

Beyond the Wallet: Family Resources and the Inequality of Early Cognitive and Non-cognitive Development in China

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Despite a growing body of literature on child inequality, current research on how such inequality plays out in early childhood is unsatisfactory. First, while recent studies have increasingly examined non-cognitive abilities, most existing work focuses on cognitive skills; even where non-cognitive outcomes are considered, studies often rely on regional rather than nationally representative samples. Second, although socioeconomic gaps in early childhood development are well-documented, the existing literature has not reached a consensus on the exact nature of this empirical pattern, and the underlying channels through which family SES is linked to children's development remain elusive. Using pooled data from the 2020 and 2022 waves of the China Family Panel Studies (CFPS), this study examines how early childhood cognitive and non-cognitive development varies across socioeconomic backgrounds and, more importantly, why these disparities emerge. The findings show that family SES is positively associated with children's cognitive abilities, whereas its association with non-cognitive development is relatively weak. In particular, parents' education is positively related to both cognitive and non-cognitive outcomes, while family income is not significantly associated with non-cognitive development. Further analyses suggest that parental investments partially mediate these relationships, although the effects vary across domains. Non-monetary investments, especially parental involvement, are consistently associated with both cognitive and non-cognitive development, whereas monetary investments such as educational expenditure mainly predict cognitive outcomes and have limited explanatory power for non-cognitive skills. Overall, the findings suggest that family SES shapes early childhood development primarily through non-monetary investment channels, particularly in relation to non-cognitive development. This study contributes to a more comprehensive understanding of SES disparities in both cognitive and non-cognitive development in early years.