

SUMBITTED TO PAA

EXTENDED ABSTRACT

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**Differing Exposure to Parental Unemployment and Children's Educational Attainment**

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Traditional unemployment figures focus on the individuals who experience the job loss, yet the economic and non-economic consequences of unemployment extend beyond the individual to the larger family (e.g. Elder, Conger, Foster, and Ardel 1992; Moen 1983). Research in several disciplines has described the multitude of effects of unemployment on displaced workers, including on their job quality, earnings, physical and mental health (e.g. Burgard, Brand, and House 2007; Gangl 2006; Paul and Moser 2009; Stevens 1997) , much less is known about the how a parent's job loss effects children.

In the last several years, there is a growing amount of research on parental unemployment and children's short- and long- term outcomes. This research describes the general effects of parental unemployment on children's well-being, educational outcomes, adult earnings, and adult labor market experiences (Kalil and Ziol-Guest 2008; O'Neill and Sweetman 1998; Oreopoulos, Page, and Stevens 2008; Stevens and Schaller 2011). Research in this area also examines special cases or potential moderators such as family structures, race, and family socioeconomic status (Arbeit 2013; Brand and Simon Thomas Forthcoming; Kalil and Wightman 2011). Even with the recent research, there is a need for more research why, how and under what circumstances children experience more or less negative consequences of parental unemployment.

Research on the consequences of parent unemployment and poverty suggests parallels between the two experiences. Like poverty, parent unemployment often leads to a short-term decline in a child's cognitive, academic and/or behavioral growth. This similarity between unemployment and poverty extends to children's outcomes, such as educational attainment and income in adulthood. Yet, unlike poverty, unemployment strikes across socioeconomic status. The poverty research documents that the exposure to poverty in childhood, measured by the number and duration of poverty spells is a predictor of the magnitude of the effects of poverty on children (e.g. Brooks-Gunn and Duncan 1997; Wagmiller, Lennon, Kuang, Alberti, and Aber 2006).

In this paper I examine the relationship between the level of exposure to parental unemployment on children's educational attainment. Building off the current research on parental unemployment and poverty, I ask: how does the number and duration of parental unemployment spells moderate the effect the parental unemployment spells on children. Below I discuss the research on number and duration of child poverty spells, and parental unemployment on children's well-being. I then discuss the data and methods I use in the full paper.

### *Theoretical and Empirical Background*

Research on poverty finds that the intensity of consequences varies with the duration and number of the poverty spells (e.g. Heard 2007; Kalmijn 1994; Wagmiller et al. 2006). The poverty research highlights that only considering if a child has ever lived in poverty provides limited evidence about the consequences of poverty. Accounting for a child living in poverty at a specific time of his or her life provides the necessary context to understand the influence of the poverty spell on the child. For example, long exposures to poverty make children less likely to complete high school (Haveman, Wolfe, and Spaulding 1991; Wagmiller et al. 2006). The concerns raised by poverty research provide useful insights into moderators of the effects of parental unemployment spells

In the short-term, parental unemployment causes delays in children's behavioral growth, cognitive development, self-concept, classroom behavior and educational progress (Farrell and Ortiz 1993; Hill, Morris, Castells, and Walker 2011; McLoyd 1989; McLoyd, Toby Epstein, Ceballo, and Borquez 1994; Stevens and Schaller 2011). Mother's unemployment during preschool is associated with children's

problem behavior in late elementary school (Hill, Morris, Castells, and Walker 2011). These short-term consequences highlight the link between parental unemployment and educational outcomes.

Parent displacement from work has consequences for children long after the unemployment spell ends (because of either a new job, or a long-term change in family work arrangement). In the longer term, parental unemployment during childhood or adolescence is associated with lower earnings between the ages 25 and 33, months unemployed and/or receiving unemployment benefits as an adult<sup>1</sup> for men in Canada and Great Britain. (O'Neill and Sweetman 1998; Oreopoulos, Page, and Stevens 2008) In the United States, among middle class children in the PSID, parental job loss during childhood is associated with a decreased likelihood of college attendance (Kalil and Wightman 2011). These studies however do not sufficiently address whether features of parental unemployment, such as the duration of the unemployment spell or number of spells all of which may moderate the effect of parental unemployment and thus differentiate the long-term consequences on children.

### *Data and Methods*

Using the Panel Study of Income Dynamics (PSID)(2013), I look at the educational attainment at age 25 or 26 of children born between 1968 and 1986. The PSID started in 1968 with approximately 5,000 families from a nationally representative sample with an oversample of low-income respondents (the Survey of Economic Opportunity, or SEO sample). As children in PSID families start their own households they continue to participate in the PSID as new households (Holland 1986). In the late 1990s over 500 immigrant families were added to improve the national representation of the study. As of 2009 the PSID contains around 9,000 families (Killewald, Andreski, and Schoeni 2011). Because the PSID follows families over time, it provides information on parents' occupational trajectories as well as children's educational and occupational attainment. The University of Michigan collected data annually until 1997 and biannually thereafter. The my sample includes all children born into a PSID family between 1968 and 1986, who have parent employment/unemployment data for at least 13 years between birth and age 19, and have educational attainment data at age 25. There are 2751 children from 1763 families in the sample. Table 1 contains the descriptive statistics for the sample.

Analytically, I start with detailed descriptive statistics describing which children experience parental unemployment, how unemployment spells their parent has, and the duration of these spells. These descriptives will highlight the heterogeneity in the experiences and exposure children have with parental unemployment. Next I use OLS regression models incorporating the number of parental unemployment spells and length of the spells as predictors of children's educational attainment. I plan on presenting these results at PAA.

In this paper I seek to describe the association between exposure to parental unemployment and children's educational attainment. This paper will further research both on the heterogeneity in the effects of parental unemployment on children's educational attainment and on family contexts more generally by applying the theories and methods from the poverty research to other family contexts.

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<sup>1</sup> The research from Canada and Great Britain on adult income and unemployment of children who experienced parental unemployment has only looked at sons (O'Neill and Sweetman 1998; Oreopoulos, Page, and Stevens 2008).



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