

## Supporting Information

**Table S1. Variable definitions and summary statistics**

| Variable name   | Definition   | Mean (SD)        |                  |
|---|--|------------------|------------------|
|   |  | Child sample     | Mother sample    |
| <b><u>Outcomes</u></b>  |  |                  |                  |
| SDQ total   | The strengths and difficulties questionnaire (SDQ) comprises 25 items that collapse into five problem scales (emotional; conduct; hyperactivity; peer; prosocial). The total difficulties score is generated by summing scores from all the scales except the prosocial scale. The resultant score ranges from zero to 40. For ease of interpretation, the total score has been standardized to have a mean of zero and a standard deviation of one. | 0 (1)            | -                |
| SDQ Internalizing   | The internalizing score ranges from zero to 20 and is the sum of the emotional and peer problems scales. For ease of interpretation, the internalizing score has been standardized to have a mean of zero and a standard deviation of one.   | 0 (1)            | -                |
| SDQ Externalizing   | The externalizing score ranges from zero to 20 and is the sum of the conduct and hyperactivity scales. For ease of interpretation, the externalizing score has been standardized to have a mean of zero and a standard deviation of one.   | 0 (1)            | -                |
| Kessler 6   | The Kessler 6 (K6) comprises six items on a five-point response scale, which assess the frequency of distress / depression in the previous four weeks. Items are summed to produce a score that ranges from zero to 24. For ease of interpretation, the K6 score has been standardized to have a mean of zero and a standard deviation of one.   | -                | 0 (1)            |
| <b><u>Expectations</u></b>  |  |                  |                  |
| <b><u>Shocks (CASiE)</u></b>  |  |                  |                  |
| <p>We use the CASiE data to develop a monthly Unemployment Expectations Index for each Statistical Area 4 (SA4), based on weighting and aggregating person-level CASiE respondents. This index is based on the “balanced approach” which is standard in the expectations literature and was developed by the University of Michigan (also the creators of the consumer sentiment survey). The index ranges from zero to 200. An index &gt;100 means a region has pessimistic unemployment expectations and an index &lt;100 means a region has optimistic unemployment expectations. From this monthly index, for each SA4, we find the difference between the minimum score (more optimistic) prior to the Great Recession and the maximum score during the Great Recession (pessimistic).</p> |  |                  |                  |
| Expectations Shock  | Equals 1 if an SA4’s min-to-max change is in the top 25 <sup>th</sup> percentile across all SA4s (i.e., experiences a more intense expectation shock).   | 0.197<br>(0.397) | 0.193<br>(0.394) |
| Alternative Expectations Shock  | Equals 1 if an SA4’s min-to-max change is greater than the average min-to-max change across all SA4s (i.e., a larger than average expectations shock).   | 0.405<br>(0.491) | 0.406<br>(0.491) |
| <b><u>LSAC Controls</u></b>   |  |                  |                  |
| Child’s age   | Child’s age in years.  | 6.763<br>(2.538) | -                |

|                                  |   |                  |                   |
|----------------------------------|---|------------------|-------------------|
| Mother's age                     | Mother's age in years.  | -                | 37.632<br>(5.613) |
| Number of children               | Number of children aged less than 18 in the household.  | 2.515<br>(1.004) | 2.495<br>(0.962)  |
| Lone parent                      | Equals 1 if child resides in a lone-parent household (reference category: two biological parents present).  | 0.151<br>(0.358) | 0.134<br>(0.340)  |
| Blended family                   | Equals 1 if child resides in a blended family (e.g., step parent, adopted parents, aunts/uncles, grandparents) (ref cat: two biological parents present).   | 0.035<br>(0.183) | 0.028<br>(0.164)  |
| Change in household              | Equals 1 if there was any change at all in household composition between waves. For wave one, this information is missing so set the variable equal to zero and use the wave one missing dummy to account for this.   | 0.155<br>(0.362) | 0.143<br>(0.350)  |
| Moved home                       | Equals 1 if moved in past two years. For wave one, this information is missing so set the variable equal to zero and use the wave one missing dummy to account for this.  | 0.152<br>(0.359) | 0.144<br>(0.351)  |
| Ln equiv.household weekly income | Log of real equivalized household weekly income (at 2010 prices) with missing values imputed where possible and missing/negative incomes set to \$1. The equivalence scale used is the OECD modified scale (which assigns a weight of 1 to the first adult in the household, 0.5 for each other adult, and 0.3 for each child). For wave one, this information is missing so set the variable equal to zero and use the wave one missing dummy to account for this. | 4.092<br>(3.236) | 4.136<br>(3.237)  |
| Imputation flag                  | Equals 1 if household income is imputed.  | 0.038<br>(0.192) | 0.037<br>(0.188)  |
| Income missing                   | Equals 1 if household income is missing and was not imputed.  | 0.030<br>(0.170) | 0.028<br>(0.163)  |
| Home: Mortgage                   | Equals 1 if home is owned with a mortgage (reference category: home is owned outright).   | 0.620<br>(0.486) | 0.640<br>(0.480)  |
| Home: Renting                    | Equals 1 if home is rented (ref cat: home is owned outright).   | 0.221<br>(0.415) | 0.199<br>(0.399)  |
| Home: Other                      | Equals 1 if home is in a rent-buy scheme or life tenure scheme etc. (ref cat: home is owned outright).  | 0.030<br>(0.170) | 0.028<br>(0.165)  |
| SEIFA                            | Decile of index of relative socio-economic disadvantage for regions, where one represents highest relative disadvantage and 10 highest relative advantage (ABS 2001). It takes into account variables such as the proportion of families with high incomes, people with a tertiary education, and people employed in a skilled occupation.  | 4.936<br>(2.568) | 4.999<br>(2.546)  |
| Inner regional                   | Equals 1 if respondent lives in inner regional Australia (as defined in the Australian Standard Geographical Classification [ASGC]) (reference category: Major urban).  | 0.206<br>(0.405) | 0.208<br>(0.406)  |
| Outer regional                   | Equals 1 if respondent lives in outer regional Australia (ref cat: Major urban).  | 0.105<br>(0.307) | 0.104<br>(0.305)  |
| Remote                           | Equals 1 if respondent lives in remote or very remote location in Australia. (ref cat: Major urban)   | 0.014<br>(0.118) | 0.015<br>(0.121)  |
| Wave 1 missing                   | Equals 1 if wave one information is missing on the following variables: Change in household; Moved home; Ln equiv.household weekly income.  | 0.350<br>(0.477) | 0.347<br>(0.476)  |
| Year 12                          | Equals 1 if the mother's highest level of education is the completion of year 12 (reference category: year 11 or below).  | 0.132<br>(0.338) | 0.132<br>(0.339)  |

|                   |  |                  |                  |
|-------------------|--|------------------|------------------|
| Certificate       | Equals 1 if the mother's highest level of education is the completion of a certificate (ref cat: year 11 or below).                    | 0.289<br>(0.453) | 0.278<br>(0.448) |
| Diploma           | Equals 1 if the mother's highest level of education is the completion of a diploma or advanced diploma (ref cat: year 11 or below).    | 0.094<br>(0.293) | 0.099<br>(0.299) |
| Bachelor or above | Equals 1 if the mother's highest level of education is the completion of a bachelors or higher (reference category: year 11 or below). | 0.311<br>(0.463) | 0.325<br>(0.468) |
| Employed          | Equals 1 if the mother is currently employed (reference category: not in the labor force).   | 0.676<br>(0.438) | 0.690<br>(0.462) |
| Unemployed        | Equals 1 if the mother is currently unemployed (ref cat: not in the labor force).  | 0.030<br>(0.171) | 0.026<br>(0.160) |

**Labor Market Controls**

|                            |   |                   |                   |
|----------------------------|---|-------------------|-------------------|
| Unemployment – males       | The unemployment rate of males, at the month of the LSAC respondents' interview, in the local labor market region (SA4) for which the LSAC respondent resides.                | 4.938<br>(2.104)  | 4.950<br>(2.105)  |
| Unemployment – females     | The unemployment rate of females, at the month of the LSAC respondents' interview, in the local labor market region (SA4) for which the LSAC respondent resides.              | 5.307<br>(2.257)  | 5.308<br>(2.271)  |
| Emp to pop ratio – males   | The employment to population ratio of males, at the month of the LSAC respondents' interview, in the local labor market region (SA4) for which the LSAC respondent resides.   | 68.297<br>(5.938) | 68.257<br>(6.032) |
| Emp to pop ratio – females | The employment to population ratio of females, at the month of the LSAC respondents' interview, in the local labor market region (SA4) for which the LSAC respondent resides. | 54.180<br>(5.999) | 54.156<br>(6.026) |

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**Table S2. Creating the analysis sample for children.**

|   | No. of<br>Children | Observations |
|---|--------------------|--------------|
| Baseline sample   | 4,983              | 13,616       |
| <i>Drop observations with missing data for:</i>                                     |                    |              |
| the expectations shock  |                    | 424          |
| parent-reported SDQ measures  |                    | 279          |
| control variables   |                    | 125          |
| Resulting sample  | 4,862              | 12,788       |
| <i>less observations where the child<br/>is not present in both waves 1 &amp; 2</i> | 773                | 1,094        |
| Final estimating sample   | 4,089              | 11,694       |
| No. of boys   | 2,084              | 5,960        |
| No. of girls  | 2,005              | 5,734        |

Notes: Baseline sample consists of all LSAC cohort K children but restricts the observations to waves 1, 2 and 4.

**Table S3. Creating the analysis sample for mothers.**

|  | No. of<br>Mothers | Observations |
|--|-------------------|--------------|
| Baseline sample  | 4,853             | 13,176       |
| <i>Drop observations with missing data for:</i>  |                   |              |
| the expectations shock   |                   | 400          |
| psychological distress K6  |                   | 1,069        |
| control variables  |                   | 443          |
| Resulting sample   | 4,401             | 11,264       |
| <i>less observations where the<br/>mother is not present in both<br/>waves 1 &amp; 2</i> | 1,080             | 1,702        |
| <u>Final estimating sample</u>   | <u>3,321</u>      | <u>9,562</u> |

Notes: Baseline sample consists primary female guardians of the children in cohort K (130 kids' primary caregiver was a male), over waves 1, 2 and 4.

**Table S4. Tests of parallel trends between treatment and control, children.**

|  | Parent-rated         |                      |                      | Teacher-rated    |                      |                      |
|--|----------------------|----------------------|----------------------|------------------|----------------------|----------------------|
|  | SDQ total<br>(1)     | Internalizing<br>(2) | Externalizing<br>(3) | SDQ total<br>(4) | Internalizing<br>(5) | Externalizing<br>(6) |
| <b>A: Expectations shock: top 25<sup>th</sup> percentile</b> |                      |                      |                      |                  |                      |                      |
| Expectations shock   | 0.023<br>(0.032)     | 0.020<br>(0.036)     | 0.018<br>(0.033)     | 0.082<br>(0.054) | 0.150**<br>(0.062)   | 0.006<br>(0.052)     |
| Constant   | -0.258***<br>(0.014) | -0.072***<br>(0.016) | -0.332***<br>(0.015) | 0.016<br>(0.024) | -0.020<br>(0.027)    | 0.040*<br>(0.023)    |
| R-Square   | 0.000                | 0.000                | 0.000                | 0.000            | 0.001                | 0.000                |
| N  | 4089                 | 4089                 | 4089                 | 2256             | 2258                 | 2261                 |
| <b>B: Expectations shock: &gt;average</b>                    |                      |                      |                      |                  |                      |                      |
| Expectations shock   | 0.014<br>(0.026)     | 0.002<br>(0.029)     | 0.019<br>(0.027)     | 0.026<br>(0.044) | 0.070<br>(0.050)     | -0.014<br>(0.042)    |
| Constant   | -0.259***<br>(0.017) | -0.069***<br>(0.019) | -0.336***<br>(0.017) | 0.022<br>(0.028) | -0.019<br>(0.032)    | 0.047*<br>(0.027)    |
| R-Square   | 0.000                | 0.000                | 0.000                | 0.001            | 0.003                | 0.000                |
| N  | 4089                 | 4089                 | 4089                 | 2256             | 2258                 | 2261                 |

Notes: Estimated OLS coefficients presented and standard errors in parentheses. \*, \*\*, \*\*\* indicates significance at the 10%, 5 % and 1% levels respectively.

**Table S5. Tests of parallel trends between treatment and control, mothers.**

|  | K6 Score             |
|--|----------------------|
| <b>A: Expectations shock: top 25<sup>th</sup> percentile</b> |                      |
| Expectations shock   | 0.116***<br>(0.042)  |
| Constant   | -0.287***<br>(0.019) |
| R-square   | 0.002                |
| N  | 3321                 |
| <b>B: Expectations shock: &gt;average</b>                    |                      |
| Expectations shock   | 0.025<br>(0.034)     |
| Constant   | -0.275***<br>(0.022) |
| R-square   | 0.000                |
| N  | 3321                 |

Notes: Estimated OLS coefficients presented and standard errors in parentheses. \*, \*\*, \*\*\* indicates significance at the 10%, 5 % and 1% levels respectively.

**Table S6. Complete results for the of unemployment expectations shocks (top 25<sup>th</sup> percentile) on parent-rated SDQ outcomes, boys.**

|                                  | SDQ total<br>(1)     | Internalizing<br>(2) | Externalizing<br>(3) | SDQ total<br>(4)     | Internalizing<br>(5) | Externalizing<br>(6) |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expectations shock               | 0.082**<br>(0.040)   | 0.021<br>(0.040)     | 0.108***<br>(0.040)  | 0.069*<br>(0.041)    | 0.016<br>(0.042)     | 0.092**<br>(0.041)   |
| Post-crisis                      | -0.056<br>(0.127)    | -0.010<br>(0.128)    | -0.076<br>(0.127)    | -0.044<br>(0.128)    | 0.002<br>(0.128)     | -0.068<br>(0.127)    |
| DID                              | 0.002<br>(0.071)     | -0.030<br>(0.072)    | 0.027<br>(0.071)     | -0.002<br>(0.072)    | -0.034<br>(0.072)    | 0.024<br>(0.072)     |
| Child's age                      | 0.027<br>(0.030)     | 0.039<br>(0.030)     | 0.009<br>(0.030)     | 0.025<br>(0.030)     | 0.038<br>(0.030)     | 0.007<br>(0.030)     |
| Number of children               | -0.073***<br>(0.014) | -0.093***<br>(0.014) | -0.034**<br>(0.014)  | -0.074***<br>(0.014) | -0.094***<br>(0.014) | -0.035**<br>(0.014)  |
| Lone-parent                      | 0.211***<br>(0.042)  | 0.163***<br>(0.042)  | 0.188***<br>(0.041)  | 0.212***<br>(0.042)  | 0.164***<br>(0.042)  | 0.188***<br>(0.041)  |
| Blended family                   | 0.167**<br>(0.073)   | 0.149**<br>(0.073)   | 0.133*<br>(0.073)    | 0.168**<br>(0.073)   | 0.149**<br>(0.073)   | 0.134*<br>(0.073)    |
| Year 12 (mother)                 | -0.121**<br>(0.048)  | -0.101**<br>(0.048)  | -0.101**<br>(0.048)  | -0.120**<br>(0.048)  | -0.099**<br>(0.048)  | -0.101**<br>(0.048)  |
| Certificate (mother)             | -0.097**<br>(0.041)  | -0.054<br>(0.041)    | -0.103**<br>(0.040)  | -0.094**<br>(0.041)  | -0.052<br>(0.041)    | -0.100**<br>(0.040)  |
| Diploma (mother)                 | -0.269***<br>(0.053) | -0.173***<br>(0.054) | -0.268***<br>(0.053) | -0.267***<br>(0.054) | -0.172***<br>(0.054) | -0.265***<br>(0.053) |
| Bachelor or above (mother)       | -0.260***<br>(0.043) | -0.112***<br>(0.043) | -0.303***<br>(0.042) | -0.257***<br>(0.043) | -0.110**<br>(0.043)  | -0.300***<br>(0.042) |
| Employed (mother)                | -0.156***<br>(0.031) | -0.199***<br>(0.031) | -0.075**<br>(0.031)  | -0.156***<br>(0.031) | -0.198***<br>(0.031) | -0.076**<br>(0.031)  |
| Unemployed (mother)              | -0.022<br>(0.079)    | -0.092<br>(0.079)    | 0.042<br>(0.078)     | -0.025<br>(0.079)    | -0.093<br>(0.079)    | 0.038<br>(0.078)     |
| Change in household              | 0.102**<br>(0.041)   | 0.062<br>(0.042)     | 0.105**<br>(0.041)   | 0.101**<br>(0.041)   | 0.061<br>(0.042)     | 0.103**<br>(0.041)   |
| Moved home                       | -0.036<br>(0.041)    | -0.057<br>(0.041)    | -0.008<br>(0.041)    | -0.035<br>(0.041)    | -0.056<br>(0.041)    | -0.008<br>(0.041)    |
| Ln equiv.household weekly income | -0.115***<br>(0.031) | -0.146***<br>(0.031) | -0.056*<br>(0.031)   | -0.117***<br>(0.031) | -0.148***<br>(0.031) | -0.058*<br>(0.031)   |
| Imputation flag                  | -0.008<br>(0.070)    | -0.003<br>(0.071)    | -0.010<br>(0.070)    | -0.005<br>(0.070)    | 0.001<br>(0.071)     | -0.008<br>(0.070)    |
| Missing income                   | -0.744***<br>(0.217) | -0.896***<br>(0.218) | -0.401*<br>(0.216)   | -0.761***<br>(0.217) | -0.910***<br>(0.219) | -0.416*<br>(0.216)   |
| Home: Mortgage                   | 0.077*<br>(0.041)    | 0.050<br>(0.041)     | 0.076*<br>(0.041)    | 0.076*<br>(0.041)    | 0.050<br>(0.041)     | 0.075*<br>(0.041)    |
| Home: Renting                    | 0.235***<br>(0.050)  | 0.197***<br>(0.050)  | 0.196***<br>(0.050)  | 0.233***<br>(0.050)  | 0.197***<br>(0.050)  | 0.194***<br>(0.050)  |
| Home: Other                      | 0.096<br>(0.083)     | 0.098<br>(0.083)     | 0.065<br>(0.082)     | 0.095<br>(0.083)     | 0.099<br>(0.083)     | 0.064<br>(0.082)     |
| SEIFA                            | -0.039***<br>(0.006) | -0.035***<br>(0.006) | -0.030***<br>(0.006) | -0.041***<br>(0.006) | -0.036***<br>(0.006) | -0.033***<br>(0.006) |
| Inner regional                   | 0.008<br>(0.034)     | -0.012<br>(0.035)    | 0.022<br>(0.034)     | 0.022<br>(0.035)     | -0.003<br>(0.036)    | 0.036<br>(0.035)     |
| Outer regional                   | -0.011<br>(0.045)    | -0.020<br>(0.046)    | -0.000<br>(0.045)    | -0.010<br>(0.046)    | -0.014<br>(0.046)    | -0.004<br>(0.046)    |
| Remote                           | -0.086<br>(0.108)    | 0.038<br>(0.108)     | -0.161<br>(0.107)    | -0.066<br>(0.109)    | 0.043<br>(0.109)     | -0.135<br>(0.108)    |
| Wave 1 missing                   | -0.468**<br>(0.217)  | -0.813***<br>(0.218) | -0.051<br>(0.216)    | -0.485**<br>(0.217)  | -0.831***<br>(0.218) | -0.063<br>(0.216)    |
| Unemployment – males             | -                    | -                    | -                    | 0.004<br>(0.008)     | 0.009<br>(0.008)     | -0.001<br>(0.008)    |



|                        |                     |                     |                    |                    |                     |                  |
|------------------------|---------------------|---------------------|--------------------|--------------------|---------------------|------------------|
| Unemployment – females | -                   | -                   | -                  | 0.001<br>(0.007)   | -0.007<br>(0.007)   | 0.007<br>(0.007) |
| Emp to pop – males     | -                   | -                   | -                  | 0.008*<br>(0.004)  | 0.008**<br>(0.004)  | 0.005<br>(0.004) |
| Emp to pop – females   | -                   | -                   | -                  | -0.003<br>(0.004)  | -0.005<br>(0.004)   | 0.000<br>(0.004) |
| Constant               | 1.093***<br>(0.286) | 1.195***<br>(0.288) | 0.688**<br>(0.285) | 0.735**<br>(0.357) | 0.966***<br>(0.359) | 0.332<br>(0.355) |
| R-Square               | 0.083               | 0.057               | 0.076              | 0.084              | 0.058               | 0.077            |
| N                      | 5960                | 5960                | 5960               | 5960               | 5960                | 5960             |

Notes: Estimated OLS coefficients presented and standard errors in parentheses. \*, \*\*, \*\*\* indicates significance at the 10%, 5 % and 1% levels respectively.

**Table S7. Complete results for the effects of unemployment expectations shocks (top 25<sup>th</sup> percentile) on parent-rated SDQ outcomes, girls.**

|                                  | SDQ total<br>(1)     | Internalizing<br>(2) | Externalizing<br>(3) | SDQ total<br>(4)     | Internalizing<br>(5) | Externalizing<br>(6) |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expectations shock               | -0.026<br>(0.037)    | -0.014<br>(0.039)    | -0.029<br>(0.036)    | -0.042<br>(0.038)    | -0.034<br>(0.040)    | -0.035<br>(0.037)    |
| Post-crisis                      | 0.034<br>(0.113)     | 0.194<br>(0.119)     | -0.106<br>(0.112)    | 0.044<br>(0.113)     | 0.209*<br>(0.119)    | -0.103<br>(0.112)    |
| DID                              | 0.133**<br>(0.066)   | 0.091<br>(0.069)     | 0.128**<br>(0.065)   | 0.152**<br>(0.066)   | 0.108<br>(0.070)     | 0.143**<br>(0.065)   |
| Child's age                      | -0.008<br>(0.027)    | -0.023<br>(0.028)    | 0.006<br>(0.027)     | -0.010<br>(0.027)    | -0.026<br>(0.028)    | 0.005<br>(0.027)     |
| Number of children               | -0.034***<br>(0.012) | -0.037***<br>(0.013) | -0.021*<br>(0.012)   | -0.033***<br>(0.012) | -0.036***<br>(0.013) | -0.021*<br>(0.012)   |
| Lone-parent                      | 0.283***<br>(0.038)  | 0.265***<br>(0.040)  | 0.214***<br>(0.037)  | 0.282***<br>(0.038)  | 0.264***<br>(0.040)  | 0.213***<br>(0.037)  |
| Blended family                   | 0.253***<br>(0.066)  | 0.237***<br>(0.069)  | 0.192***<br>(0.065)  | 0.255***<br>(0.066)  | 0.239***<br>(0.069)  | 0.193***<br>(0.065)  |
| Year 12 (mother)                 | -0.131***<br>(0.043) | -0.169***<br>(0.046) | -0.063<br>(0.043)    | -0.132***<br>(0.043) | -0.168***<br>(0.046) | -0.064<br>(0.043)    |
| Certificate (mother)             | -0.063*<br>(0.036)   | -0.041<br>(0.038)    | -0.063*<br>(0.035)   | -0.066*<br>(0.036)   | -0.043<br>(0.038)    | -0.065*<br>(0.035)   |
| Diploma (mother)                 | -0.207***<br>(0.048) | -0.130**<br>(0.051)  | -0.209***<br>(0.048) | -0.207***<br>(0.048) | -0.129**<br>(0.051)  | -0.209***<br>(0.048) |
| Bachelor or above (mother)       | -0.315***<br>(0.037) | -0.196***<br>(0.039) | -0.318***<br>(0.037) | -0.316***<br>(0.037) | -0.196***<br>(0.039) | -0.320***<br>(0.037) |
| Employed (mother)                | -0.140***<br>(0.028) | -0.153***<br>(0.030) | -0.089***<br>(0.028) | -0.138***<br>(0.028) | -0.149***<br>(0.030) | -0.088***<br>(0.028) |
| Unemployed (mother)              | -0.047<br>(0.072)    | 0.014<br>(0.076)     | -0.082<br>(0.071)    | -0.044<br>(0.072)    | 0.017<br>(0.076)     | -0.081<br>(0.071)    |
| Change in household              | 0.044<br>(0.037)     | 0.045<br>(0.039)     | 0.030<br>(0.036)     | 0.044<br>(0.037)     | 0.045<br>(0.039)     | 0.030<br>(0.036)     |
| Moved home                       | -0.021<br>(0.036)    | 0.029<br>(0.038)     | -0.055<br>(0.035)    | -0.020<br>(0.036)    | 0.030<br>(0.038)     | -0.055<br>(0.035)    |
| Ln equiv.household weekly income | -0.105***<br>(0.028) | -0.119***<br>(0.029) | -0.062**<br>(0.028)  | -0.104***<br>(0.028) | -0.119***<br>(0.029) | -0.061**<br>(0.028)  |
| Imputation flag                  | -0.004<br>(0.061)    | 0.034<br>(0.064)     | -0.033<br>(0.060)    | -0.004<br>(0.061)    | 0.032<br>(0.064)     | -0.033<br>(0.060)    |
| Missing income                   | -0.689***<br>(0.192) | -0.779***<br>(0.203) | -0.414*<br>(0.190)   | -0.681***<br>(0.192) | -0.773***<br>(0.203) | -0.407**<br>(0.190)  |
| Home: Mortgage                   | 0.097***<br>(0.035)  | 0.074**<br>(0.037)   | 0.086**<br>(0.035)   | 0.095***<br>(0.035)  | 0.073*<br>(0.037)    | 0.085**<br>(0.035)   |
| Home: Renting                    | 0.224***<br>(0.043)  | 0.128***<br>(0.046)  | 0.235***<br>(0.043)  | 0.220***<br>(0.043)  | 0.125***<br>(0.046)  | 0.232***<br>(0.043)  |
| Home: Other                      | 0.137*<br>(0.079)    | 0.070<br>(0.084)     | 0.151*<br>(0.078)    | 0.137*<br>(0.079)    | 0.071<br>(0.084)     | 0.150*<br>(0.078)    |
| SEIFA                            | -0.023***<br>(0.005) | -0.023***<br>(0.005) | -0.016***<br>(0.005) | -0.025***<br>(0.006) | -0.025***<br>(0.006) | -0.017***<br>(0.005) |
| Inner regional                   | -0.065**<br>(0.030)  | -0.065**<br>(0.032)  | -0.046<br>(0.030)    | -0.065**<br>(0.031)  | -0.061*<br>(0.033)   | -0.049<br>(0.031)    |
| Outer regional                   | -0.101**<br>(0.042)  | -0.124***<br>(0.044) | -0.053<br>(0.041)    | -0.099**<br>(0.042)  | -0.117***<br>(0.044) | -0.055<br>(0.042)    |
| Remote                           | -0.271**<br>(0.112)  | -0.359***<br>(0.118) | -0.120<br>(0.110)    | -0.236**<br>(0.112)  | -0.314***<br>(0.119) | -0.104<br>(0.111)    |
| Wave 1 missing                   | -0.429**<br>(0.194)  | -0.766***<br>(0.205) | -0.030<br>(0.192)    | -0.421**<br>(0.194)  | -0.762***<br>(0.205) | -0.021<br>(0.192)    |
| Unemployment – males             |                      |                      |                      | -0.022***<br>(0.007) | -0.022***<br>(0.008) | -0.016**<br>(0.007)  |

|                    |          |          |         |          |          |         |
|--------------------|----------|----------|---------|----------|----------|---------|
| Unemployment –     |          |          |         | 0.002    | 0.002    | 0.002   |
| females            |          |          |         | (0.006)  | (0.007)  | (0.006) |
| Emp to pop – males |          |          |         | -0.003   | 0.001    | -0.006* |
|                    |          |          |         | (0.003)  | (0.004)  | (0.003) |
| Emp to pop –       |          |          |         | -0.001   | -0.004   | 0.002   |
| females            |          |          |         | (0.003)  | (0.004)  | (0.003) |
| Constant           | 0.811*** | 1.163*** | 0.288   | 1.205*** | 1.447*** | 0.655** |
|                    | (0.255)  | (0.270)  | (0.253) | (0.322)  | (0.341)  | (0.319) |
| R-Square           | 0.108    | 0.062    | 0.113   | 0.110    | 0.063    | 0.113   |
| N                  | 5734     | 5734     | 5734    | 5734     | 5734     | 5734    |

Notes: Estimated OLS coefficients presented and standard errors in parentheses. \*, \*\*, \*\*\* indicates significance at the 10%, 5 % and 1% levels respectively.

**Table S8. Complete results for the effects of unemployment expectations shocks on mother's psychological distress (Kessler 6).**

|  | Model excluding local labor market controls |                      | Model including local labor market controls |                      |
|--|---|----------------------|---|----------------------|
|  | (1)   | (2)                  | (3)   | (4)                  |
| Expectations shock (25 <sup>th</sup> percentile) | 0.061**<br>(0.031)                          |                      | 0.077**<br>(0.032)                          |                      |
| Expectations shock (>average)                    |   | -0.022<br>(0.025)    |   | -0.018<br>(0.026)    |
| Post-crisis                                      | 0.104***<br>(0.028)                         | 0.092***<br>(0.032)  | 0.098***<br>(0.029)                         | 0.087***<br>(0.032)  |
| DID  | -0.069<br>(0.055)                           | -0.004<br>(0.044)    | -0.074<br>(0.056)                           | -0.006<br>(0.044)    |
| Mother's age                                     | 0.001<br>(0.002)                            | 0.001<br>(0.002)     | 0.001<br>(0.002)                            | 0.001<br>(0.002)     |
| Number of children                               | -0.013<br>(0.011)                           | -0.012<br>(0.011)    | -0.013<br>(0.011)                           | -0.012<br>(0.011)    |
| Lone-parent                                      | 0.291***<br>(0.033)                         | 0.290***<br>(0.033)  | 0.289***<br>(0.033)                         | 0.288***<br>(0.033)  |
| Blended family                                   | 0.036<br>(0.062)                            | 0.037<br>(0.062)     | 0.035<br>(0.062)                            | 0.036<br>(0.062)     |
| Change in household                              | 0.049<br>(0.032)                            | 0.049<br>(0.032)     | 0.049<br>(0.032)                            | 0.049<br>(0.032)     |
| Moved home                                       | 0.065**<br>(0.032)                          | 0.067**<br>(0.032)   | 0.064**<br>(0.032)                          | 0.066**<br>(0.032)   |
| Ln equiv.household weekly income                 | -0.183***<br>(0.024)                        | -0.182***<br>(0.024) | -0.182***<br>(0.024)                        | -0.180***<br>(0.024) |
| Imputation flag                                  | 0.005<br>(0.054)                            | 0.002<br>(0.054)     | 0.004<br>(0.054)                            | 0.002<br>(0.054)     |
| Missing income                                   | -1.177***<br>(0.169)                        | -1.163***<br>(0.169) | -1.167***<br>(0.169)                        | -1.155***<br>(0.169) |
| Home: Mortgage                                   | 0.077**<br>(0.030)                          | 0.077**<br>(0.030)   | 0.076**<br>(0.030)                          | 0.076**<br>(0.030)   |
| Home: Renting                                    | 0.154***<br>(0.039)                         | 0.156***<br>(0.039)  | 0.154***<br>(0.039)                         | 0.155***<br>(0.039)  |
| Home: Other                                      | 0.152**<br>(0.067)                          | 0.154**<br>(0.067)   | 0.151**<br>(0.067)                          | 0.152**<br>(0.067)   |
| SEIFA  | -0.016***<br>(0.004)                        | -0.016***<br>(0.004) | -0.014***<br>(0.005)                        | -0.015***<br>(0.005) |
| Inner regional                                   | -0.138***<br>(0.026)                        | -0.135***<br>(0.026) | -0.148***<br>(0.027)                        | -0.141***<br>(0.027) |
| Outer regional                                   | -0.056<br>(0.035)                           | -0.043<br>(0.035)    | -0.062*<br>(0.036)                          | -0.048<br>(0.035)    |
| Remote   | -0.188**<br>(0.086)                         | -0.139*<br>(0.084)   | -0.210**<br>(0.087)                         | -0.148*<br>(0.085)   |
| Wave 1 missing                                   | -0.918***<br>(0.161)                        | -0.907***<br>(0.161) | -0.912***<br>(0.161)                        | -0.900***<br>(0.161) |
| Year 12  | -0.042<br>(0.037)                           | -0.040<br>(0.037)    | -0.043<br>(0.037)                           | -0.041<br>(0.037)    |
| Certificate                                      | 0.048<br>(0.031)                            | 0.049<br>(0.031)     | 0.047<br>(0.031)                            | 0.049<br>(0.031)     |
| Diploma  | 0.027<br>(0.041)                            | 0.028<br>(0.041)     | 0.026<br>(0.041)                            | 0.028<br>(0.041)     |
| Bachelor or above                                | 0.061*<br>(0.032)                           | 0.062*<br>(0.032)    | 0.061*<br>(0.032)                           | 0.061*<br>(0.032)    |
| Employed   | -0.171***<br>(0.024)                        | -0.171***<br>(0.024) | -0.173***<br>(0.024)                        | -0.173***<br>(0.024) |
| Unemployed                                       | 0.062<br>(0.064)                            | 0.063<br>(0.064)     | 0.060<br>(0.064)                            | 0.061<br>(0.064)     |

|                        |                     |                     |                     |                     |
|------------------------|---------------------|---------------------|---------------------|---------------------|
| Unemployment – males   | -                   | -                   | 0.004<br>(0.006)    | 0.001<br>(0.006)    |
| Unemployment – females | -                   | -                   | 0.003<br>(0.006)    | 0.004<br>(0.006)    |
| Emp to pop – males     | -                   | -                   | -0.005*<br>(0.003)  | -0.005<br>(0.003)   |
| Emp to pop – females   | -                   | -                   | 0.004<br>(0.003)    | 0.004<br>(0.003)    |
| Constant               | 1.116***<br>(0.186) | 1.123***<br>(0.186) | 1.207***<br>(0.249) | 1.168***<br>(0.248) |
| R-Square               | 0.061               | 0.061               | 0.062               | 0.061               |
| N                      | 9562                | 9562                | 9562                | 9562                |

Notes: Estimated OLS coefficients presented and standard errors in parentheses. \*, \*\*, \*\*\* indicates significance at the 10%, 5 % and 1% levels respectively.