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The Development of Socioeconomic Cognition in Childhood

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Abstract

Economic inequality is a pressing social issue affecting children's development. Children are not simply passive recipients of outcomes associated with their family's socioeconomic status; rather, children begin to build a map of socioeconomic concepts early in life—reasoning about what money is, its role in their own and others' lives, and why some people have more of it than others. This article draws from disparate social science disciplines to articulate a cognitive development framework for understanding children's socioeconomic reasoning across four domains ranging from concrete to abstract: (*a*) reasoning about money as currency, (*b*) reasoning about money as wealth held by people, (*c*) reasoning about wealth as an aspect of a person's identity, and (*d*) reasoning about wealth as a source of societal-level inequality. Across domains, we synthesize existing research, summarize common themes across fields, and highlight pressing questions to provide a roadmap for the continued study of children's socioeconomic cognition.

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1. INTRODUCTION

Socioeconomic inequality is a ubiquitous and growing phenomenon across the world (Zucman 2019), including in the United States, where the wealthiest 1% of Americans control approximately one-third of the nation's wealth (Zucman 2019; see also Hardy et al. 2024). Americans largely live, work, and attend school with people of similar socioeconomic status (SES), and segregation between wealth groups has become only more entrenched in recent decades (Chetty et al. 2020, Hoffman & Chabot 2023, Iceland & Wilkes 2006, Owens et al. 2016, Reardon et al. 2018). This socioeconomic inequality impacts children's development in myriad domains ranging from cognitive abilities to social relationships to physical health (for reviews, see Bradley & Corwyn 2002, Conger & Donnellan 2007). Further, children begin to notice and construct an understanding of socioeconomic inequality early in life, and their socioeconomic cognition deepens and becomes more nuanced with age and experience.

Theoretical and empirical work spanning multiple fields (e.g., psychology, sociology, finance, education, and economics) has explored children's socioeconomic cognition. The present article unites research from diverse fields and foci to advance an interdisciplinary narrative of the

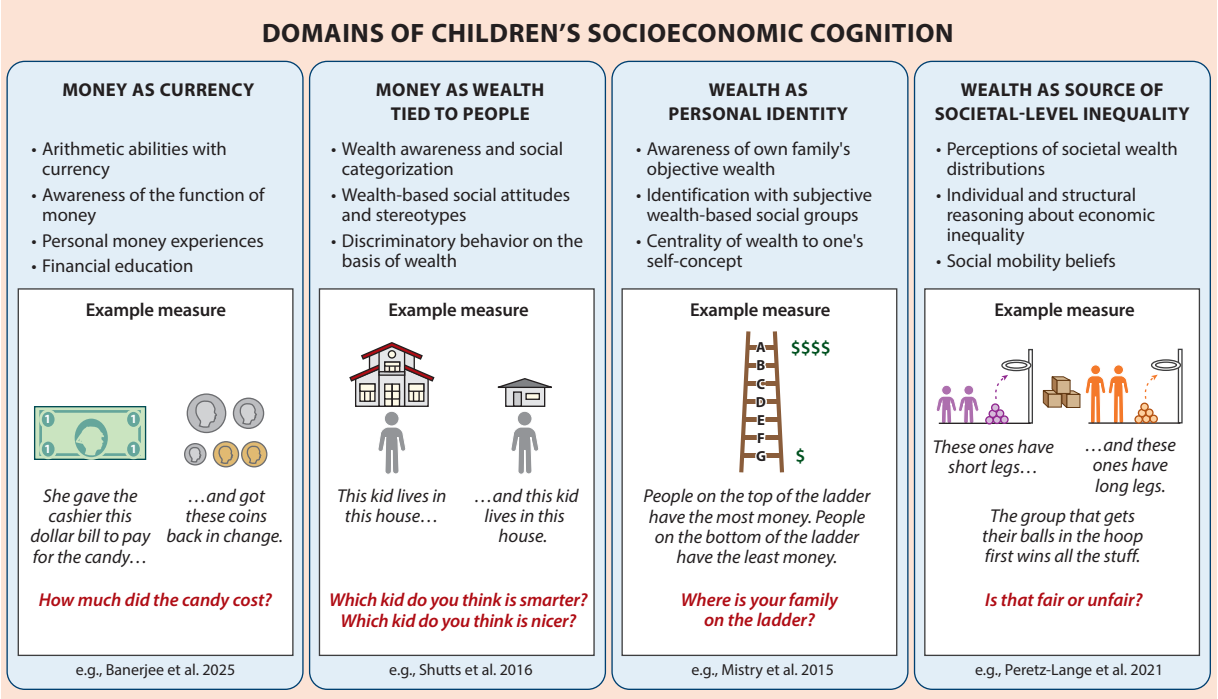

Figure 1

Four domains of children's socioeconomic cognition, including content and example measures within each domain. Example measures were adapted from Banerjee et al. (2025) (money as currency domain), Shutts et al. (2016) (money as wealth domain), Mistry et al. (2015) (wealth as identity domain), and Peretz-Lange et al. (2021) (wealth as source of societal inequality domain).

development of socioeconomic cognition from early childhood through adolescence. Our framework, organized here from concrete to abstract, interrogates children's developing (*a*) reasoning about money as currency, (*b*) reasoning about money as wealth that is tied to people, (*c*) incorporation of the self to think about wealth as a facet of one's identity, and (*d*) reasoning about wealth as a source of societal-level inequality (see **Figure 1**).

One central concept underlies modern socioeconomic inequality between individuals, groups, and societies: money. Thus, understanding children's socioeconomic cognition first requires consideration of children's initial thinking about money as currency. Children's understanding of money as currency—what money is, where money comes from, and what money is used for—can also provide important context for their reasoning about more abstract socioeconomic concepts. For example, children's thinking about where money comes from (e.g., understanding that most adults work in exchange for money) could scaffold their inferences about people who possess different amounts of wealth (e.g., assumptions about their work ethic). Section 3 of the present article evaluates research on children's thinking about money: how young children's cursory understanding of currency gains depth with age and experience and the formal educational practices employed to teach children about the fundamentals of financial literacy.

A conceptualization of money extends beyond the purely cognitive domain (e.g., thinking about numbers) to include thinking about people who differ in their access to money (e.g., "rich people" and "poor people"). Do children recognize this link between money and people, which might be considered an appreciation of wealth? If children do notice that some people are wealthier than

other people, this awareness should, at minimum, be evident in their attention to and memories of people's wealth differences (see Kraus et al. 2017a, Mandalaywala & Legaspi 2023). Moreover, children's attention to wealth differences may lay a foundation for more nuanced and subjective thinking about others, such as developing positive or negative attitudes about people from different wealth groups, assumptions about what these groups of people are like, or beliefs about how these people should be treated (i.e., prejudice, stereotyping, and discrimination; see Bodenhausen & Richeson 2010). Section 4 of this article examines when and how children start to think of money as a resource that largely represents people's wealth—with some individuals, families, or groups having more money and, thus, greater wealth than others—as well as how wealth information impacts children's social thinking about those people.

Section 5 of the article queries when and where children's socioeconomic thinking incorporates a notion of the self. How does children's developing thinking about wealth as tied to people also reflect their conceptualization of their family and themselves? Beginning in early childhood and continuing throughout adolescence, children develop self-concepts—notions of who they are and the social roles they occupy (e.g., Adler & Adler 1996, Alsaker & Kroger 2020, Bennett & Sani 2008, Callero 2003, Nesdale & Flesser 2001). This process of self-discovery includes the development of social group identities, such as gender or ethnic identities (e.g., Williams et al. 2020), and children may also develop wealth-related identities during this period. Early wealth identities could reflect children's knowledge of their more objective socioeconomic context—that is, their family's income or wealth. But, for adults at least, socioeconomic identities can also be based on people's subjective perceptions of their relative standing rather than an objective measure of their income (see Stephens et al. 2025, Tan et al. 2020). Thus, young children may develop more subjective wealth identities, such as affiliations with wealth-based social groups characterized by distinct norms and values (e.g., "working class" or "middle class"; for reviews of the adult literature, see Manstead 2018 and Stephens et al. 2025). Section 5 examines current evidence of children's self-focused socioeconomic cognition and proposes a trajectory for future research to address fundamental questions in this domain.

Finally, thinking about wealth can extend beyond thinking about people at an individual level to incorporate broader notions of wealth in society. Wealth is distributed unequally across groups and societies (e.g., Zucman 2019), and this inequality can be conceptualized as an individual issue (i.e., stemming from differences in individual people's effort or ability; see Mijs 2021) or as a structural issue (i.e., stemming from structural forces that operate externally to the individuals themselves; Beckert 2022, Pfeffer & Waitkus 2021). How do children reason about more individual versus structural explanations for societal-level inequality, and how might these beliefs affect children's reasoning about the possibility of group-level socioeconomic change or individual-level socioeconomic mobility? Section 6 reviews a burgeoning area of research focused on children's learning about structural inequalities and provides suggestions for future areas of inquiry in this domain.

2. CONSIDERATIONS OF THE CURRENT APPROACH

The present article advances a novel view of children's socioeconomic cognition, building upon the perspectives of both social cognition, a subfield of psychology that examines how people think about social interactions, relationships, and groups (see Frith 2008), and cognitive sociology, a subfield of sociology that examines the interplay between societal forces and individual cognition (see DiMaggio 1997, 2013). A social-cognitive psychologist might study children's socioeconomic cognition by examining children's thinking about people from different wealth groups; this approach is most clearly reflected in Sections 4 and 5. In contrast, a cognitive sociologist might focus on when and how children's thinking about money and wealth reifies (versus challenges) existing

societal patterns; this perspective is reflected most evidently in Sections 3 and 6. We expand upon these theoretical traditions, examining the cognitive, social, and societal forces that shape (and are shaped by) children's reasoning about money, individual wealth, and patterns of societal wealth inequality across developmental time.

Social science disciplines vary broadly in terminology and, even within the field of psychology, researchers use a variety of terms to mark agents' relative control of resources (Antonoplis 2023): owning bigger homes or smaller homes; having more resources or fewer resources; high, middle, or low SES; low, working, middle, or upper class; wealthy, impoverished, or in-between; and poorer or richer. Further, the resources that these terms are intended to reflect could range from money and property, to food and medical supplies, to education and other opportunities. This article uses the terms "wealth" and "wealth inequality" broadly to encompass these different representations of relative resource control. In some cases, we also use more specific terms (e.g., "more" or "fewer" material resources; SES) to appropriately characterize the methods of particular studies.

There are limitations to the literature we review—many of which are present in the field of developmental social cognition more generally. For example, much of what we know about the development of socioeconomic cognition comes from research conducted with small sample sizes, and the limitations of small sample sizes are only exacerbated by the inherent noisiness of cultural learning effects central to social cognitive research (for a discussion, see Marszalek et al. 2011). In addition, researchers must grapple with the consequences of unrepresentative samples [e.g., the over-representation of so-called WEIRD (white, educated, industrialized, rich, and democratic) human populations; Henrich et al. 2010]. Many of the findings we discuss have been documented in studies of only US children, and, within US samples, white children from middle- and upper-income families are often overrepresented. In the current project, we aim to locate and highlight studies of children from underrepresented contexts, but such work comprises a relatively small portion of the literature. Gaining a complete understanding of children's cognitive development in any domain—including their thinking about money and wealth—requires substantially more research with children living in diverse countries and cultures (Nielsen et al. 2017; see also Henrich et al. 2010). Such cross-cultural research will be key to fully understanding the role of experience in shaping children's early socioeconomic thought.

3. REASONING ABOUT MONEY AS CURRENCY

Only one generation ago, most children across the world experienced the exchange of money largely as an exchange of physical objects (i.e., bills and coins) or tools that ostensibly represent physical currency (e.g., writing a check to represent money held in a bank account). Modern children's experiences are much more diverse in comparison: Money can still be exchanged in the form of physical currency, but the use of electronic tools to represent and exchange currency has exploded and rapidly restructured the global economy over the late twentieth and early twenty-first centuries (Ekpo et al. 2022, Mützel 2021, Tay et al. 2022). Here we examine children's reasoning about money based on the available literature, which largely focuses on children's reasoning about physical currency (for selected exceptions, see Abramovitch et al. 1991, He et al. 2024). Although the work we review provides critical insights into children's capacity to understand currency and finance, it remains to be seen if children's learning about electronic forms of currency develops along a similar trajectory.

Currency represents monetary value, but people's reasoning about currency extends far beyond thinking about its observable physical properties. Rather, thinking about currency per se may also conjure thoughts about the societal, social, and personal contexts in which currency operates. This link between societal context and individual cognition is reflected in the theoretical perspective of

Jerome Bruner who, compared with other cognitive revolution contemporaries (e.g., Jean Piaget), adopted a uniquely social constructivist perspective of cognition (see Rannikmäe et al. 2020), that "you cannot strip learning from its content, nor study [learning] in a 'neutral' context" (Bruner 2004, p. 20; see also Bruner 1992). Indeed, studies of children's money cognition were central to the ontogeny of Bruner's perspective, such as Bruner & Goodman's (1947) finding that 10-year-old US children—especially those from lower-SES backgrounds—perceive US coins (e.g., nickels) as larger than noncurrency discs of equivalent size (see also Strauss 1952). These results illustrate the potential importance of both societal and individual contexts in guiding children's reasoning about economic artifacts and systems.

3.1. Children's Money Knowledge and Experiences

Beginning in preschool and continuing through elementary school and adolescence, children acquire knowledge about currency. Children's initial understanding appears to consist of descriptive, surface-level observations. Young children tend to focus on the relative quantities and sizes of the objects representing monetary values rather than the values that these objects represent (Berti & Bombi 1981, Berti et al. 1988, Grunberg & Anthony 1980; for a review, see Webley 2005). For example, preschool children make Piagetian mistakes in their estimates of value, such as concluding that 100 pennies are more valuable than one dollar (based on relative quantity) or that a nickel is more valuable than a dime (based on relative size). Children's early cursory reasoning about money also extends to their understanding of currency exchanges. Young children realize money exists and is exchanged for goods or services, but they lack an appreciation of where adults' money comes from; a preschool child might suggest that an adult can simply ask the bank for more money when they need it (Berti et al. 1988; Bonn & Webley 2000; Leahy 1981, 1983, 1990). Thus, young children know money exists and that adults use money to acquire goods, but they do not initially have a sophisticated understanding of the processes involved in economic exchanges.

Throughout elementary school, children increasingly understand the rules governing currency and its exchange. Children's expanding financial arithmetic abilities over the early elementary school years are critical to their learning about money (e.g., Banerjee et al. 2025, Berti et al. 1988, Holden et al. 2009). Between preschool and middle childhood, a typical American child learns how to read a price tag, count up bills and coins sufficient to cover a price, and anticipate the change they will receive (although children of this age vary widely in their ability to make correct change; see Webley 2005). Children also gain direct experience with spending over development. On average, children in the United States begin to receive an allowance in elementary school, and most US adults report that they began earning income of some kind by early adolescence regardless of their SES (Collins & Odders-White 2021, Gudmunson & Danes 2011, Hira 1997; see also Furnham 2001). Indeed, each year school-age children in the United States spend billions of their own dollars and are believed to influence hundreds of billions of dollars in household spending (John 1999, Radesky et al. 2020).

Research conducted in a number of societal contexts including Italy, Israel, the United States, the Czech Republic, and Portugal finds that children gain an understanding of basic economic principles over middle childhood and adolescence. Elementary school-age children recognize that money is exchanged between buyers and sellers, bosses and employees, and lenders and borrowers (Berti et al. 1988, Gelman & Echelbarger 2019, Morgado & Vyskocilova 2000) and exhibit a basic understanding of economic principles such as supply and demand (Berti & Monaci 1998, Echelbarger & Gelman 2023, John et al. 2018, Siegler & Thompson 1998). By adolescence, children's reasoning about money and economics is even more sophisticated: Adolescents can make correct change in complex transactions and explain abstract economic concepts such as profit (Berti et al. 1988, Leiser & Halachmi 2006, McNeil et al. 2009, Walstad 2001). However,

these developmental timelines vary on the basis of differences in formal economics education (e.g., Walstad et al. 2010) and social context (e.g., Banerjee et al. 2025, Bonn & Webley 2000, Saxe 1988). Indian and Brazilian children who develop arithmetic skills through direct experiences with money by working in markets are typically better at solving applied math problems than children of the same age who learn arithmetic at school (Banerjee et al. 2025, Saxe 1988), highlighting the importance of examining children's learning about money across diverse social, educational, and economic experiences.

3.2. Childhood Education About Money

Children's early financial experiences at home vary widely (Kim & Chatterjee 2013, LeBaron & Kelley 2021; see also Duong et al. 2024). Some adults recall experiences of structured, adult-led financial socialization in their childhood homes, whereas others cannot recall childhood financial learning experiences—sometimes even recalling that discussions of money were explicitly taboo (Solheim et al. 2011). These differences in early home experiences likely correspond to differences in downstream financial literacy in adulthood (Gudmunson & Danes 2011, Jorgensen & Savla 2010). Thus, school curricula may be a critical vehicle for equalizing children's exposure to financial learning opportunities.

Given the breadth of financial experiences children encounter at home, researchers, educators, and policymakers largely agree that school-based financial education should begin as early in life as possible (Amagir et al. 2018, Berti 2016, Council for Economic Education 2022, Kaiser & Menkhoff 2020, Walstad 2001). The US Council for Economic Education (2022) defines national standards for financial skills children should acquire by the fourth, eighth, and twelfth grades—despite the abundant literature summarized above, which suggests that many aspects of children's more informal financial learning begin prior to the fourth grade. Further, considerations of societal influences and personal experiences (e.g., of poverty) on children's money cognition appear largely absent from current curricular decisions, although lack of oversight of the educational practices used to teach financial skills across K–12 public education makes it difficult to surmise current norms (Kaiser & Menkhoff 2020). Indeed, few states require coursework related to finance or economics prior to high school, and even fewer assess children's knowledge through standardized testing, even at the high school level (Council for Economic Education 2022; for a discussion, see Walstad et al. 2010).

Studies of children's financial reasoning hold promise to fill gaps between proposed standards and actual classroom practices. Recent experimental tests of financial education programs with young children—albeit scarce—provide insights into pedagogical practices that may aid elementary school-age children's development of financial knowledge, attitudes, and behavior (e.g., Batty et al. 2015; see also Kamber et al. 2024). For example, one experiment found that implementing the Council for Economic Education's Financial Fitness for Life classroom-based financial education curriculum, which includes lessons about concepts such as money management and credit, led to improvements in fourth- and fifth-grade US children's financial attitudes and saving behavior; further, these improvements were evident relative to business-as-usual control classrooms and persisted even one year after the curriculum ended (Batty et al. 2015). However, these kinds of curricular studies are rare in the preadolescent literature, especially prior to elementary school.

In summary, children develop notions of currency in the first years of life and, through both academic and personal experiences, expand on this foundational knowledge throughout middle childhood and adolescence. Children's concrete knowledge about money and economic exchange sets the stage for reasoning about money as applied to individual people, groups of people, and societies at large, and Sections 4–6 of this review examine these aspects of children's socioeconomic cognition.

4. REASONING ABOUT MONEY AS WEALTH: PEOPLE AND SOCIAL GROUPS

Money is much more than currency: People also differ—often dramatically—in the amount of money they hold (i.e., their wealth). Do children recognize this link between money and people? For example, do children notice and remember people's relative wealth (e.g., based on cues such as money or possessions)? If so, how does their conceptualization of wealth impact their feelings about others, their beliefs about others' traits, and their treatment of other people? These potential manifestations of children's reasoning about people from different wealth groups align with four kinds of intergroup cognition prominent in social psychological theories: categorization, attitudes, stereotypes, and discrimination (e.g., Bodenhausen & Richeson 2010, Pettigrew 1998, Pettigrew et al. 2011). Below, we offer a developmental narrative of children's wealth-based social reasoning across these four domains of intergroup cognition.

4.1. Children's Wealth-Based Social Categorization

Young children become aware that people differ in wealth early in life, noticing wealth cues in their environment and tracking these cues over time (e.g., Eason et al. 2024, Legaspi et al. 2023). One study with particularly young children (Eason et al. 2024) found that 14-to-18-month-old infants preferentially reached for an opaque container presented by a person who had possessed a greater (versus smaller) number of resources in the past (e.g., toys or cookies). These results suggest that even very young children notice and remember material cues of people's wealth (i.e., their possessions) and expect people who have more material resources in one interaction to remain resourced in the future. Further, preschool-age children from diverse socioeconomic backgrounds are explicitly aware of people's access to resources, as demonstrated by their capacity to sort people into higher- and lower-wealth groups on the basis of their possessions (e.g., matching "rich" people to larger homes or fancier cars and "poor" people to smaller homes or simpler cars; Ramsey 1991, Shutts et al. 2016). In fact, young children come to automatically encode people's wealth as well: Elementary school–age children make social categorization judgments that reveal lingering memories of people's wealth groups, more frequently confusing the identities of people who are similarly wealthy (Legaspi et al. 2023, Mandalaywala & Legaspi 2023).

The cues children use to infer people's wealth groups expand with age (e.g., Legaspi et al. 2023), and the number of terms children can use to label wealth groups may also grow over development. Children have been observed using wealth labels such as "rich" and "poor" to categorize other people even prior to elementary school (Leahy 1981, 1983, 1990; Ramsey 1991; Shutts et al. 2016). Some research suggests that in addition to labels such as "rich" and "poor," adolescents also use social class labels such as "working class" and "middle class" to describe their own families (e.g., Goodman et al. 2000), although it is not clear precisely when in development children begin using different social class labels spontaneously. In sum, children notice and track people's relative wealth beginning in the first years of life, but the variety of wealth-related cues children are sensitive to expands over developmental time.

4.2. Children's Wealth-Based Social Attitudes

Children's developing attitudes toward other people—both positive and negative—tend to also reflect an assessment of people's wealth backgrounds. Social attitudes are often measured in two complementary ways: via implicit tasks, which tap automatic or unconscious thinking, and via explicit tasks, which tap conscious thinking. Evidence from implicit tests, which measure participants' tendency to associate positive and negative stimuli with different groups of people, suggests a general positivity bias toward wealthy individuals from infancy through adulthood. For

example, 14-to-18-month-old toddlers look at agents with more material resources when they hear positively valanced versus negatively valanced statements (e.g., "she is good!" versus "she is bad!") (Eason et al. 2024), suggesting that rudimentary rich-positive and poor-negative associations emerge remarkably early in childhood. Adults' implicit attitudes, too, often favor the wealthy (Horwitz & Dovidio 2017, Mattan et al. 2019).

Measures of explicit attitudes, such as those in which children respond to direct questions about their evaluations of people, also suggest a general preference for wealthy individuals early in life. Young children express greater interest in becoming friends with rich peers over impoverished peers (Shutts et al. 2016), indicate stronger liking of highly resourced novel groups than lower-resourced novel groups (Horwitz et al. 2014, Yang & Dunham 2022), and exhibit more robust in-group preferences when assigned to a higher- (versus lower-) resourced minimal group (Horwitz et al. 2014). Yet, children's prowealth attitudes also appear to change—or at least become more nuanced—with age. For example, 4-to-5-year-old children rate their liking of wealthy novel groups more highly than their liking of lower-wealth novel groups, whereas 9-to-12-year-old children like both groups about equally on average (Yang & Dunham 2022). Further, adolescents prefer peers with more educated (versus less educated) parents, but do not necessarily exhibit preferences for peers whose parents make more (versus less) money or have higher-status (versus lower-status) occupations (Boer et al. 2024). Like adolescents, adults' social attitudes do not necessarily favor the rich explicitly (e.g., Durante et al. 2017, Horwitz & Dovidio 2017, Wu et al. 2018).

This body of prior work suggests that young children favor the wealthy on both implicit and explicit measures of their attitudes. However, studies of older children (including adolescents) suggest that explicit biases become less consistently prowealth over development. One possibility is that, with age, children's attitudes about wealth come to reflect more nuanced stereotypes that may not necessarily always be benevolent toward the wealthy—a possibility explored below.

4.3. Children's Wealth-Based Stereotyping

In addition to their positive and negative attitudes about people who vary in wealth, children also acquire explicit beliefs about the properties of people from different wealth groups—that is, wealth-based stereotypes. Young children selectively associate higher-wealth (versus lower-wealth) people with positive characteristics across a breadth of domains including intelligence, popularity, and prosociality (in both US and Indian samples) (Ahl & Dunham 2019, Heberle & Carter 2020, Shutts et al. 2016, Sigelman 2012). But despite the breadth of children's prowealth associations, young children are also somewhat selective in the characteristics they associate with wealth; for example, young children think lower-wealth people are no more or less physically attractive (Sigelman 2012) than wealthier people.

During middle childhood and adolescence, children become more selective about the positive qualities they associate with higher- versus lower-wealth people (Heberle & Carter 2020, Sigelman 2012, Woods et al. 2005, Yang & Dunham 2022). Four-to-five-year-old children think wealthier groups are smarter and nicer than lower-wealth groups, whereas 9-to-12-year-old children think lower-wealth groups are nicer, but no more or less smart, than wealthier groups (Yang & Dunham 2022; see also Sigelman 2012). Adolescents are even more selective in the qualities they associate with higher-wealth people: Although elementary school-age children expect wealthy people to outperform impoverished people in academic, athletic, and musical pursuits, 14-year-old adolescents expect wealthy people to perform better only academically (but not musically or athletically) (Woods et al. 2005). This pattern more closely aligns with adults' wealth stereotypes (which are often ambivalent; Durante et al. 2017) than with younger children's responses. Second, children acquire new intuitions about people from different wealth groups over development, such as beginning around adolescence to associate wealthy people more with physical

(versus social) attractiveness (Sigelman 2012). Thus, children gain nuance with age in their reasoning about qualities that are associated with wealth or poverty but also increasingly differentiate which qualities are versus are not associated with wealth or poverty in their society.

Over the elementary school years, children also increasingly understand which social groups are more or less wealthy on average (e.g., Charafeddine et al. 2020; Marshall et al. 2022; Olson et al. 2012; Santhanagopalan et al. 2021, 2022). Wealth is overrepresented among men (versus women) in many societies across the world (Browne & Misra 2005, Chancel et al. 2022), and indeed, children in these societies come to view boys and men, compared with girls and women, as wealthier or higher status in domains related to wealth such as occupational status (Charafeddine et al. 2020, Santhanagopalan et al. 2022, Weisgram et al. 2010; but see also Charafeddine et al. 2024). Further, white and lighter-skinned people are wealthier than Black and darker-skinned people on average in societies such as South Africa, the United States, and India (Browne & Misra 2005, Chancel et al. 2022), and children in these societies increasingly associate wealth and power with white or lighter-skinned people more than with Black or darker-skinned people over development (Elenbaas & Killen 2016a; Ghavami & Mistry 2019; Olson et al. 2012; Santhanagopalan et al. 2021, 2022; but see also Marshall et al. 2022). Some studies observe awareness of these wealth differences as early as the preschool years (see Mandalaywala et al. 2020, Olson et al. 2012, Shutts et al. 2016), highlighting that wealth is highly relevant to children's thinking about social groups more broadly beginning in the first several years of life.

Overall, children appear to initially hold prowealth beliefs that ascribe many positive characteristics to wealthy individuals, but these beliefs and prescribed characteristics are refined over development. With age, children associate fewer positive qualities with wealthy people, associate more positive qualities with nonwealthy people, and increasingly reason in more complex ways about intersections between wealth and other social group dimensions.

4.4. Children's Wealth-Based Discrimination

Young children's prowealth biases are not only evident in their inner worlds (i.e., their categorization, attitudes, and beliefs); children also engage in discrimination by acting on these patterns of thought in their social environments. Available evidence suggests that children's selective wealth-based behavior emerges in the first years of life (Eason et al. 2024, Elenbaas et al. 2022, Enright et al. 2020, Shutts et al. 2016, Zhang et al. 2021). One study of US children revealed that 5-to-6-year-old children, but not 3-to-4-year-old children, selectively allocate resources to higher-wealth targets over lower-wealth targets (Enright et al. 2020). Other work finds signatures of preferential helping of agents with more material resources as early as toddlerhood (Eason et al. 2024). Despite variability in the precise ages at which prior work observes children behaving differently toward higher- versus lower-wealth people, research tends to find that children's prowealth behavior emerges before they begin formal schooling.

Although children tend to behave preferentially toward wealthier people early in life, this pattern shifts over development: With age, children increasingly use relative need to guide their decisions about who to help (e.g., through donations of money or medicine) (Acar & Sivis 2023, Elenbaas & Killen 2016b, Elenbaas et al. 2022, Gönül et al. 2023, Paulus 2020, Peng et al. 2024, Sabato & Eyal 2022). For example, 10-to-12-year-old children, but not 7-to-9-year-old children, feel prouder after donating endowed resources to a resource-poor target (versus a resource-rich target) and expect other people to feel similarly in the same task (Sabato & Eyal 2022). Children's preferences for equity-oriented behavior also appear to be particularly robust among children with personal connections to poverty, such as children from lower-SES backgrounds or children attending more socioeconomically diverse schools (Burkholder et al. 2020, Gönül et al. 2024, Grütter et al. 2022; see also Kirkland et al. 2021, Wang & Roberts 2023).

In sum, young children become aware of wealth-based social groups (e.g., "rich" and "poor" people) early in life, and children's wealth-based beliefs, attitudes, and behaviors develop throughout childhood. Initially, children's reasoning tends to favor the wealthy: Young children like wealthy people, want to affiliate with wealthy people, associate wealthy people with positive traits and outcomes, and behave more helpfully toward wealthy people. Throughout elementary school and continuing through adolescence, children's thinking becomes more nuanced; their initial breadth of positive associations with wealthy people decreases, and their warmth toward impoverished people increases. Children's behavior follows similar patterns—initially acting in favor of the wealthy overall and later in development showing more equitable or need-oriented behaviors. In some cases (e.g., children's tendency to associate wealth with whiteness), children's reasoning appears to converge even across vast differences in societal context (e.g., Marshall et al. 2022). Other times, children's reasoning appears to diverge based on environmental variation (e.g., the greater tendency to prefer equity-oriented behavior among children with more personal exposure to poverty). Overall, it seems that children rapidly construct and revise their social reasoning about wealth from early childhood through adolescence and that this may emerge at least partially in response to children's own personal experiences. In the following section, we examine the extent to which children's notions of the self—and their experiences of their own wealth status—integrate with their developing socioeconomic cognition.

5. INCORPORATION OF THE SELF: REASONING ABOUT WEALTH AS A PERSONAL IDENTITY

Children use wealth information to categorize and make inferences about other people as early as the preschool years, but over this same period of development, children may also begin to notice and think about their own family's wealth. What happens when children integrate the self into their reasoning about wealth? Although self-concepts play a critical role in shaping people's cognition and behavior across the lifespan (e.g., Alsaker & Kroger 2020, Callero 2003, Markus & Nurius 1986), childhood is a particularly important period of self-concept development. Children's social identities—such as ethnic or religious identities—appear to increasingly shape their beliefs and behaviors from early childhood to adolescence (Alsaker & Kroger 2020, Corsaro & Everitt 2023, Isik-Ercan 2015, Williams et al. 2020). Wealth is a central feature of adults' social identities (e.g., Easterbrook et al. 2020, Thomas & Azmitia 2014); yet, empirical probes into the process of wealth identity development earlier in life are limited. Below, we lay the groundwork for an initial account of wealth identity development across two domains of reasoning: children's awareness of their family's wealth and identification with wealth-based social groups.

5.1. Children's Awareness of Their Own Family's Wealth

Adults who were raised in higher-SES families tend to work in more prestigious occupations, complete more formal education, and make more money than people from lower-SES backgrounds (see Easterbrook et al. 2020 and Stephens et al. 2025). Children's ratings of their family's relative SES on the MacArthur ladder paradigm (Goodman et al. 2001)—a task in which children select their family's position on a multi-rung ladder where higher rungs represent higher levels of wealth, income, education, and occupational status—correlate with their parents' income or education levels by adolescence (e.g., Goodman et al. 2001, Mistry et al. 2015). When and how do these perceptions emerge?

A surge of recent research finds that pre-adolescent children in societies connected to the global economy, such as India, Argentina, and the United States, are not necessarily able to identify their family's socioeconomic positions via the MacArthur ladder task. Specifically, preschool- and

elementary school–age children rate their families high on the MacArthur ladder overall, and their responses do not tend to correlate with more objective SES markers (e.g., parent reports of household income, children's reports of their family's access to food and currency) until approximately ten years of age (Amir et al. 2019, Goodman et al. 2001, Mandalaywala et al. 2020, Mistry et al. 2015, Peretz-Lange et al. 2022, Rivenbark et al. 2019). This pattern, where children's ladder ratings become lower and more aligned with their objective conditions with age, has been observed even among children living in indigenous Ecuadorian communities whose members interact with the broader global economy (but not in more economically isolated communities) (Amir et al. 2019). These findings may indicate that children are unaware of their family's SES prior to adolescence in many societies that participate in the global economy; alternatively, it is possible that current methods may not adequately tap younger children's developing knowledge. Thus, it remains an open question whether younger children from different socioeconomic backgrounds integrate a knowledge of the self into their wealth-based identity formation early in development.

5.2. Children's Identification with Wealth-Based Social Groups

Wealth-based identities are more than an amalgamation of people's money, occupation, and education; people also identify as members of wealth-based social groups. American adults may identify themselves as members of particular social class groups—such as the "working class" or the "middle class"—and these social class identities align with particular sets of values, norms, and behavior that influence people's outcomes in domains ranging from career goals to relationship dynamics (Carey & Markus 2017, Destin et al. 2017, Easterbrook et al. 2020, Kraus et al. 2011, Kraus & Stephens 2012, Stephens et al. 2014). How do people come to view their SES as a complex social identity, beyond a collection of objective socioeconomic circumstances?

Children divide themselves into peer groups (Adler & Adler 1996, Brown & Dietz 2009), and wealth is often a central unifying feature of adolescent peer groups in societies such as the United Kingdom and the United States (along with ethnicity) (Hollingworth 2015, 2020; see also Thomas & Azmitia 2014). Adolescents from similar socioeconomic backgrounds group themselves into distinct cliques or subcultures characterized by shared values, norms, and behavior. Higher-SES adolescent groups tend to value more traditional pursuits, such as academic or athletic achievement, and often use these activities to organize their friendships, such as befriending athletic teammates; in contrast, lower-SES adolescent groups tend to value rebellion and experience greater friendship stability and are thus more likely to use their friendships to organize their activities (instead of the reverse) (Corsaro & Eder 1990; Eckert 1989; Hollingworth 2015, 2020; Hollingworth & Williams 2013). Together, these findings raise the possibility that wealth-based identities are an important part of children's self-concepts—perhaps especially for children from lower-SES backgrounds.

In contrast to findings with adolescents, there is not clear empirical evidence suggesting that younger children label their wealth-related identities (either accurately or inaccurately), nor that young children intentionally divide themselves into wealth-based peer groups. Yet, there is evidence that children's wealth-based identities may begin to subtly shape their thoughts and behavior early in life (Corsaro & Everitt 2023; Fortier 2006; Straka et al. 2024; Weinger 1998, 2000). Qualitative interview studies with children document that young children living in poverty can explain the social, mental, and physical consequences of poverty more accurately than children from middle-class backgrounds—and this is the case even though children living in poverty seldom explicitly identify themselves as impoverished (Fortier 2006; Weinger 1998, 2000). More recent quantitative studies find that young children who perceive that their families are less wealthy give more resources to low-wealth peers and are more inclusive of low-wealth peers compared with

children who think their families are more wealthy (Burkholder et al. 2020, Straka et al. 2024; see also Kirkland et al. 2021). Another study experimentally manipulated children's social group identities, finding that children randomly assigned to higher- (versus lower-) resourced minimal groups exhibit stronger in-group preferences (Horwitz et al. 2014; see also Rizzo & Killen 2018). These studies suggest that children's developing sense of their wealth identities can implicitly impact their intergroup cognition and behavior, regardless of whether children have explicit notions of these identities and regardless of how closely their own reports of their positions align with reports from their parents.

In sum, young children in many societies tend to think their families are of higher status than they really are (e.g., Mandalaywala et al. 2020, Peretz-Lange et al. 2022, Straka et al. 2024), regardless of their true economic positions, which may explain why studies of children's wealth-based social group affiliations focus on adolescents rather than younger children (e.g., Eckert 1989, Hollingworth 2015). Adolescence is also characterized by increased identification with social in-group values and behaviors, which extend to the wealth domain as well (e.g., Corsaro & Eder 1990, Eckert 1989, Hollingworth 2015). Yet, when wealth is manipulated or measured more implicitly, the seeds of children's initial wealth-based social identity impact their social reasoning and behavior earlier in life. Open questions concern the developmental trajectory of children's thinking about their own family's socioeconomic position, how this awareness gives way to wealth-based social group affiliations, and how social experiences lead children to acquire the attitudes and behavior of their wealth in-groups.

Thus far, the present article has focused on children's thinking about money and wealth through physical (e.g., money), social (e.g., wealth-based social attitudes), and personal (e.g., wealth identities) lenses. In the next section, we broaden this analysis to examine children's thinking about money at a societal level—their conceptualization and normative judgments about how wealth is (or should be) distributed between members of a society, sources of wealth inequality at individual and societal levels, and how (or whether) people can change their socioeconomic positions.

6. REASONING ABOUT WEALTH AS A SOURCE OF SOCIETAL-LEVEL INEQUALITY

Why are some people rich, whereas other people are poor? Societal wealth inequality can be conceptualized as an individual problem such that people's socioeconomic positions reflect their individual efforts, abilities, talents, or traits. Alternatively, societal-level wealth inequality can be conceptualized as a structural problem such that people's socioeconomic positions are constrained by historical and institutional biases. And although these beliefs are not mutually exclusive, adults in the United States who endorse one narrative more strongly than the other tend to possess different political beliefs, support different policies, and differ in their skepticism about the availability of economic advancement opportunities (Ledgerwood et al. 2011, McCall et al. 2017, McCoy & Major 2007). The process through which children develop beliefs about societal-level wealth inequality has recently received a surge of empirical attention and is a growing domain of research.

6.1. Children's Reasoning About Societal Wealth Distributions

Nearly all societies around the world experience wealth inequality to some degree, but the degree of inequality is more severe in some societies (and between some groups) compared with others; for example, the United States is more unequal than Canada or Sweden (Mijs 2021, Zucman 2019). Adults in highly unequal societies (e.g., the United States, Argentina, Australia) underestimate the extent of wealth inequality, such as how much of the national wealth is owned by the top quintile of the nation: One study found that, on average, US participants estimate that the top quintile

owns 59% of the wealth—far below the top quintile's actual 84% share (Norton & Ariely 2011; see also Kraus et al. 2017b, Norton et al. 2014). American adults also report they would prefer to live in a society with only minor economic inequality, even if their own society is extremely unequal (Norton & Ariely 2011). The tendencies to underestimate societal inequality and the distance between one's ideal and actual societies emerges by adolescence (Arsenio & Willems 2017, Barreiro et al. 2019, Flanagan & Kornbluh 2019), raising questions about how children initially develop beliefs about societal-level inequality.

Increasing the accuracy of adults' societal wealth inequality estimates could have important downstream effects, such as increasing their support for equity-enhancing policies (Hauser & Norton 2017, Kraus et al. 2017b, McCoy & Major 2007). Adults' beliefs may certainly be malleable to some extent. At the same time, if the seeds of these beliefs are planted during childhood, then understanding how (mis)perceptions of wealth inequality initially develop may be especially important. Children's thinking about the magnitude of wealth inequality in their society is an area of open inquiry, and a growing body of work provides initial evidence of children's reasoning about wealth inequality and its causes.

6.2. Children's Internal and Structural Reasoning About Wealth Inequality

People in societies with greater wealth inequality are more likely, on average, to think that social mobility is possible with effort (Mijs 2021), despite also being less likely to experience social mobility than people in more equal societies on average (Durlauf & Seshadri 2018). In unequal societies such as the United States and Turkey, where much of the research on this topic has occurred, children's concepts of societal inequality also typically implicate individuals' internal attributes over structural forces. When shown novel group inequalities with ambiguous causes, US preschool children tend to provide mostly individual, rather than structural, explanations for inequality (Peretz-Lange et al. 2021, Peretz-Lange & Muentener 2021), and with age children become even more likely to attribute wealth inequality to differences in individual merit or effort in particular (Chafel 1997; Enesco & Navarro 2003; Leahy 1981, 1983, 1990). Similarly, children tend to believe resources should be distributed based on merit first and foremost, but, when merit is equal, children take relative need into consideration too (Acar & Sivis 2023). Indeed, the focus on meritocratic narratives for individual successes seems to persist from childhood to adulthood, and both children and adults view meritocratic explanations of wealth inequality as more legitimate or tolerable than other sources, such as luck or inheritance (Acar & Sivis 2023, Aldan & Dunham 2025).

Although structural reasoning can be challenging for both children and adults, when both structural and meritocratic explanations are plausible, children provide more structural explanations for novel group resource inequalities as they get older (Chafel & Neitzel 2005, Peretz-Lange et al. 2021, Peretz-Lange & Muentener 2021). Part of this shift may be explained by the situation a child is asked to explain: With age, children may provide increasingly personal solutions (e.g., work harder) for individuals (e.g., Enesco & Navarro 2003; Leahy 1981, 1983, 1990) and increasingly structural solutions (e.g., change the rules) for groups (e.g., Leahy 1981, 1983, 1990; Peretz-Lange et al. 2021; Peretz-Lange & Muentener 2021).

Children also increasingly view group-based wealth inequality as unacceptable over the elementary school years, especially when inequality is structurally embedded (e.g., Rizzo & Killen 2020, Yang & Dunham 2022). For example, preschool- and elementary school–age children rate structural sources of inequality, such as laws that favor one group over another, as less fair and more important to rectify than inequality caused by differences in individual effort (Rizzo & Killen 2020). However, despite viewing inequality as increasingly unfair with age, particularly when inequality stems from structural forces, adolescents are nevertheless more accepting of wealth-based

inequality than inequality based on gender or race (Chung & Turiel 2022; see also Burkholder et al. 2020). This pattern raises the possibility that even as their tolerance for inequality decreases with age overall, children nevertheless remain more tolerant of inequality between wealth-based groups than other forms of group-based inequality.

6.3. Children's Reasoning About Social Mobility and Solutions to Wealth Inequality

Adults differ in the extent to which they believe in the possibility of changing one's socioeconomic position. In general, US adults view upward mobility as attainable with effort, but individual differences in their beliefs affect their downstream thoughts and behavior, such as support for redistributive policies (Day & Fiske 2019, Kraus & Tan 2015, Kraus et al. 2019, Mijs et al. 2022). Like adults, elementary school–age children profess that mobility is possible. Initially, young children provide a wide variety of methods to attain upward mobility ranging from external sources (e.g., charity) to individual efforts (e.g., getting a job) to unrealistic (e.g., simply asking for it). With age, children increasingly focus on individualistic solutions: working more, working harder, spending less, saving more, and receiving an education (Enesco & Navarro 2003; Leahy 1981, 1983, 1990; Sigelman 2012). Open questions concern children's thinking about the likelihood of upward versus downward mobility. One recent study suggests that US children from high-SES backgrounds predict that people are more likely to experience upward mobility than downward mobility overall, but with age they also increasingly expect economically advantaged people to experience greater upward mobility than economically disadvantaged people—that is, that the rich will get richer (Tian et al. 2024). More work is necessary to determine children's beliefs about social mobility and how their thinking may be impacted by their personal experiences.

6.4. Essentialist Reasoning About Wealth Inequality

When children make internal attributions for wealth inequality, such as attributing people's relative wealth positions to their individual efforts rather than external forces, it is often unclear what specific mechanisms children have in mind. That is, if children think groups differ in effort, where do children think the differences in effort come from? Children could, for example, attribute wealth differences to individual choices that are within one's control, such as how much effort someone chooses to put into their career, or children could attribute wealth differences to inherent biological forces outside of one's control, such as genetics. The latter explanation reflects essentialist reasoning—believing that a particular social group distinction reflects discrete categories of people defined by stable, inherent qualities (see Gelman 2003, 2004; Gelman & Hirschfeld 1999; Rhodes & Mandalaywala 2017; Roberts & Rizzo 2021). Do children view people from different wealth groups as inherently different kinds of people?

People from diverse cultural contexts think in essentialist ways about social groups, often with pernicious consequences (e.g., increased stereotyping) (Rhodes et al. 2012, Xu et al. 2025). Both adults and children in Chile and the United States—highly economically unequal societies—exhibit some essentialist reasoning about wealth (Davoodi et al. 2020, del Río & Strasser 2011, Straka et al. 2024). However, children's and adults' essentialist reasoning about wealth is not particularly robust in comparison with their essentialist reasoning about other social group dimensions such as gender or nationality (Davoodi et al. 2020). Children's limited essentialist reasoning about wealth may reflect the mixed messages about wealth inequality in children's environments, such as mismatches between widely held meritocratic narratives of wealth inequality and the persistent inequality visible in children's everyday experiences. If so, then shifts in public narratives about wealth could, in turn, shift children's concepts of wealth inequality.

Recent research in social science genomics finds some genetic effects related to wealth; however, to say that wealth inequality is rooted in biological differences between wealthy and impoverished people would be a dramatic oversimplification of these findings, which situate genetic effects within long-standing structural forces (e.g., physical segregation and in-group mate selection) (Abdellaoui et al. 2025). Yet, nuanced genetic mechanisms are often misunderstood by laypeople, who tend to overgeneralize the role of genes in shaping individual outcomes (i.e., genetic essentialism) (Dar-Nimrod & Heine 2011, Harden 2023). Indeed, prior work finds that reading a faux-scientific article about a genetic cause of wealth decreases US adults' beliefs in social mobility (Kraus & Tan 2015), highlighting the possibility that the explanations children receive about wealth inequality affect their socioeconomic cognition more broadly. Future research is necessary to identify how specific public narratives of wealth, such as messages about its internal or structural causes, shape children's socioeconomic beliefs over development.

7. EMERGING QUESTIONS ACROSS DOMAINS

7.1. How Does Personal Socioeconomic Context Influence Children's Socioeconomic Cognition?

Research reviewed in the present article largely represents children from middle-to-high-SES households in the United States. Children's personal wealth backgrounds could influence their thinking in any domain of socioeconomic cognition, and the limited prior work comparing children from different wealth backgrounds has revealed both similarities and differences in their socioeconomic cognition (e.g., Amir et al. 2019, Ahl & Dunham 2019, Heberle & Carter 2020, Hollingworth 2015, Shutts et al. 2016). Children from both higher- and lower-SES backgrounds endorse wealth-related stereotypes early in life (e.g., that wealthier people are more generous), but with age, lower-SES children become less likely to endorse stereotypes that are favorable to the wealthy compared with higher-SES children (Ahl & Dunham 2019; Heberle & Carter 2015, 2020; Shutts et al. 2016). Thus, although children's own family wealth likely influences their socioeconomic cognition, much additional work is needed to understand how and why the attitudes of children from different backgrounds may converge or diverge.

Even among samples lacking socioeconomic diversity per se, researchers can glean crucial information about the role of personal context in children's socioeconomic cognition through examinations of children's broader exposure to socioeconomic diversity (e.g., in their school or neighborhood). Intergroup contact theory suggests that, in some cases, contact with people from different backgrounds can reduce prejudice and increase concern for inequality (Allport 1954, Pettigrew et al. 2011; but see also Enos 2014). This possibility has been supported by correlational research showing that adults with greater exposure to socioeconomic diversity express greater concern about socioeconomic inequality (e.g., Carey et al. 2022, Minkoff & Lyons 2019). Links between environmental socioeconomic diversity and broader socioeconomic cognition may emerge early in life; for example, preferences for equity-oriented behavior (e.g., donating more resources to needier recipients) are more robust among children with personal connections to poverty, such as children who are themselves from lower-wealth backgrounds and children who attend more socioeconomically diverse schools (Burkholder et al. 2020, Elenbaas 2019, Gönül et al. 2024, Grütter et al. 2022; but for a different pattern of results, see also Kirkland et al. 2021). Future work could further probe effects of socioeconomic context on children's reasoning about wealth inequality by exploring, for example, whether the wealth diversity of children's schools relates to their reasoning about currency and finance, people with different amounts of wealth, or the origins and impacts of societal wealth inequality.

Studying socioeconomic diversity through this broader lens will provide vital insights into the effects of a troubling pattern in US demography: Wealth-based segregation is growing in the United States such that modern American children are more likely to live and attend school with people of similar SES than were children in their parents' or grandparents' generations (Iceland & Wilkes 2006, Mijs & Roe 2021, Reardon et al. 2018). It is crucial for developmental researchers to investigate how children's exposure—or lack thereof—to socioeconomic diversity influences their thinking about money, wealth, and economic inequality in this era of expanding socioeconomic division.

7.2. How Do Children Think About People in the Middle?

Although money and possessions can be measured continuously (e.g., in dollars), adults' thinking about other people on the basis of wealth is often more categorical in nature—that is, adults' beliefs about the middle class are not simply an average of their beliefs about the upper class and the lower class (Durante et al. 2017; see also Archer & Blau 1993). Adults rate lower-class people as warmer, but less competent, than upper-class people, but rate middle-class people as warmest and most competent overall (Durante et al. 2017). Similarly, parents from diverse socioeconomic and racial-ethnic backgrounds tend to prefer middle-class friends for their children over friends from higher or lower socioeconomic backgrounds (Elenbaas et al. 2024). Thus, to fully understand children's wealth-based social cognition, future research must probe not only how children think about wealth or poverty but also their reasoning about the middle of the wealth distribution.

Studies of children's reasoning about people from different wealth backgrounds often pit wealth and poverty against one another (for an example of an exception that pits a "poor" person against a "nonpoor" person, see Heberle & Carter 2020). This contracted approach to studying children's socioeconomic cognition parallels trends in the gender and ethnic cognitive development literatures, where research tends to overemphasize boy–girl and Black–white dichotomies while neglecting other groups (e.g., gender-nonconforming and multiracial children; for commentary, see Dunham & Olson 2019). Although extreme wealth differences may be particularly salient to young children (due to, e.g., more contrast between the homes or possessions used to represent their relative wealth), more nuanced methods will provide insights into both children's reasoning about people in the middle and the mechanisms underlying their reasoning about wealth and poverty. For instance, if young children's attitudes about people in the middle are less positive than their attitudes about wealthy people (but more positive than their attitudes about impoverished people), this pattern of results would not be incompatible with an early halo effect of wealth. Alternatively, if young children—like adults—tend to favor people in the middle even more than they favor wealthy people (see Durante et al. 2017), these results would suggest more nuanced reasoning than a simple "more money is better" rule would predict.

To examine young children's thinking about wealth more continuously, future work on children's reasoning about their own or other people's wealth (Sections 4 and 5) could present children with more continuous (versus categorical) depictions of wealth (e.g., on the MacArthur ladder; Goodman et al. 2001) or could extend established paradigms (e.g., "rich" and "poor" people whose wealth group is represented by images of their possessions; see Shutts et al. 2016) to assess children's reasoning about a larger range of categorical wealth groups, such as people who are wealthy, impoverished, or in the middle. Studies of children's thinking about wealth inequality (Section 6) could also incorporate the middle by examining children's thinking about social mobility based on not only dramatic movement (e.g., moving from the bottom to the top of the socioeconomic ladder) but also more subtle instances of mobility (e.g., moving from the lower middle to the upper

middle of the ladder; e.g., Tian et al. 2024). Assessing children's reasoning about wealth beyond its extreme manifestations will provide a more complete picture of children's early thinking about wealth inequality at individual and societal levels.

7.3. How Does Children's Socioeconomic Cognition Connect Across Domains?

Although much existing research can be sorted into one or another of the above domains of inquiry, these domains are not discrete. Rather, children's cognition likely overlaps across the four domains of reasoning outlined here. Documenting interconnections between these different domains over developmental time is necessary to build a unified literature of children's socioeconomic thought.

One largely unexplored area of potential overlap across domains of children's socioeconomic cognition concerns children's impressions of their own wealth identities (Section 5) based on the likelihood of experiencing wealth or poverty within their society (Section 6). Across a range of industrialized societies, younger children are more likely than older children to view their families as wealthier than they really are (e.g., Mandalaywala et al. 2020, Peretz-Lange et al. 2022), but it is unclear whether shifts in children's perceptions of their own positions reflect a growing awareness of how wealth is distributed in their particular society over the same period of development. With age, US children become less optimistic about the possibility of upward mobility for impoverished people in particular (Tian et al. 2024), which may suggest that younger (versus older) US children are more likely to believe wealth is a common outcome. If so, then declines both in children's subjective perceptions of their own wealth and in children's perceptions of the possibility of upward mobility may emerge through this growth in societal knowledge. That is, if children come to believe that wealth is less (versus more) common in their society with age, they may in turn become less likely to view themselves or others as wealthy (e.g., Mandalaywala et al. 2020, Peretz-Lange et al. 2022). This possibility aligns with prior work finding that children increasingly focus on what they do not have when thinking about their own socioeconomic positions (Peretz-Lange et al. 2022)—a pattern that may stem from a developmental shift toward understanding the wealthy as an exclusive sliver of society rather than a majority group.

A related area of possible overlap connects children's reasoning about currency (Section 3) and children's reasoning about their own wealth identities (Section 5). This possible overlap links back to Bruner & Goodman's (1947) classic finding that 10-year-old US children, and especially children from lower-SES backgrounds, perceive coins (e.g., nickels) as larger than noncurrency discs of equivalent size. These domains of socioeconomic thought may further coalesce as children develop personal financial attitudes. Adults hold stable personal dispositions toward money: "Tightwads" exhibit negative affect in response to spending, whereas "spendthrifts" enjoy spending money (Rick et al. 2008). The seeds of these financial dispositions take root early in life (Smith et al. 2018) and may, to some extent, reflect differences in children's early experiences with money—experiences that likely vary on the basis of their family's wealth (Gudmunson & Danes 2011). Future research can also explore links between children's financial thinking and reasoning about societal-level wealth inequality; for example, would children's reasoning about the impact of money on happiness (see Mogilner et al. 2018) shift following exposure to more essentialist (e.g., genetic) versus external (e.g., structural) explanations for individual wealth differences (e.g., as implemented by Kraus & Keltner 2013; Kraus & Tan 2015; Peretz-Lange et al. 2021; Rhodes et al. 2012; Rhodes & Mandalaywala 2017)? These and other questions crossing the domains of socioeconomic thought outlined here will be imperative for sketching a cohesive portrait of children's socioeconomic cognition over developmental time.

8. CONCLUSION

Socioeconomic inequality is among the most central social issues of our time, and this article describes the developmental processes through which children come to understand this growing phenomenon. Theoretical and empirical evidence of children's socioeconomic cognition spans literatures across the social sciences, ranging from psychology to sociology to economics; here, we unite these literatures to conceptualize children's developing reasoning about wealth across four domains of inquiry: (*a*) children's reasoning about money as currency, (*b*) children's reasoning about money as wealth that is tied to people and social groups, (*c*) children's conceptualization of wealth as a facet of their identity, and (*d*) children's reasoning about wealth as a source of societal inequality. Together, this integrated theoretical perspective provides a roadmap for future research probing the development of socioeconomic cognition in childhood.

The themes and gaps extracted from prior literature throughout this review highlight the importance of understanding why and how children's reasoning about wealth emerges and changes over development. Even in domains where we know more about children's socioeconomic cognition (e.g., Section 4), we still know less about how children's socioeconomic reasoning may converge or diverge across different personal or societal circumstances. Prioritizing research that identifies mechanisms underlying children's socioeconomic cognition will create a body of literature that captures the changing contexts and experiences of children across distinct environments and moments in history.

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