

*Changes in family structure and employment pattern: Do they blend with early childhood outcomes?*

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**Abstract:**

As presented in recent literature (see Cunha and Heckman 2007, 2009), parental environment considerably influences child development. Since the early years are most important when evaluating the development of skills, we examine in our analysis mainly non-cognitive outcome measures of toddlers and preschoolers. We focus on changes in family structure and employment patterns for German families with children aged two to six, since these factors have become increasingly relevant for explaining transmission of ability. Using data from the German Socio-Economic Panel study (SOEP) allows us to analyze data from the samples of early childhood (two to six) containing information on skills, personality of the child, child health and the care situation. Our data enable us to examine the adaptive behavior of toddlers and the socio-emotional behavior of preschoolers. The adaptive behavior measures children's skills at the age of two to three, whereas the socio-emotional behavior comprises skills of children aged five to six. Using an empirical framework suitable to identify the association between changes in parental environment and children's development, we see that differences in outcomes are related to changes in family backgrounds. Preliminary results show a correlation between multiple changes in family structure and the socio-emotional behavior of five-to-six-year-olds. The analysis demonstrates that the association between family structure changes and child outcome of preschoolers can be worsened if, after experiencing a separation, a new partner comes into the family. Additionally, we depict that involuntary changes in maternal employment pattern are positively correlated with children's development – both for two-to-three-year-olds and for five-to-six-year-olds.