.01)          |
| Neighbourhood cognitive score     | 0.01                | $0.02^{*}$      |
|                                   | (0.01)              | (0.01)          |
| Cognitive score                   | -0.05*              | -0.08*          |
|                                   | (0.01)              | (0.01)          |
| Ν                                 | 5258                | 5254            |

 $\ast$  5% significance level.

graph

#### Mothers perceptions are informed by child development

•  $\uparrow$  measured development =  $\downarrow$  lower likelihood that mothers indicates delay main

(a) Share mothers: socio-emotional delays

(b) Share mothers: receptive language concerns



Children in less developed neighbourhoods have lower own development

• ↑ average development of other children in the neighbourhood = ↑ higher average development score main



#### Mothers' perceptions and local environment

#### main

(a) Share mothers: socio-emotional delays

(b) Share mothers: receptive language concern



|                         | Non-c                   | Non-cognitive delay |                   |                         | Cognitive delay    |                    |  |  |
|-------------------------|-------------------------|---------------------|-------------------|-------------------------|--------------------|--------------------|--|--|
|                         | Logit Avg. Marg. Effect | Extra control       | Meas. error adj.  | Logit Avg. Marg. Effect | Extra control      | Meas. error adj.   |  |  |
| Neighbourhood           | $0.019^{*}$             | $0.023^{*}$         | $0.050^{*}$       | $0.012^{*}$             | $0.021^{*}$        | $0.025^{*}$        |  |  |
| non-cognitive score     | (0.006)                 | (0.009)             | (0.013)           | (0.005)                 | (0.007)            | (0.010)            |  |  |
| Non-cognitive score     | -0.037*                 | -0.033*             | -0.386*           | -0.023*                 | -0.030*            | -0.161             |  |  |
|                         | (0.006)                 | (0.011)             | (0.112)           | (0.005)                 | (0.010)            | (0.087)            |  |  |
| Neighbourhood cognitive | 0.010                   | 0.007               | 0.003             | $0.017^{*}$             | 0.011              | 0.030*             |  |  |
| score                   | (0.006)                 | (0.010)             | (0.018)           | (0.005)                 | (0.009)            | (0.013)            |  |  |
| Cognitive score         | -0.050*<br>(0.006)      | -0.074*<br>(0.011)  | -0.045<br>(0.067) | -0.077*<br>(0.005)      | -0.089*<br>(0.011) | -0.155*<br>(0.052) |  |  |
| Ν                       | 5258                    | 1939                | 5215              | 5254                    | 1939               | 5211               |  |  |

\* 5% significance level.



#### Measurement error in child | neighbourhood development

95% CI estimated  $\beta^{T,N}$  for average neighbourhood non-cognitive development main





### Other child and neighbourhood non-cognitive score

95% CI estimated  $\beta^{T,N}$  for average neighbourhood non-cognitive development main





#### Measurement error in child | neighbourhood development

95% CI estimated  $\beta^{T,N}$  for average neighbourhood cognitive development main



#### Other child and neighbourhood non-cognitive score

95% CI estimated  $\beta^{T,N}$  for average neighbourhood cognitive development main



Suvorova

#### Robustness checks: Average neighbourhood cognitive score

95% CI estimated  $\beta^{T,N}$  for average neighbourhood cognitive development main



Suvorova

#### Behavior during the interview at age 4-5 is predictive of later outcomes

|                       | Repeated grade by ages 12-13 | Grade 9 Reading | Grade 9 Math   |
|-----------------------|------------------------------|-----------------|----------------|
| Socio-emotional score | -0.010***                    | $4.199^{***}$   | $4.440^{***}$  |
|                       | (0.003)                      | (0.873)         | (0.929)        |
| PPVT score            | $-0.011^{***}$               | $17.490^{***}$  | $12.168^{***}$ |
|                       | (0.003)                      | (0.869)         | (0.920)        |
| Ν                     | 6699                         | 5739            | 5678           |



#### Histogram: interview behavior at age 4-5

back

### Educated teachers are more likely to report delays in low-skill children

- $\Uparrow$  education  $\rightarrow \Uparrow$  reports of delays for children with low measured development
  - both for cognitive and non-cognitive skill
  - Reason: Stronger relationship between measured cognitive skills and perceptions bias degree main

|                          | Non-cogn            | itive delay          | Cognit          | ive delay        |
|--------------------------|---------------------|----------------------|-----------------|------------------|
|                          | Non-cogn. score low | Non-cogn. score high | Cogn. score low | Cogn. score high |
| Teacher college+         | 0.06*               | 0.02                 | $0.05^{*}$      | 0.01             |
|                          | (0.02)              | (0.02)               | (0.02)          | (0.01)           |
| Child attends daycare    | -0.04               | -0.02                | -0.02           | 0.00             |
|                          | (0.02)              | (0.02)               | (0.02)          | (0.01)           |
| Teaching experience 0-5  | -0.04               | 0.01                 | 0.01            | 0.03             |
| years                    | (0.02)              | (0.02)               | (0.02)          | (0.02)           |
| Teaching experience 6-10 | 0.01                | -0.02                | -0.02           | 0.01             |
| years                    | (0.02)              | (0.02)               | (0.02)          | (0.01)           |
| Age of youngest in class | 0.00                | 0.00                 | 0.00            | 0.00             |
|                          | (0.00)              | (0.00)               | (0.00)          | (0.00)           |
| Age of oldest in class   | -0.00               | 0.00                 | 0.00            | -0.00            |
|                          | (0.00)              | (0.00)               | (0.00)          | (0.00)           |
| Children to qualified    | -0.00               | 0.00                 | 0.00            | 0.00             |
| staff ratio              | (0.00)              | (0.00)               | (0.00)          | (0.00)           |
| N                        | 2899                | 2847                 | 2771            | 2749             |

\* 5% significance level.

#### Postal areas map of Australia





#### Merrylands and Putney postcodes in Sydney



main

### Teacher's and mother's perceptions: ME in development

|                                 | Non-cognitive delay |            |  |
|---------------------------------|---------------------|------------|--|
|                                 | perceived by mother |            |  |
|                                 | Ages $4-5$          | Ages 8-9   |  |
| Teacher: Non-cognitive delay    | 0.05                |            |  |
|                                 | (0.03)              |            |  |
| Teacher: Cognitive delay        | -0.02               |            |  |
|                                 | (0.03)              |            |  |
| School contacted about behavior |                     | $0.09^{*}$ |  |
|                                 |                     | (0.02)     |  |
| Mother depression               | $0.02^{*}$          | $0.01^{*}$ |  |
|                                 | (0.01)              | (0.01)     |  |
| Non-cognitive score             | -0.25               | -0.36*     |  |
|                                 | (0.17)              | (0.15)     |  |
| Cognitive score                 | -0.02               | 0.01       |  |
| -                               | (0.06)              | (0.03)     |  |
| N                               | 2202                | 5547       |  |



\* 5% significance level.

#### Teacher's and mother's perceptions: ME & neighbourhood development

|                                   | Non-cognitive delay |             |  |  |
|-----------------------------------|---------------------|-------------|--|--|
|                                   | perceived by mother |             |  |  |
|                                   | Ages 4-5            | Ages 8-9    |  |  |
| Teacher: Non-cognitive delay      | $0.06^{*}$          |             |  |  |
|                                   | (0.03)              |             |  |  |
| Teacher: Cognitive delay          | -0.01               |             |  |  |
|                                   | (0.04)              |             |  |  |
| School contacted about behavior   |                     | $0.09^{*}$  |  |  |
|                                   |                     | (0.02)      |  |  |
| Non-cognitive score               | -0.30               | $-0.16^{*}$ |  |  |
|                                   | (0.16)              | (0.06)      |  |  |
| Cognitive score                   | 0.02                | -0.03       |  |  |
|                                   | (0.06)              | (0.02)      |  |  |
| Neighbourhood cognitive score     | 0.01                | -0.00       |  |  |
|                                   | (0.01)              | (0.01)      |  |  |
| Neighbourhood non-cognitive score | 0.01                | $0.02^{*}$  |  |  |
|                                   | (0.01)              | (0.01)      |  |  |
| N                                 | 1619                | 4623        |  |  |

main

\* 5% significance level. Suvorova

#### Perceptions and school-based investment: ME in development

|                          | Behavioral or psych therapy |             |                          | Learning or speech theray |                          |                          |
|--------------------------|-----------------------------|-------------|--------------------------|---------------------------|--------------------------|--------------------------|
|                          | (1)                         | (2)         | (3)                      | (4)                       | (5)                      | (6)                      |
|                          | $\mathbf{b}/\mathbf{se}$    | b/se        | $\mathbf{b}/\mathbf{se}$ | $\mathbf{b}/\mathbf{se}$  | $\mathbf{b}/\mathbf{se}$ | $\mathbf{b}/\mathbf{se}$ |
| Teach.: Non-cognitive    | $0.069^{*}$                 | $0.062^{*}$ |                          | $0.070^{*}$               | $0.061^{*}$              |                          |
| delay                    | (0.012)                     | (0.013)     |                          | (0.018)                   | (0.020)                  |                          |
| Teach.: Cognitive delay  | 0.013                       | -0.009      |                          | $0.145^{*}$               | $0.078^{*}$              |                          |
|                          | (0.014)                     | (0.017)     |                          | (0.022)                   | (0.028)                  |                          |
| Moth.: Non-cognitive     | $0.154^{*}$                 | $0.133^{*}$ |                          | $0.104^{*}$               | $0.103^{*}$              |                          |
| delay                    | (0.025)                     | (0.028)     |                          | (0.028)                   | (0.032)                  |                          |
| Moth.: concern Cognitive | $0.058^{*}$                 | 0.038       |                          | $0.206^{*}$               | $0.160^{*}$              |                          |
|                          | (0.019)                     | (0.021)     |                          | (0.031)                   | (0.033)                  |                          |
| Non-cognitive score      |                             | -0.112      | $-0.194^{*}$             |                           | 0.096                    | -0.014                   |
|                          |                             | (0.087)     | (0.094)                  |                           | (0.109)                  | (0.108)                  |
| Cognitive score          |                             | 0.001       | 0.007                    |                           | -0.184*                  | $-0.197^{*}$             |
|                          |                             | (0.043)     | (0.048)                  |                           | (0.060)                  | (0.059)                  |
| Neighbourhood            |                             | 0.014       | $0.023^{*}$              |                           | -0.022                   | -0.010                   |
| non-cognitive score      |                             | (0.009)     | (0.010)                  |                           | (0.012)                  | (0.012)                  |
| Neighbourhood cognitive  |                             | -0.005      | -0.009                   |                           | $0.045^{*}$              | $0.043^{*}$              |
| score                    |                             | (0.011)     | (0.013)                  |                           | (0.017)                  | (0.017)                  |
| N                        | 4104                        | 4074        | 4074                     | 4104                      | 4074                     | 4074                     |

main

#### Family investment: endogenous perceptions

• Maternal perceptions and investment can suffer from reverse causality  $\rightarrow$  instrument for mother deficit recognition with indicator for being contacted by school about child's behavior

|                       | Warmth  | Anger       | Tutor   | $\operatorname{Exp} \operatorname{coll} +$ |      |
|-----------------------|---------|-------------|---------|--|------|
| Mother: Non-cognitive | 0.113   | $2.152^{*}$ | 0.065   | -0.850*                                    |      |
| delay                 | (0.279) | (0.354)     | (0.171) | (0.185)                                    | main |
| Ν                     | 6556    | 6554        | 3570    | 6186                                       |      |
| F stat.               | 77.24   | 66.49       | 50.14   | 65.21                                      |      |

\* 5% significance level.

### Stronger link between measured development and perceptions

•  $\Uparrow$  education  $\to \Uparrow$  stronger relationship between measures of cognitive development and perceptions

|                                   | Non-cognitive delay |              | Cognitive delay |             |
|-----------------------------------|---------------------|--------------|-----------------|-------------|
|                                   | Certificate         | College+     | Certificate     | College+    |
| Non-cognitive score               | -0.031*             | $-0.055^{*}$ | -0.030*         | -0.036*     |
|                                   | (0.011)             | (0.009)      | (0.011)         | (0.008)     |
| Neighbourhood non-cognitive score | 0.016               | $0.025^{*}$  | $0.021^{*}$     | $0.016^{*}$ |
|                                   | (0.010)             | (0.008)      | (0.008)         | (0.007)     |
| Cognitive score                   | -0.030*             | -0.067*      | -0.060*         | -0.098*     |
|                                   | (0.012)             | (0.009)      | (0.009)         | (0.008)     |
| Neighbourhood cognitive score     | 0.004               | 0.008        | 0.012           | $0.018^{*}$ |
|                                   | (0.010)             | (0.009)      | (0.008)         | (0.008)     |
| N                                 | 1725                | 2912         | 1722            | 2912        |

\* 5% significance level.
## Alternative measure of teachers' perceptions of non-cognitive deficits

- Continuous score of teachers' perceptions about child's non-cognitive deficits
  - Subquestions from Strength and Difficulty Questionnaire related to behaviours measured during the interview. main

|                                   | Ages 4-5    | Ages 8-9    |
|-----------------------------------|-------------|-------------|
| Neighbourhood non-cognitive score | $0.04^{*}$  | $0.04^{*}$  |
|                                   | (0.02)      | (0.02)      |
| Non-cognitive score               | $-0.07^{*}$ | $-0.05^{*}$ |
|                                   | (0.02)      | (0.02)      |
| Neighbourhood cognitive score     | -0.01       | 0.00        |
|                                   | (0.02)      | (0.02)      |
| Cognitive score                   | -0.08*      | -0.05*      |
|                                   | (0.01)      | (0.01)      |
| N                                 | 5055        | 4679        |

\* 5% significance level.