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Families' economic uncertainties during the Great Recession

Educational inequalities across European countries and in the United States, 2000-2010

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Introduction and research question



How has the Great Recession affected inequalities between families?

- We study **education**-based inequality in economic uncertainty (i.e. **unemployment and temporary work**)
- We include 10 European countries and the United States in the period 2000-2010 (to be extended until 2013)



Measures of economic uncertainty:

- **Unemployment:** “ultimate form of work precarity” (Kalleberg 2009: 6); complements research on wage and income inequality
- **Temporary employment:** precarity among working population – high job insecurity, lower pay, less access to fringe benefits



Family level:

- **Profile of study group:** in middle age, obtained status, investments (loan), (care) responsibilities, low flexibility and mobility, experience downward mobility
- **Social consequences:** cross-over effects to spouses, children's socialization conditions, intergenerational transmission, decision-making (financial investments, family and fertility behaviour)



Education:

- Represents **human capital and skills**
- **Educational homogamy**: concentration of risk at bottom, muted risk at top
- **Consequences** of employment uncertainty differ by educational level



Previous empirical research:

Recessions mainly affect lower-skilled persons – and the Great Recession was no exception: job loss concentrated among the low-educated (OECD 2010; Hout et al. 2011)

Research gaps:

- Temporary work
- Long period: before recession to aftermath
- Comparison between Europe and the United States



Inequality during recessions

Inequality during recessions (1)



Why are low-educated disproportionately affected by unemployment during recessions?

- Work in **sectors** most volatile to business cycle (manufacturing, construction)
- Low-skilled workers **dismissed first**: less on-the-job training, less specific skills, on (short-term) temporary contracts
- **Lower re-employment chances**: effectiveness of job search strategies, job competition with high-educated

Inequality during recessions (2)



How will temporary work develop among education groups during recessions?

- **Initial drop** in temporary contracts among low-educated: more often on short-term temp contracts and at higher risk of dismissal
- **Predictions unclear** in medium term: drop among high-educated who transition to stable employment, increase/drop among high-educated who take on temp. work more/less than low-educated



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Data and methods



Data and methods (1)



Data sets:

- **Europe:** EU Labour Force Surveys 2000-2010
- **United States:** Current Population Surveys 2000-2013
(information on temporary work for 2001 and 2005 only)

11 countries included: Austria, France, Germany, Greece, Hungary, Italy, Netherlands, Poland, Spain, UK, US

Sample selection: heterosexual couples with(out) children and single parents, woman aged 20-54, men aged 20-59



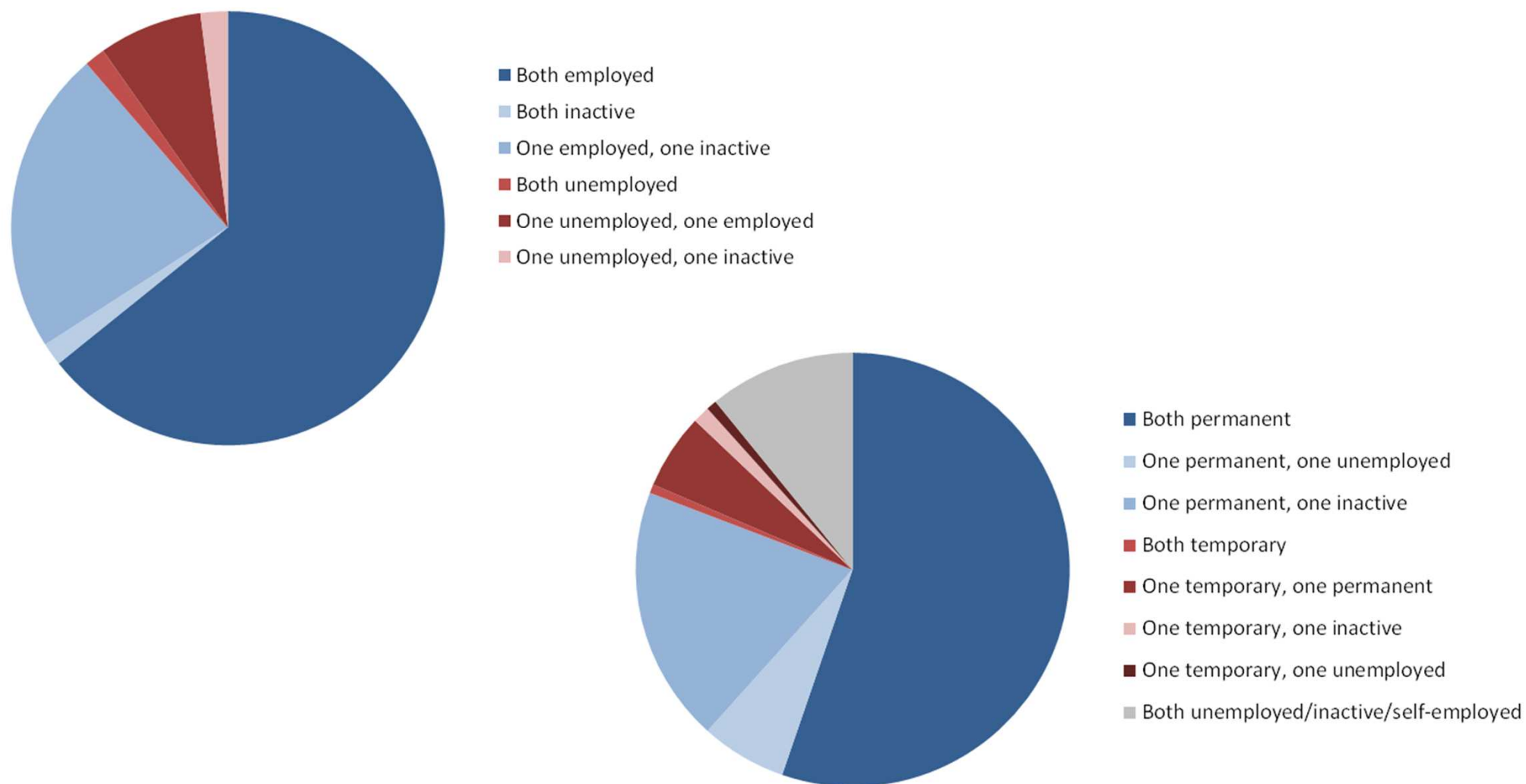
ILO definition of employed, unemployed, inactive

How to bring this to the couple level?

- **Unemployment:** at least one adult is unemployed as opposed to none (i.e. inactive population is included with the employed)
- **Temporary work:** at least one adult has a temporary contract as opposed to at least one having a permanent contract

Data and methods (3)

Figure 1: Example of Germany, 2002-2010 (couples only)



Education: low (ISCED 0-2), medium (3-4), high (5-6)

- Low: both low, low/medium
- Medium: both medium, low/high
- High: both high, medium/high

Logistic regression models:

- Country-by-country
- Unemployed couple (yes/no)
- Temporary employed couple (yes/no)
- Independent variables: couples' education * time (interaction), women's/men's age, marital status, number of children in hh, population density, country of birth



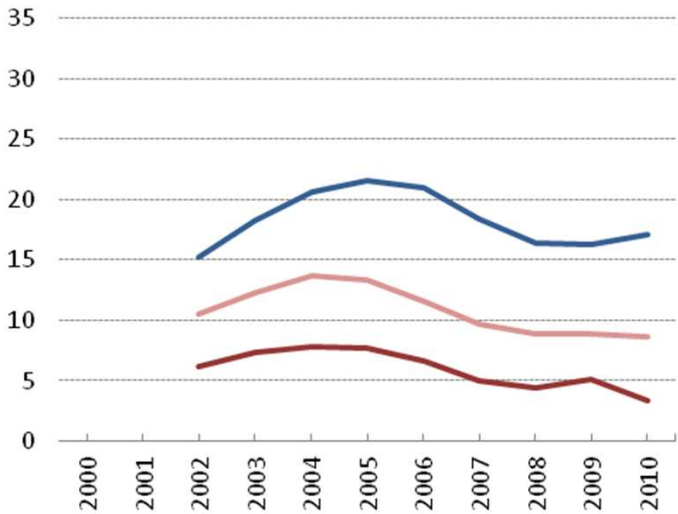
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Results

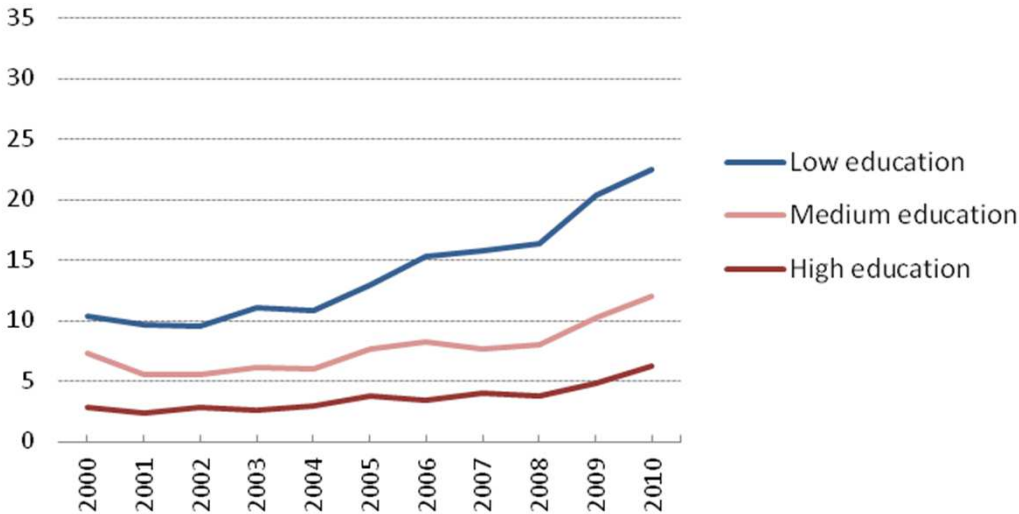


Figure 2: Unemployment in families by education

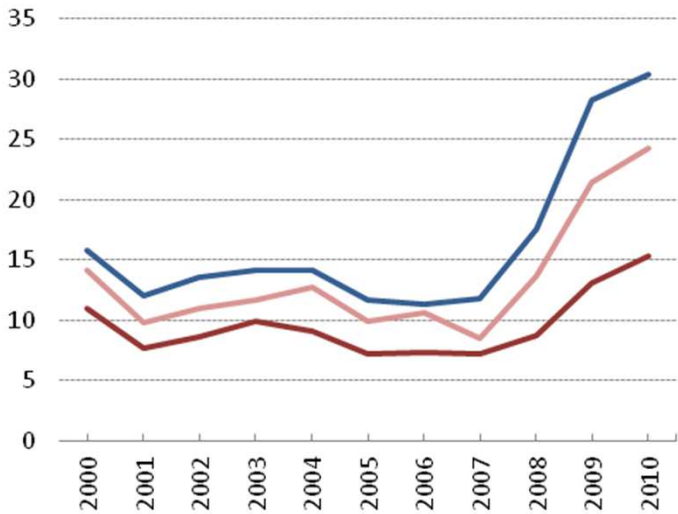
Germany



Hungary



Spain



United States

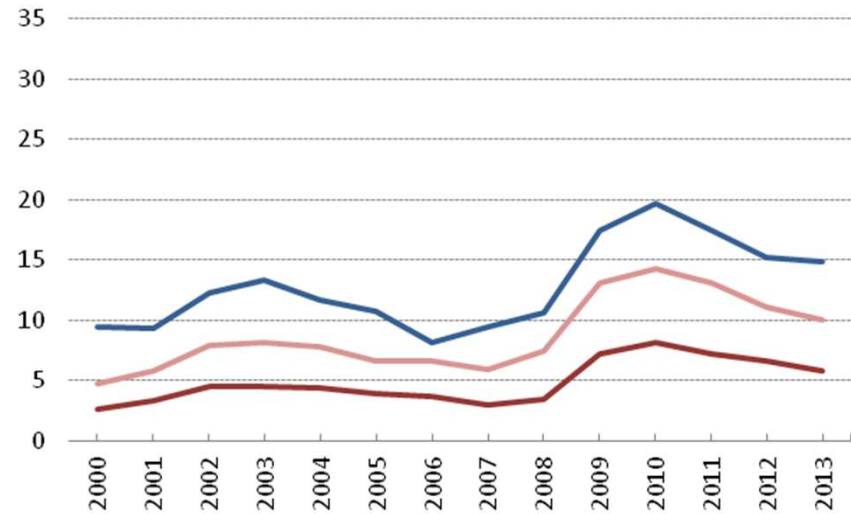


Figure 3: Difference in unemployment in families by education, 2000*, 2007, 2010

Bars represent absolute difference between low and high educated (bars start at medium *minus* high)

Green=decrease from prev. year

Red=increase from prev. year

Blue=no change from prev. year

Predicted probabilities from a logit model, represented type: 40-49 years old, married, two kids, medium/low pop. density, both native

* GE, HU, PL start in 2001 & 2002

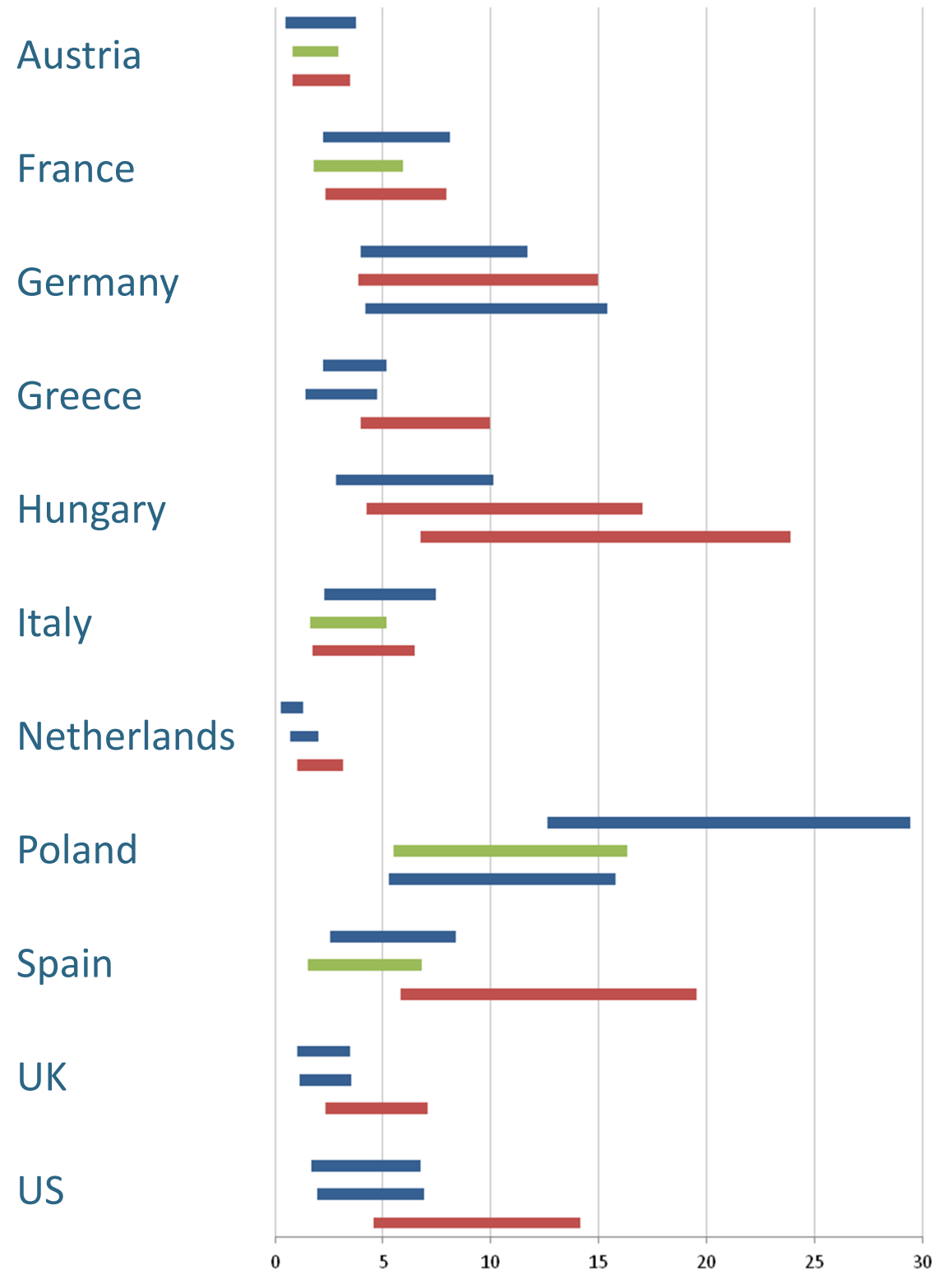


Figure 4: Temporary employment in families by education

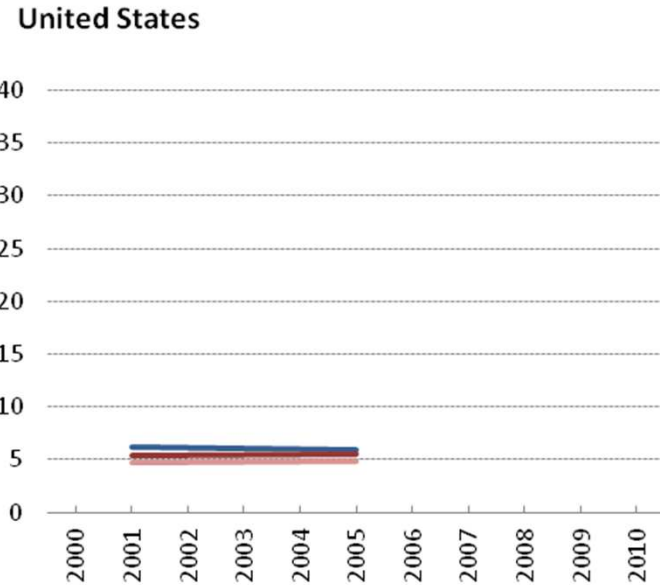
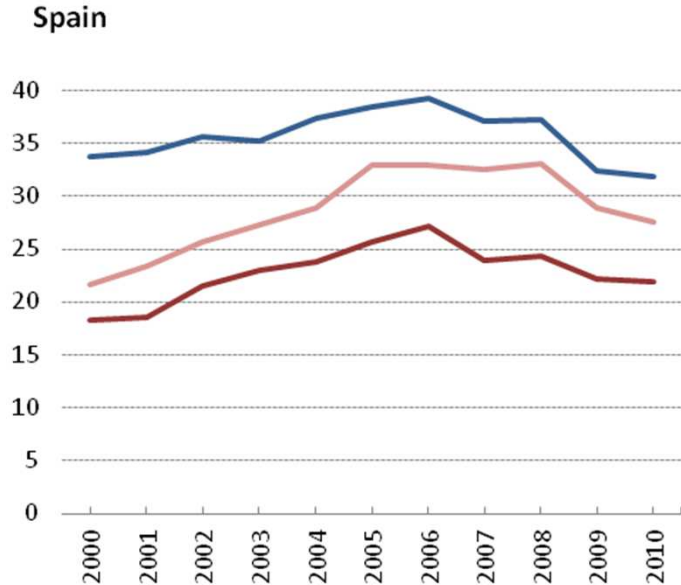
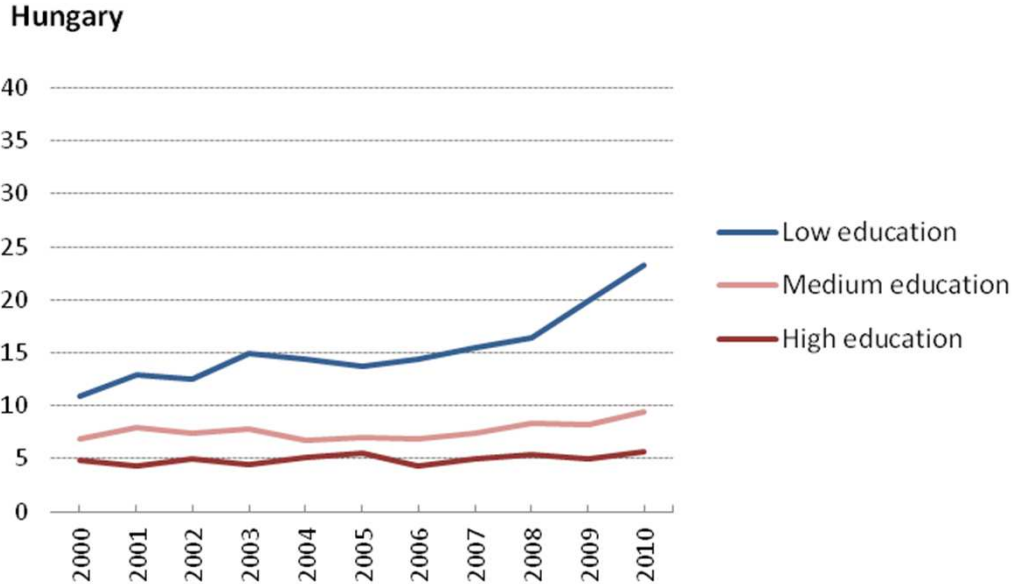
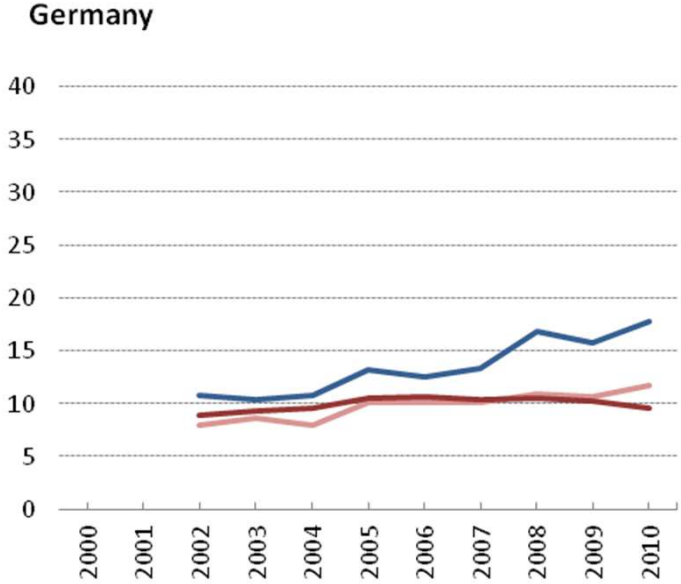


Figure 5: Difference in temp. employment in families by education, 2000*, 2007, 2010

Bars represent absolute difference between low and high educated (bars start at medium *minus* high)

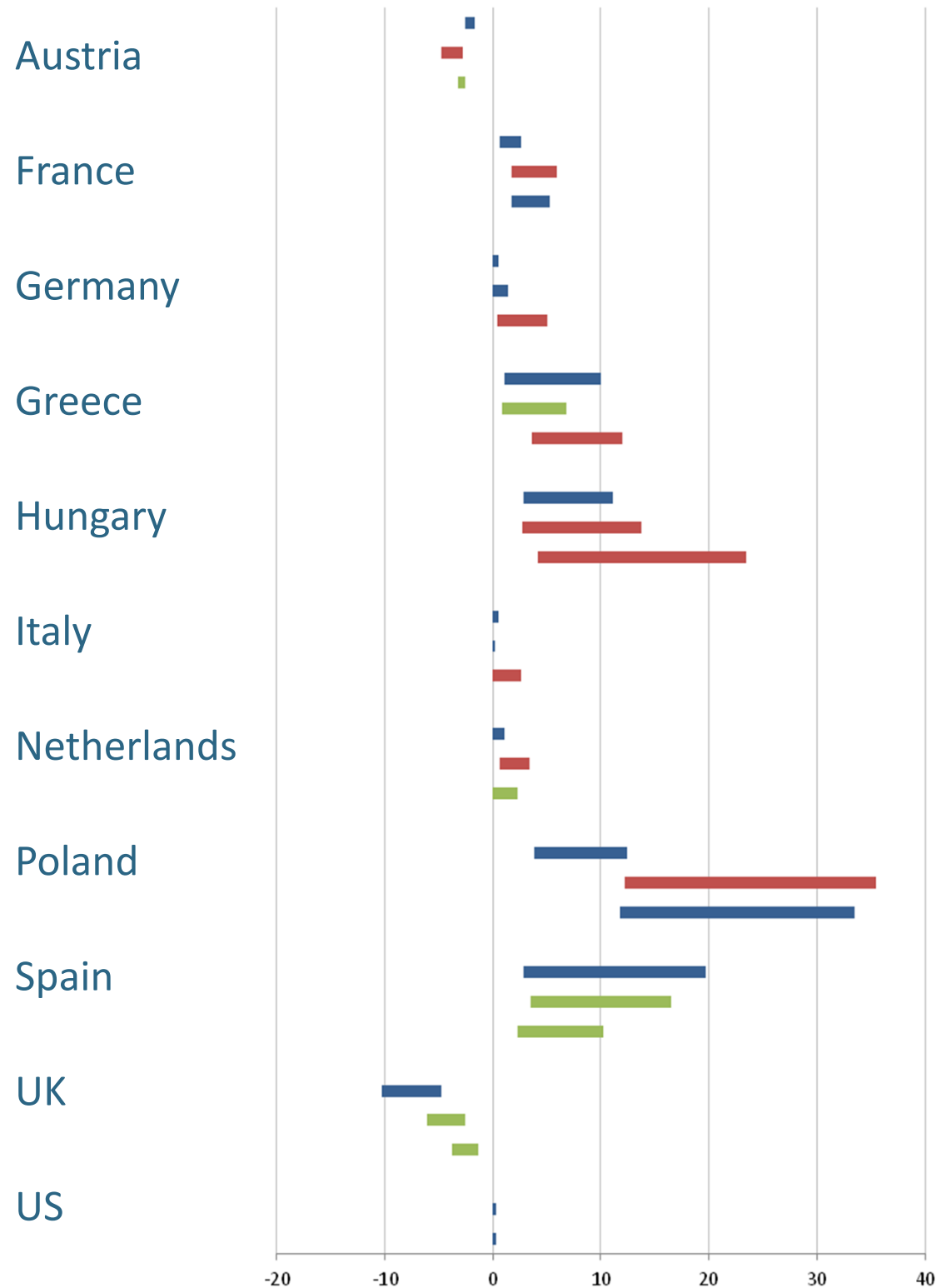
Green=decrease from prev. year

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Blue=no change from prev. year

Predicted probabilities from a logit model, represented type: 40-49 years old, married, two kids, medium/low pop. density, both native

* GE, HU, PL start in 2001/02; US 2001 & 2005



Conclusions



- Increase in inequality with regard to **unemployment** between 2007 and 2010 in almost all countries (9 of 11)
- Largest increase in Spain, Greece, Hungary and the US
- Results for **temporary employment** mixed
- Largest increase in Hungary, largest decrease in Spain

Next steps:

- Include data from 2011-2013 (latest release)
- Address magnitude of changes



Comments?
Questions?

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