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How does Economic Deprivation Affect Parental Self-Efficacy? Taking a Closer Look at Unemployment, Economic Resources, and Parental Psychological Distress.

The negative consequences of economic deprivation for family functioning as theorized within the family stress model are well-established. Yet, current research indicates that these consequences can be attenuated by cognitive factors, including parental self-efficacy (PSE). Defined as parents' beliefs in their ability to beneficially influence their child's development, PSE promotes positive parenting practices. PSE thus functions as a buffer against the negative repercussions of economic deprivation. So far, research largely neglects that economic deprivation itself could diminish PSE, and that different dimensions of economic deprivation could be at work.

I address these open questions by examining the mechanisms through and the extent to which economic deprivation affects PSE. I consider economic deprivation as a threefold concept including unemployment, and the objective and subjective poverty-level as its distinct dimensions. To begin with, I assume that unemployment triggers psychological distress, e.g., lower self-worth or negative beliefs about control, which transfers to the parenting role. Based on this premise, I argue that unemployment evokes a *socioemotional mechanism* which indirectly decreases PSE through distress depending on the length of unemployment. Further, I reason two resource-based mechanisms to capture the distinct characteristics of (perceived) poverty. The *objective resource-based mechanism* occurs if the family falls under the poverty-line. Objective poverty constrains sociocultural participation and goods that parents can provide. Consequently, parents experience enhanced distress and lose faith in their ability to create an optimal environment for their child. The *subjective resource-based mechanism* results from perceived poverty. Individuals evaluate their economic status in comparison with their social environment. On that account, the living standard of other families leads to a perception of economic deprivation by parents who are not poor by definition. Since parents are still able to provide their families with all necessities, they experience no increase in distress, but a direct decline in PSE.

To test my hypotheses, I use fixed-effects panel regressions utilizing waves 4 to 12 (2011-2020) from the *German Family Panel pairfam* which I complement with unemployment episodes from the *bioact* dataset. I draw a subsample of parents with at least one child under 18 living in the household. My results show that unemployment through the socioemotional mechanism has no effect on PSE irrespective of distress. By contrast, the objective resource-based mechanism carries as falling under, or even near, the poverty-line induces a decrease in PSE. The effects vanish when considering distress. Importantly, the analyses reveal that the subjective resource-based mechanism is decisive for PSE. All models confirm the significant negative effect of perceived poverty. Hence, parents' PSE declines if they perceive their economic situation to worsen. All in all, the results point to the importance of considering economic deprivation as a multifold concept to capture the consequences of social inequality for family functioning, even on the level of cognitive resources such as PSE.