Get it started – How Parents’ Unemployment affects the Duration until the First Job

Michael Kind*

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Abstract

High youth unemployment highlights the importance of successful school-to-work transitions. This study examines the influence of parental unemployment on children’s transition from education to employment. Previous studies have shown that parental unemployment affects children in several dimensions, including life satisfaction, level of education or labor market performance. Using data from the German Socio-Economic Panel (SOEP), the school-to-work transition is modelled using continuous time duration models to examine the effect of parental labor force status on their children’s success when entering the labor market. It can be shown that children of unemployed parents face difficulties in entering the labor market, which is shown in longer unemployment spells before entering a job.

Keywords: Labor Market Dynamics; Parental Unemployment; School-to-Work Transition

JEL classifications: J62, J64

*Rheinisch-Westfälisches Institut für Wirtschaftsforschung e.V., Hohenzollernstr. 1-3, 45128 Essen, Germany. Email: Michael.Kind@rwi-essen.de