

Parental Job Loss, Family Socioeconomic Status, and Children's Educational Attainment

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Background

Research Question:

- How does family socioeconomic status moderate the impact of parental job loss on children's educational outcomes?

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.

Family SES and Parental Job Loss

- When a job loss occurs some measures of SES decline (at least temporarily) such as income and occupational characteristics while education and other measures may remain stable.
- Parental education is related to both likelihood of unemployment and child's educational attainment.

Data and Methods

Data

- Panel Study of Income Dynamics (PSID).
- 3229 Children born 1972-1986 with the "PSID Gene".
- Ever experienced a job loss by the head of household (parent).
- Cross Sectional Weight, year turned 25

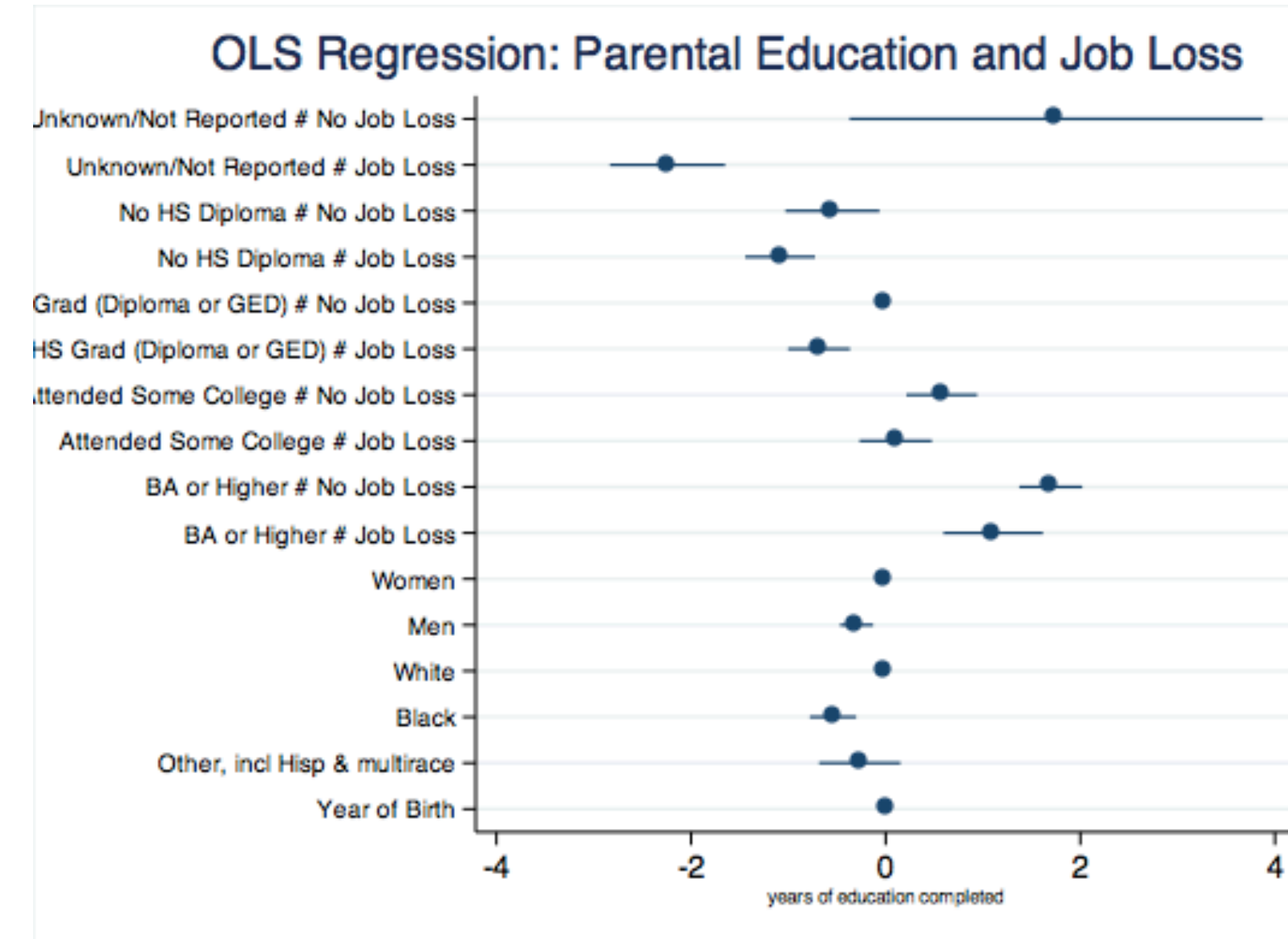
Key Variables

- Dependent variable is educational attainment in years at age 25.
- Family SES at birth; measured as a head's level of education and family income quintile from year of birth (quintiles based on CPS from that year)
- Additional indicators of SES at birth include: Self employment, union membership, occupation category, industry category, (years of education), Income quintile, female headed household, age of head at child's birth, home ownership.

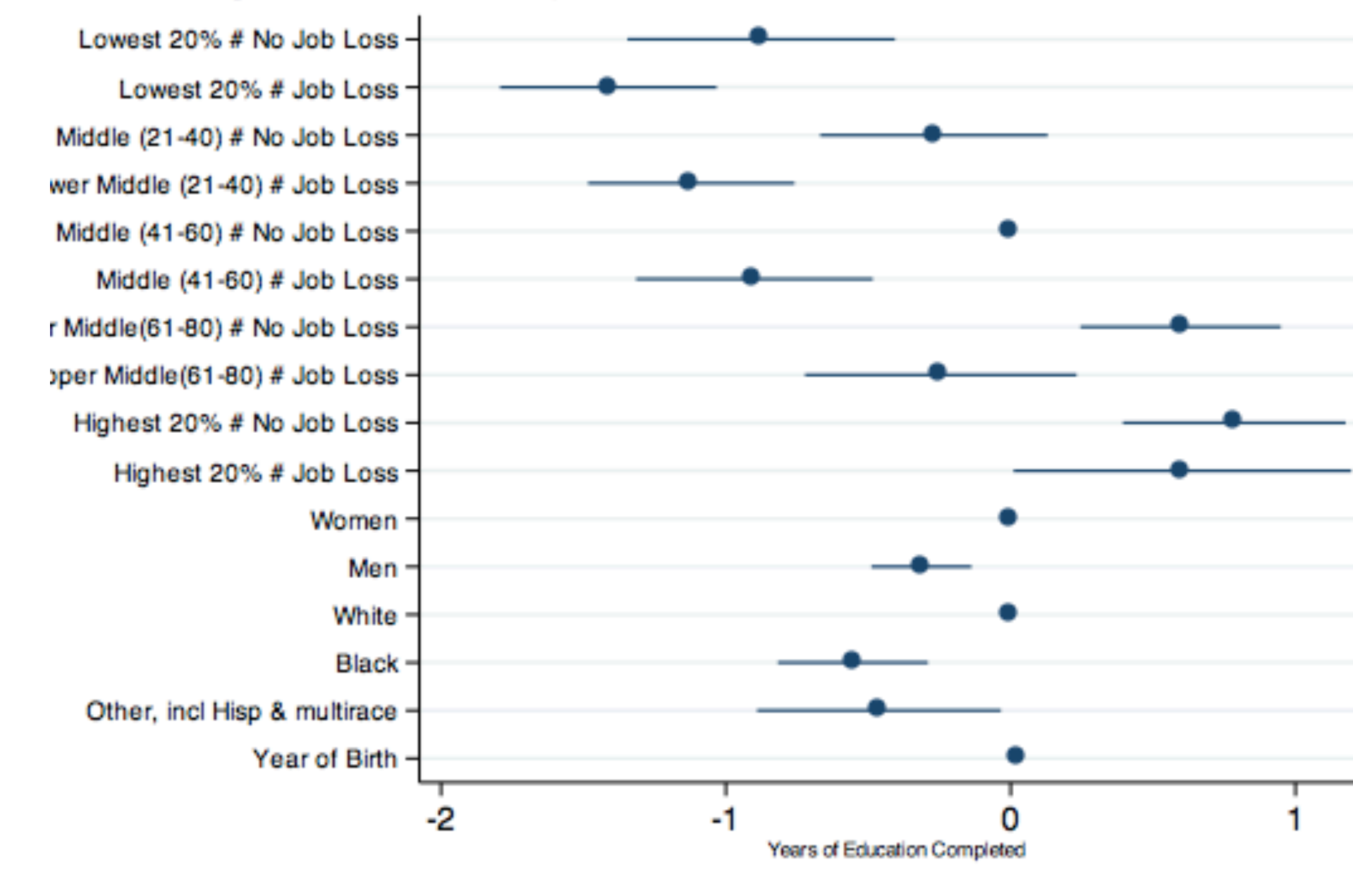
Methods

- OLS Regression focusing on head's level of education
- OLS Regression focusing on family income quintile at birth
- Propensity Score Matching based on Family SES Characteristics at birth
- I am using Propensity Score Matching as a more robust set of controls; I am not claiming causality because of concerns about unobservable characteristics.

Results: OLS Regression



OLS Regression: Family Income Quintile and Parental Job Loss



- There are significant differences between the association between educational attainment and the interaction between head job loss and head education, when compared to a reference category of no job loss and head has a high school diploma.
- Contrast tests show no significant difference when comparing children whose parent's have the same level of education or family income quintile and different job loss experiences.

Results: Propensity Score Matching

T-Test Comparing Educational Attainment by Parental Job Loss Status

	N	Mean	SE	SD
No Job Loss	1808	13.79	0.05	1.91
Job Loss	1421	13.02	0.04	1.68
All	3229	13.45	0.03	1.85
Difference		0.78	0.06	

Propensity Score Matching, Matched on Family SES at Birth

	Sample	Treated	Controls	Difference	S.E.
No Job Loss	Unmatched	13.02	13.79	-0.78	0.06
Job Loss	ATT	13.02	13.35	-0.34	0.07
All	ATU	13.79	13.35	-0.45	
Difference	ATE			-0.40	

All t-test and propensity score matching results are significant.

I use propensity score matching as a stricter set of controls due to the concern about unobservable variables related to parental job displacement. The propensity score matching results utilize kernel density matching the multiple matches in the case of ties. These results are not weighted.

Results

OLS Regression

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T-Test and Propensity Score Matching

- The t-test shows that, controlling only for parental job loss, children who experience parental job loss attend school for approximately .8 of a year less than children who do not experience a parental job loss.
- ATT is significant, showing a job loss as associated with 1/3 of a year less of schooling.
- For children who do not experience a parental job loss, hypothetically a parental job loss would be associated with .45 of a year less of school.

Discussion

Discussion

- Overall, the average treatment effect (ATE) is -.40 years, meaning the estimated relationship between parental job loss and educational attainment is a disadvantage of a little under half a year of schooling.
- While this is still a notable disadvantage, it smaller than previously estimated.
- The educational disadvantage related to parental job loss is a function of both probability of job loss and the job loss itself.

Future Research

- Examine other potential moderators-- what other factors make children more or less impacted by parental job loss.
- Does the amount of exposure a child has to parental job loss, based on poverty research about exposure and spells? I will examine the number of job losses (spells), the duration of the spells and the duration of the first job loss.
- Age at the time of parental job loss is not a significant predictor of educational attainment (Paper available upon request)

A full version of this paper is available upon request
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