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The Consumption and Wealth Effects of an Unanticipated Change in Lifetime Resources.

Few studies on resilience in young children model risk appropriately and test theory-led hypotheses about its moderation. This study addressed both issues. Our hypothesis was that for preschool children's emotional/ behavioral adjustment in the face of contextual risk protective factors should be located in the cognitive domain. Data were from the first two sweeps of the UK's Millennium Cohort Study. The final study sample was 4,748 three-year-old children clustered in 1,549 Lower layer Super Output Areas in nine strata. Contextual risk was measured at both area (with the Index of Multiple Deprivation) and family (with proximal and distal adverse life events experienced) level. Moderator variables were parenting, verbal and non-verbal ability, developmental milestones, and temperament. Multivariate multilevel models—that allowed for correlated residuals at both individual and area level—and univariate multilevel models estimated risk effects on specific and broad psychopathology. At baseline, proximal family risk, distal family risk and area risk were all associated with broad psychopathology, although the most parsimonious was the proximal family risk model. The area risk/ broad psychopathology association remained significant even after family risk was controlled but not after family level socioeconomic disadvantage was controlled. The cumulative family risk was more parsimonious than the specific family risks model. Non-verbal ability moderated the effect of proximal family risk on conduct and emotional problems, and developmental milestones moderated the effect of proximal family risk on conduct problems. The findings highlight the importance of modeling contextual risk appropriately and of locating in the cognitive domain factors that buffer its effect on young children's adjustment.