

# Workless parents, workless children?

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In 2015, more than 6.6 million young people (aged 15-24 years) were neither in employment nor in education or training (NEETs) in the EU, and the overall employment rates for young people (33%) were still four percentage points lower than they were in 2008 (37%) (Mascherini *forthcoming*).

At the European level, efforts to facilitate young people's inclusion in the labour market have been notable (O'Reilly et al. 2015). The total budget of the Youth Employment Initiative is €6.4 billion for the period 2014-20, and it will be increased by a further €2 billion for 2017-2020 if the Council and the European Parliament adopt the Commission's proposal. Understanding when, how and for whom we need to intervene to enhance young people's employment prospects is crucial so that public resources can be used effectively, and to ensure that young individuals have as equal opportunities as possible.

A key factor influencing young people's skill formation and attitudinal development is the family environment. The role of the family in shaping children's tastes for education and in developing their skills has been largely documented. But these effects can go beyond education and also directly affect young individuals' labour market outcomes. Therefore, we need to know whether individuals who grew up in families with certain characteristics face more difficulties than others in participating in the labour market or in finding/keeping a job when adults.

## **The effects of parents' employment on their children's labour market outcomes**

Various authors have shown that children's unemployment or inactivity is closely related to their fathers' and mothers' employment status. Experiencing parental worklessness during adolescence may impact on young adults' aspirations and attitudes towards the labour market (different evaluations of work and sense of stigma, different attitudes towards relying on welfare benefits), as well as the type of social networks on which they can rely when searching for a job.

But we know little about the extent to which these effects vary across European countries, and even less about the relative role of fathers and mothers. We analysed the extent to which parents' worklessness during children's adolescence (around 14 years of age) affects their children's employment outcomes as young adults (around 30 years of age) across various European country groups, and considering the gender of both parents and children (Berloff, Matteazzi and Villa 2017; Berloff, Matteazzi and Villa *forthcoming*).

We used a European-harmonised household survey (EU-SILC), which contains information about the employment condition of young adults (aged 25-34) in 2005 and 2011 and about the working condition of their parents when these young adults were aged about 14. We estimated the impact of various individual, family and country characteristics on young adults' likelihood of being employed, NEET or in education for five groups of countries: Nordic, Continental, English-speaking, Mediterranean and Eastern European countries.

### **The apple *doesn't* fall far from the tree**

We found that, after controlling for education and other individual and country characteristics, mothers' worklessness increases their daughters' likelihood of being workless by about 20%-40% in all European country groups, both before and during the crisis (see Table 1 below). In contrast, maternal employment affects sons' worklessness only during the crisis.

The effects of fathers' employment during children's adolescence are less widespread compared to those associated with maternal employment status. Fathers' worklessness increased their sons' and daughters' likelihood of being workless both before and during the crisis only in Mediterranean countries. Here, in 2011, young men who had a workless father during their adolescence had a double probability of being workless themselves compared to the sons of working fathers. In other country groups, the effects of fathers' worklessness is generally limited to sons and to specific years (before the crisis in Continental countries and after the crisis in Eastern European countries).

Interestingly, we find a similar likelihood of being workless for children who grew up in workless households, independently of whether one or two parents were present.

For those who grew up with a single parent (usually a mother), and where that parent was working, their likelihood of being without work was comparable with those who grew up in male-breadwinner families.

Our findings suggest that mothers' influence on their daughters is related to some structural phenomena as well as the likely transmission of attitudes to gender roles. However, mothers' role for their sons seems more related to the intergenerational transmission of skills or attitudes.

Fathers' employment appears particularly important in Mediterranean countries, especially when labour market conditions deteriorate. This could suggest that working fathers are able to utilise their networks more to find work for their children. Results for the other country groups are more difficult to explain and deserve further investigation.

### **Policies for workless parents**

Our results highlight the importance of mothers' employment for their children's future prospects. Indeed, the adolescents who grew up in the years of the Great Recession

with workless mothers might suffer in the future when they start their working life. This calls for new policy initiatives aimed at helping mothers with adolescent children to enter, remain or re-enter paid work. It is also necessary to support children of non-working mothers.

Policy-makers should also pay attention to children of non-working fathers, especially in Mediterranean countries, designing new strategies to foster equality of opportunities in access to jobs.

Table 1: *Percentage difference in the likelihood of being NEET for young adults (aged 25-34) with the same individual characteristics – by their parents’ employment status (when young adults were 14)*

	The role of <b>mothers’ employment</b> : male-breadwinner families vs. dual-earner families				The role of <b>fathers’ employment</b> : workless families vs. male- breadwinner families			
	Daughters		Sons		Sons		Daughters	
	2005	2011	2005	2011	2005	2011	2005	2011
Nordic countries	+38%*	0	0	0	0	+81%*	0	0
English-speaking countries	<b>+46%</b>	<b>+24%</b>	0	<b>+55%</b>	+33%*	0	0	+31%*
Continental countries	<b>+29%</b>	<b>+34%</b>	0	<b>+33%</b>	<b>+90%</b>	0	0	0
Mediterranean countries	<b>+17%</b>	<b>+20%</b>	<b>+10%*</b>	<b>+17%</b>	<b>+33%</b>	<b>+97%</b>	<b>+16%</b>	<b>+19%</b>
Eastern countries	<b>+21%</b>	<b>+38%</b>	<b>+37%</b>	<b>+42%</b>	0	<b>+45%</b>	0	<b>+16%*</b>

Notes: (\*) The difference is significant only at the 10% level

Source: Authors’ estimation based on EU-SILC data.

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