

**Variations in the experience of job displacement for single mothers
and the effects on their children's educational outcomes**

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Research questions

Parental job displacement affects children's educational outcomes (Brand & Simon Thomas 2012). The variation in severity of a displacement's effects, then, could potentially lead to a variation in these outcomes. Factors that could make a displacement's effects more or less severe include: the circumstances surrounding the displacement (e.g., if the person was one of many laid off or not, if the country is experiencing an economic recession, if the area in which the person lives has differential rates of unemployment compared to the country), time spent unemployed after the displacement, and experiencing multiple displacements over the course of a career. Children's educational outcomes that could be affected by a parental job shock include not only high school completion and college attendance and completion but also attending public or private schools, choosing a two-year or a four-year college, and full- or part-time college attendance.

This project aims to examine possible variation surrounding the displacement event and potential variation in subsequent educational outcomes. Specifically, the analyses will address the following questions:

- Does the amount of layoffs at the time a single mother experiences a displacement create variation in effects for her children's educational outcomes?
- Does the amount of time a single mother spends unemployed after displacement, if any, affect the severity of effects on her children's educational outcomes?
- How do effects on children's educational outcomes differ if the mother experiences a first versus a subsequent displacement?

For each of these questions, the following educational outcomes for children will be examined:

- high school completion;
- college attendance;
- public or private school attendance;
- two-year or four-year college attendance;
- full-time or part-time college attendance.

Theoretical focus

Job displacement is an involuntary job termination due to plant closings, company relocation, or company downsizing. Since it is involuntary, people are not necessarily as prepared – mentally and in terms of job seeking – for a job loss as they might be if they chose to quit a job. A displacement does not include being fired, thus theoretically eliminating concerns over personal characteristics that might cause someone to be terminated from his job. It is unsurprising that such a disruption in career plan and financial situation would affect the life course in a negative manner. Indeed, job displacement has been shown to have adverse effects on marriages (Charles and Stephens 2004), geographical stability (Oreopoulos, Page, and Stevens 2008), and social participation (Brand and Burgard 2008).

When people are displaced, this leads to a number of outcomes, one of which can be unemployment. However, some people never experience unemployment after a job displacement while others are out of work for substantial lengths of time (Chan and Stevens 2001; Fallick 1996; Seitchik 1991). Financially, job displacement has significant consequences (Couch, Jolly & Placzek 2011; Fallick 1996; Farber 2005; Jacobson, LaLonde, and Sullivan 1993; Kletzer & Fairlie 2003; Podgursky and Swaim 1987; Ruhm 1991; Topel 1990). Psychological factors are also impacted by an involuntary job loss (Brand, Levy, and Gallo 2008; Burgard, Brand and House 2007; Dooley, Fielding and Levi 1996; Gallo et al. 2000; Jahoda 1982; Kessler, Turner and House 1989; Leana and Feldman 1992; Turner 1995; Warr and Jackson 1985). As job seekers lose hope and motivation for finding a job after being out of work for longer periods of time they can become permanently displaced (Seitchik 1991), pointing to a variation in outcomes given the length of post-displacement unemployment.

Importantly, displacement is not a choice one makes. The question then is, does this parental job shock transcend choices made using cultural capital (Bourdieu & Passeron 1977) and reframe, in a sense, educational decision-making for their children? That is, does it shift values and priorities for parents and/or their children so severely, either due to finances or socioemotional factors, such that educational choices are made differently than they might have been if the displacement had not occurred? Numerous studies in sociology point to the intergenerational submission of socioeconomic status (e.g., Blau & Duncan 1967; Buchmann 1989; Corcoran & Matsudaira 2005); the question is whether a job displacement shocks the parent's socioeconomic status sufficiently to influence their child's educational choices and hence socioeconomic status – and if so, how much. The ability to transfer from one life pathway or track to another is often couched in positive terms since it allows for increased upward mobility (Furstenberg, Rumbaut & Settersten 2005); however, the question is whether this flexibility points to increased propensity for downward mobility as well. As Fursterburg, Rumbaut, and Settersten (2005) point out, "...families of origin are a (if not the) central safety net for many young people - and a serious risk for others." (23)

Stevens and Schaller (2011) find that job loss among parents leads to increases in grade retention for their children; Kalil and Ziolo-Guest (2008) find the same effect after a father's job loss as well as higher rates of school suspension and expulsion. Brand and Simon Thomas (2012) find that if the single mother is displaced when the child is in high school, that child is less likely to finish high school and attend college compared to children whose mothers were not displaced. However, they also find that effects are higher for children of mothers with a lower likelihood for displacement. In other words, for those whom the shock of displacement was greatest, effects on children were greatest. Their results also show that if the country is experiencing an economic recession when the displacement occurs, children are significantly less likely to attend college; however, living in an area with high unemployment (>9%) does not lead to differential effects for children.

Parental financial problems at all levels affect their children (Dahl & Lochner 2005), and new evidence shows that the academic achievement gap between children from high- and low-income families is increasing (Reardon 2011). Poverty in early childhood has been linked to outcomes such as lower adult earnings and lower rates of school completion (Duncan, Yeung, Brooks-Gunn & Smith 1998; Duncan, Ziolo-Guest & Kalil 2010). This points to the possibility for more severe effects for children if parental displacement leads to longer periods of unemployment. Stevens (1997) finds that multiple displacements lead to repeated negative financial effects for workers, meaning that effects last longer as they occur and linger repeatedly.

This means that effects may be increasingly negative for children as well, as the count of displacements increases.

No study to date has explored variations in the displacement experience to examine if the impact on children in turn varies. If the severity of the displacement does affect the severity of outcomes on children in the ways described, this could create a graduated pathway of intergenerational downward mobility: if children choose lower levels of education (fewer high school diplomas, fewer years of college), they are more likely to have lower paying jobs (Borgen & Rumbaut 2011) and will have a higher propensity for being displaced (Brand & Simon Thomas 2012), compared to a plan for higher levels of education prior to the parental displacement event.

Data and research methods

The National Longitudinal Study of Youth 1979 (NLSY79) and the Child-Mother File, collected and published by the Bureau of Labor Statistics (BLS), are a good fit for this project for several reasons. First, the substantial length of the study allows for inclusion of parents and children. Since the study provides information for all the mothers' children but not all the fathers' children, this project will be limited to examining single mothers' job displacements and their children's outcomes, following Brand and Simon Thomas (2012). Second, the NLSY79 asks respondents for employment status every week of the study. With 1,740 weeks included, this gives great insight into changes in employment status following a job loss. Third, the Child-Mother File includes a variety of questions about the child's educational choices in each year, allowing for inclusion of the outcomes listed earlier.

To examine layoff numbers for each year in the United States, this study will utilize Mass Layoff Statistics (MLS), also published by the BLS. This survey summarizes reports of at least fifty claims for Unemployment Insurance (UI) in a particular location. Thus, instead of focusing on recessions or expansions, which do not necessarily mean mass layoffs are occurring, this will allow a focus on times when people are laid off in large numbers.

Expected findings

If laid off among a group of people, for example due to a plant or factory closing, this could be psychologically easier to handle than being the only person laid off, despite the fact that displacements are not related to personal characteristics (Farber 1996). Though locally high unemployment rates were found to have negative effects on subsequent reemployment by Farber (1996), Brand and Simon Thomas (2012) found no difference by local unemployment rates in the effects on children. (They did find negative consequences during a recession, so the analysis will control for recession versus expansion times.) However, being part of a large layoff event does not necessarily mean that unemployment is high or the country is in a time of recession. In fact, job security is declining the United States for many workers (Farber 2010). Thus, on average, the benefits of having company in experiencing the layoff and its consequences could outweigh the downsides when calculating effects on children.

The amount of time spent unemployed post-displacement, however, could have a significant effect on children. Brand and Simon Thomas (2012) found adverse effects for adolescents but not for younger children, possibly because the former are making educational decisions as the displacement and its aftermath are occurring; Ananat, Gassman-Pines, and Gibson-Davis (2011) also find stronger effects on older children in communities experiencing large numbers of job losses. Thus, more time spent unemployed after a displacement could lead

to larger effects especially for high school aged children, though extended financial problems are likely to affect all children (Dahl & Lochner 2005), particularly those in early childhood if they lead to a period of poverty (Duncan, Yeung, Brooks-Gunn & Smith 1998; Duncan, Ziol-Guest & Kalil 2010). Similarly, especially given Stevens's (1997) findings that multiple displacements exacerbate financial effects on workers, repeated displacements should show repeated adverse effects on children.

In terms of children's outcomes, the variation in severity of effects should be reflected in differential rates of high school completion, college attendance, and public versus private school attendance. It is also hypothesized that children of displaced single mothers, if attending college, are more likely to attend a two-year versus a four-year college, and are more likely to attend part-time versus full-time.

As the United States continues to struggle with high unemployment following the Great Recession (Grusky, Western & Wimer 2011), delving into details surrounding job displacement and how children are affected is timely. If there are indeed thresholds beyond which effects are significantly more negative than otherwise, this could perhaps inform future policy interventions.

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