

Exposure to Parental Job Displacement and Children's Educational Attainment

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Background

Research Question:

- How much does exposure to parental unemployment moderate the impact of parental job displacement on children's educational attainment?

Prior Research on Parental Unemployment

- Approximately half of children will experience parental job loss between ages 0 and 18.
- Children who experience parental job loss average one year less of education than their peers who do not experience parental unemployment.

Why Study Exposure

- Poverty research finds that the number of spells and duration of time spent in poverty is associated with children's educational attainment.
- Parental job displacement is also known to harm children's educational attainment, and occurs in spells with varying duration.

Data and Methods

Data

- Panel Study of Income Dynamics (PSID).
- 3233 Children born 1972-1986 with the "PSID Gene".
- Used employment status of parental head of household.
- Cross Sectional Weight, year turned 25

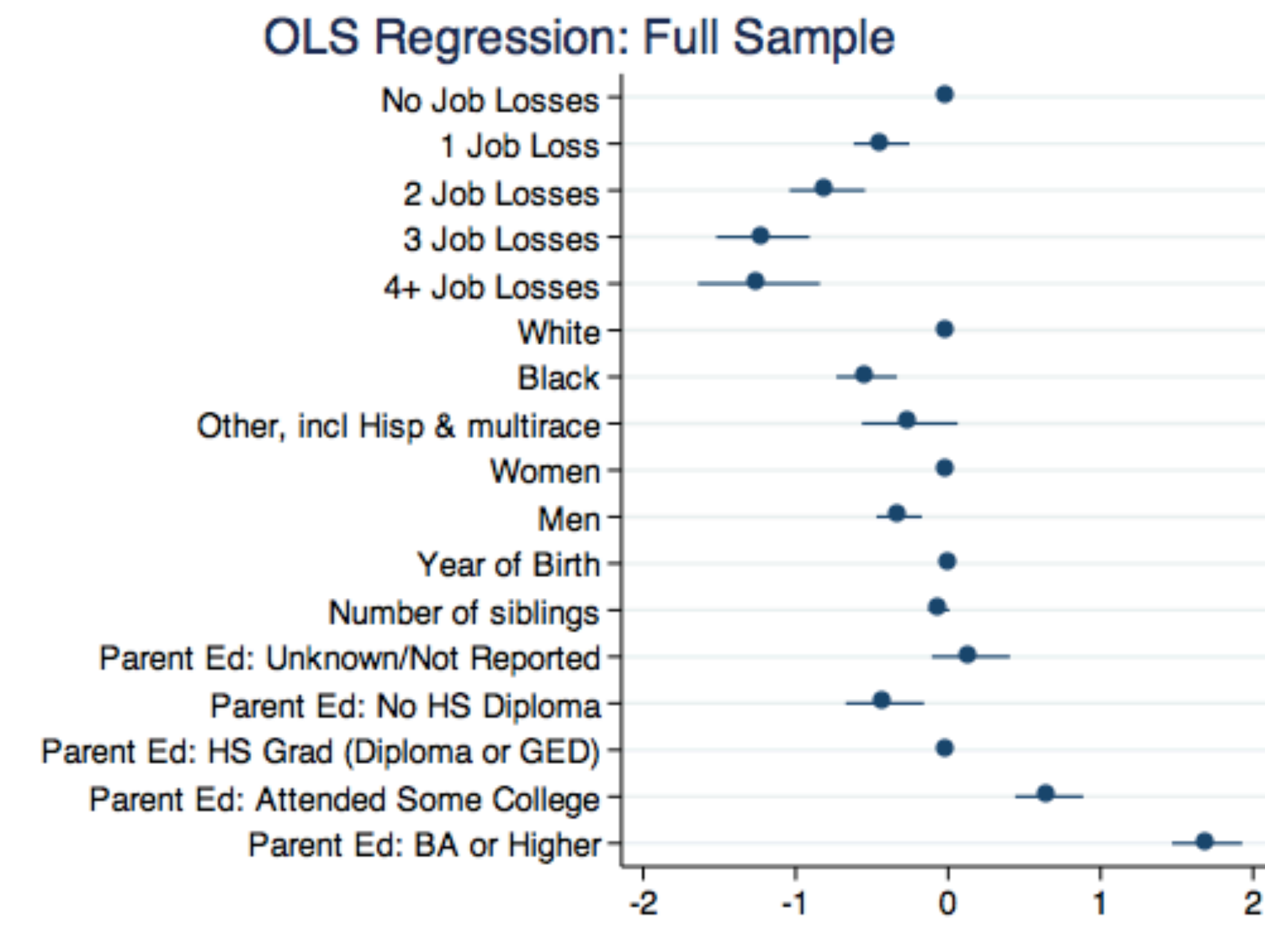
Key Variables

- Dependent variable is educational attainment in years at age 25.
- Number of job loss spells experienced from age 0 to 18
- Duration of longest spell (future research)
- Cumulative duration of all spells (future research)

Methods

- OLS Regression focusing number of job losses compared to no job loss
- OLS Regression focusing on number of job losses for children who had a parent lose his or her job

Results: All Children



N=3233

R²=.25

Compared to individuals who do not experience parental job loss those who experience:

One spell parental job loss attend .44 less years of school

Two spells of parental job loss attend .79 less years of school

Three spells of parental job loss attend 1.21 less years of school

Four or more spells of parental job loss attend 1.24 less years of school

These differences are all significant.

When the omitted category is one job loss, the differences in educational attainment remain significant for all groups.

Results: Children with Parental Job Loss

N=1359

R²=.19

Compared to individuals who experience one spell of parental job loss those who experience:

Two spells of parental job loss attend .37 less years of school

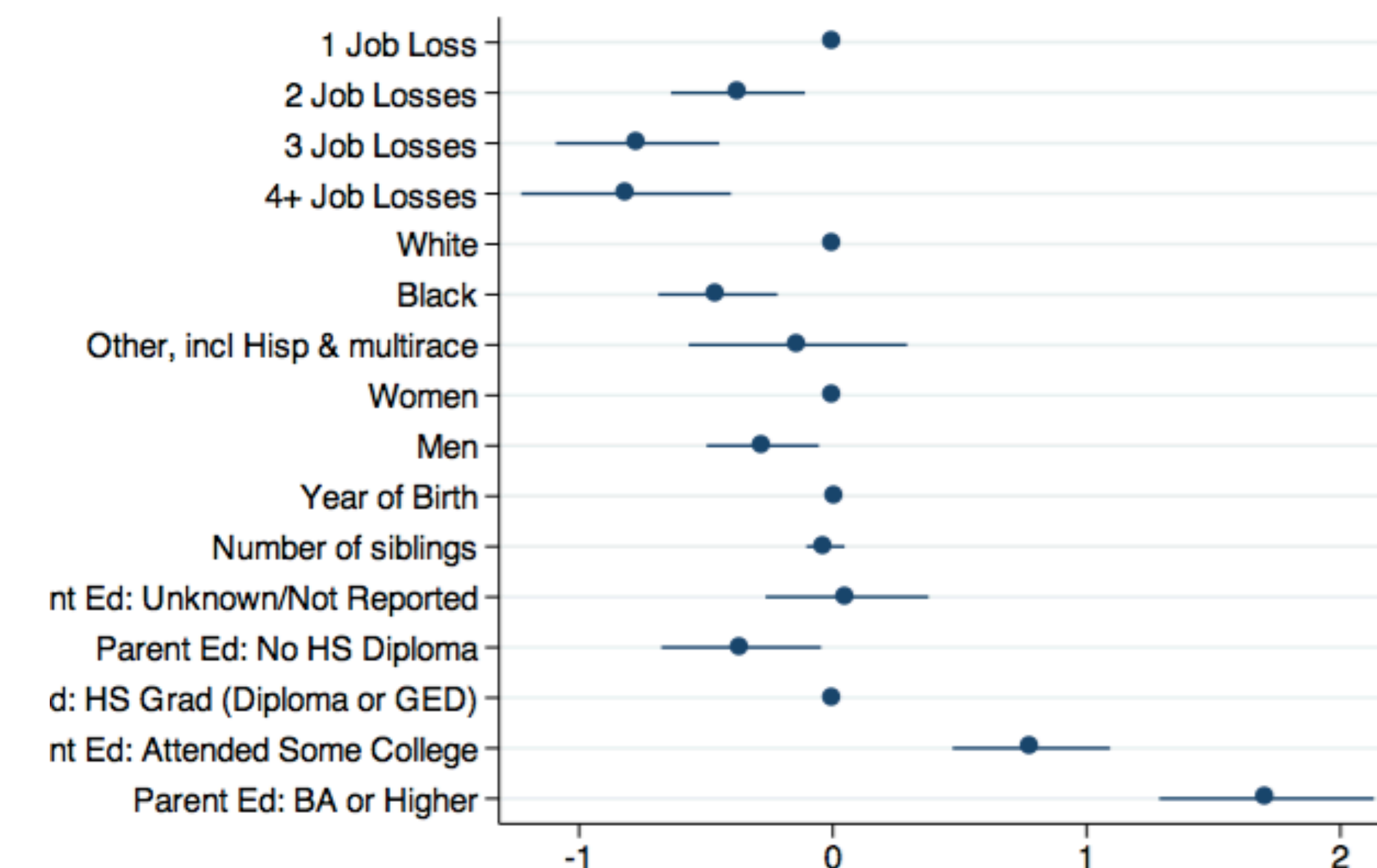
Three spells of parental job loss attend .77 less years of school

Four or more spells of parental job loss attend .81 less years of school

These differences are all significant.

For children who experience job loss, those with a parent who graduated from college earn 1.7 years more of education than their peers whose parents have a high school degree.

OLS Regression: Children Who Experienced Parental Job Loss



Discussion

- The number of parental job loss spells children experience influences their educational attainment.
- This is consistent with the poverty research highlighting the importance of spells to understanding which children are harmed the most by poverty.
- These results highlight that children whose parents who graduated from college may be more sheltered from some of the negative effects of parental job displacement than their peers whose parents graduated from high school.
- 55% of children who experience a parental job displacement only experience one spell of parental unemployment.
- The well-documented educational disadvantage for children who experience parental job loss may be driven by the deep disadvantage of children who experience two or more spells of parental unemployment.

Future Research

In this paper:

- Cumulative duration of parental unemployment spells
- Longest job spell of parental unemployment
- These will help explain further explore if these the number of job losses is a proxy for time spent with an unemployed parent.

Other Papers

- Family SES as a moderator of job loss.
 - Uses Propensity Score Matching as a rigorous control for family SES at birth.
 - Family SES does explain part of the difference in educational attainment between children who do and do not experience parental job loss.
- Age at the time of parental job loss is not a significant predictor of educational attainment. (Paper available upon request)
 - Fixed Effect Models and OLS regression

Please email me additional comments or questions:
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