

New findings show long-term effects of fathers' job loss on children's education

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There is a lot of evidence of the effect of job loss on peoples' future earnings and employment opportunities. New research into the impact of fathers' job loss on their child's educational attainment, for the first time in the UK, finds significant effects on the next generation.

The recession of the 1980s had a large and lingering effect on unemployment, which rose to 12 per cent (three million) and stayed around this level until 1986. This sustained employment shock disproportionately hit certain industries which led to the widespread closure of industry and the mass displacement of many low-skilled male workers, especially in Britain's mainly northern industrial heartlands.

The study, led by Professor Paul Gregg from the University of Bristol's



Centre for Market and Public Organisation, evaluated parental job losses during the 1980s recession to assess the effects on children's educational performance and subsequent experience in the labour market.

Using British Cohort Study data, the researchers selected 3,051 individuals that were born in one week during April 1970, and whose fathers were employed in 1980. An indicator of whether the father left his job from a hard hit industry was constructed to capture fathers' job displacement. The researchers then examined educational attainment data to assess the correlation between their fathers' job loss and exam results at ages ten and 16 (either side of the recession), and their later employment outcomes.

The results showed there was a significant negative impact of fathers' losing their jobs during the 1980s recession on both the family income and their children's exam results. The impact equates to their children obtaining half a GCSE grade less than those with fathers who remained in employment. These children looked very similar to the children with fathers' who kept their jobs prior to the recession in terms of their educational development. There is also a small negative effect on their early employment experiences.

Professor Gregg said: "At a time of rising unemployment the impact of job loss during a recession on the outcomes of the next generation is highly topical. This research provides strong evidence that this has an intergenerational effect whereby <u>fathers</u>' job loss has a negative impact on <u>children</u>'s educational attainment and early work experience in the UK."

More information: The Economic and Social Research Council (ESRC)-funded study, entitled 'the impact of fathers' job loss during the 1980s recession on their child's educational attainment and labour market outcomes' is published today [16 May] by the University of



Bristol's Centre for Market and Public Organisation.

Provided by University of Bristol

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