

Early disadvantage: The unequal effect of prenatal stress on children's cognitive and educational outcomes

Abstract: Exposure to environmental stressors is highly prevalent and unequally distributed along socioeconomic lines and may have enduring negative consequences, even when experienced before birth. Yet, estimating the consequences of prenatal stress on children's outcomes is complicated by the issue of confounding. I combine a natural experiment—a strong earthquake in Chile—with a panel survey to capture the effect of prenatal exposure to stress and children's cognitive and educational outcomes. Stress exposure in early pregnancy has no effect on children's outcomes among middle-class families, but it has a strong negative influence among disadvantaged families. I then examine possible pathways accounting for the socioeconomic stratification in the effect of stress, including differential exposure across socioeconomic status, differential sensitivity, and unequal parental responses.