

Does families' working behaviour affect their children's school-to-work trajectories?

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Labour market success or failure in the early years of adulthood is the outcome of a number of potentially complex interactions involving an individual's ability and personality, family background, educational attainment and country-specific characteristics (education systems, labour market institutions, macroeconomic conditions) (Hadjivassiliou et al. *forthcoming*; Grotti, Russell and O'Reilly *forthcoming*). We know that parents matter in determining how well their children are likely to do when it comes to finding a job, and a good quality job at that.

To examine how the family affects what kind of job young people find, we focused on the importance of the family's socio-economic characteristics for young people's employment outcomes. Studies suggest that young individuals with a 'poor' family context (in terms of education, economic resources and networking) are more disadvantaged in terms of labour market performance.

However, the vast majority of these studies focus on intergenerational effects (Raitano and Vona 2015; Berloff, Matteazzi and Villa 2015a), with very few studies considering the contemporaneous effect of parental employment on children's employment (Kind 2015; Berloff, Matteazzi and Villa 2015b). Additionally, these studies generally examine the evolution of individual's employment statuses over time, by looking at year-to-year transitions.

Instead, we study the impact of the family employment structure on young people's school-to-work trajectories so as to analyse more accurately the transitory and more persistent labour market conditions.

Dynamic school-to-work trajectories and family employment condition

The contribution of this work is threefold. First, we examine the impact of family employment conditions on the entire labour market entry process of young individuals. Second, we distinguish the working status of parents from that of other working-age family members (siblings), to check whether they have different effects on youth school-to-work trajectories. Third, we also consider separately the employment status of the mother and the father to examine whether there exists a father-son and a mother-daughter type of effect.

We focus on young Europeans aged 16-34 who have just exited full-time education, and we look at their labour market pathway from this point forward over a period of three years.

We use monthly information on employment statuses to identify school-to-work (STW) trajectories. In each month, individuals can be employed, unemployed, in education or inactive.

STW trajectories are defined over a 36-month period and are classified according to the time needed to reach employment and the pathway that led to the first relevant employment spell, that is, an employment spell lasting for at least six consecutive months. These trajectories are classified as follows:

Speedy: a relevant employment spell is achieved within six months after leaving full-time education;

Long-search: a relevant employment spell is achieved after more than six months in unemployment or inactivity;

In&out successful: various non-relevant employment spells, interspersed by short periods in unemployment or inactivity, end up in a relevant employment spell;

In&out unsuccessful: various non-relevant employment spells, interspersed by short periods in unemployment or inactivity, do not end up in a relevant employment spell

Continuous unemployment and/or inactivity: only spells of unemployment or inactivity;

Return to education: a spell in education lasting at least six consecutive months experienced at least six months after having left full-time education.

Our main interest is in the role of the family employment structure in influencing young people's STW trajectories. We consider household members' employment status over the six-month period around the month in which young people left full-time education, that is, the three months before and the three months after. We measure the intensity of their work participation over that six-month period and we keep distinct the work intensity of the mother, of the father and of the other working-age family members. We perform separate analyses for young males and females.

Does parental employment affect children's labour market entry?

Yes! Parental working conditions are of crucial importance in explaining youth STW trajectories. Having a mother or father who worked continuously during the six-month period increases the probability of being speedy and long-search, while it reduces the probability of being continuously unemployed/inactive.

Does the presence and the working status of other family members affect youth labour market entry?

Yes! The presence of some working-age family members reduces the likelihood of having a rapid labour market entry, while it increases the probability of being continuously unemployed/inactive. However, this negative effect is overcome if they are working (at least some of them for at least some months). Specifically, when other working-age family members are employed, the probability of a speedy trajectory is much higher; and the likelihood of being continuously unemployed/inactive is much lower compared to households where all other family members do not work.

What counts more, a working parent or a working sibling?

The employment status of parents and siblings has an equivalent effect on youth STW trajectories. It is enough that someone in the family works to significantly increase youth probabilities of being on a speedy trajectory into work themselves, and it decreases their likelihood of being continuously at the margin of the labour market.

Is there a mother-daughter or father-son effect?

Mothers' and fathers' working status have similar effects on adult children's probability of being on a speedy trajectory. However, the working status of the mother is more effective in reducing the children's probability of being continuously unemployed/inactive. When other working-age individuals (apart from the parents) are present in the household, the mother's employment condition has a larger positive effect than the father's employment status on their sons' probability of staying continuously at the margin of the labour market; however, the opposite is found for sons' likelihood of rapidly entering into paid work.

What can policies do for young people from work-poor families?

A stable working condition on the part of parents is associated with more favourable entry trajectories for both males and females. The working status of other working-age family members also has important consequences.

If no one in the household is working, this seems to have a negative effect on young people finding work on leaving education. However, this effect is reduced if there are no other unemployed siblings in the same household. If other brothers and sisters are working, this reduces the effect of young people not finding work.

From a policy perspective, our empirical findings suggest that it is important to consider the employment structure of young people's families around the time they leave education. In particular, policy interventions should be targeted at young people living in households where parents or other family members do not work. These interventions should focus not only on young people's motivations and perceptions, but also on supporting them with access to effective jobsearch services and training opportunities.

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