



How Job Losses Affect Youngsters and Their Schools

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The United States is still recovering from the recent major economic downturn, and many men and women who lost jobs still have not been able to find new ones. What happens to families and communities where job losses are high and persistent? Researchers have known for a long time that children suffer when their parents experience unemployment. But my research takes another much-needed step. I look at the community level, not just at individual families, to see whether children whose parents still have jobs are affected by job losses of friends and neighbors.

When many layoffs occur in a community, even the adults who keep their jobs and do not experience financial hardships can experience higher rates of depression, stress, and anxiety. Economic worries can reduce the quality of interaction between children and the adults who matter in their lives – teachers and friends’ parents as well as their own parents.

Downturns Affect All Children, Not Just Those with Out-of-Work Parents

Advanced statistical models show that when job losses increase in a state, math test scores for eighth graders across the state decline significantly. This phenomenon worsens as children get older, possibly because older kids are more aware of family finances, or because they spend more time with peers and are more likely to be affected by a friend whose parent has lost work. The impact of job losses on test scores is significantly worse in a state already dealing with high unemployment levels, probably because unemployed people find it harder to get back on their feet when the surrounding area is not growing economically.

The vast majority of workers keep their jobs even in a severe downturn. Consequently, when researchers see large and consistent effects of economic downturns on schoolchildren’s performance, they know that test scores must be declining for many children, not just those whose parents actually lost jobs. Statewide job losses have a negative impact on the math scores of all eighth graders, not just on the scores of youngsters already disadvantaged in some important way. Scores decline among African-American, white, and Hispanic children, among both boys and girls, among both children whose parents are reported to be high school dropouts and those who report a college-graduate parent. Scores decline among children with a wide range of different math ability levels.

According to the best estimates, the effects of community layoffs on the test scores of children whose parents remain employed are about one-third to one-half as large as the effects on the children whose parents actually lost jobs. Knowing this is important. It tells us that policymakers and community leaders should not treat job loss as just the private, family problem of the children of out-of-work parents. About 90 percent of the harm from an economic downturn hits other children and teenagers in the community – it hits the schoolmates, friends, and neighbors of the children whose parents lost work. So the entire community needs help.

Youngsters Behave Better, but Falter in School

Conventional wisdom assumes that bad economic times hurt school performance because of a “cycle of despair.” As the story goes, both adults and children engage in unhealthy behaviors like drinking, drug use, and casual sex, culminating in a deleterious “culture of poverty.” But research does not support this picture at all.

During economic downturns, adults are actually less likely to drink and smoke a lot. And teenagers are also less likely to drink, smoke, or abuse drugs after job losses occur in their state. During economic downturns, teenagers report fewer sexual partners and greater use of contraceptive measures when they do have sex, resulting in fewer births of unexpected babies. Violence goes down, too, as teens engage in fewer violent acts and are less often the victims of such acts. In short, both young people and adults appear to respond to hard economic times by sticking to the “straight and narrow.”

Yet even if they behave better, both youths and adults suffer from widespread job losses. Adults experience higher rates of depression and anxiety, and are more likely to commit suicide. Youngsters also report more sadness and worry, and think about and attempt suicide more often. Despite being better-behaved in many ways, youngsters in states experiencing high job loss are more likely to get suspended from school, perhaps because stressed-out teachers and principals are less effective at using positive discipline during difficult times. Perhaps most important, stress for children and teenagers lowers their test scores at school -- which can hurt their life chances long after memories of job loss fade away.

Schools Can Pay the Price Too

Due to the testing requirements of the No Child Left Behind approach to school reform followed in the United States over the past decade, job losses can harm children in yet another way – by subjecting their schools to penalties. Under the relevant legislation, schools must show Adequate Yearly Progress in test score gains for each grade and demographic group of children they enroll, or else face penalties.

The average decline in student test scores after many job losses in a state is enough to cause many schools to fall short of the Adequate Yearly Progress guidelines. Schools that have improved instruction but are located in areas hard-hit by the economic recession can find themselves “swimming against the tide.” Despite the best efforts of teachers, they may show little or no net progress in academic outcomes, because economic woes overwhelm them. Penalties can culminate in a school being closed down – leading to still more stress for children, parents, and teachers.

It is one thing to close schools that are failing to educate students in normal times. But is it wise to close schools just because learning is hampered by economic downturns beyond the control of teachers and principals? Recently, the Obama administration has temporarily suspended the penalty of closure for schools engaged in ongoing reform activities. But to truly help the next generation, policymakers must recognize the high cost of continued economic stagnation – and take comprehensive steps to support communities and schools as they work to help all youngsters achieve their academic potential in difficult economic times as well as good.

Read more in Elizabeth Oltmans Ananat, Anna Gassman-Pines, Dania V. Francis, and Christina Gibson-Davis, “[Children Left Behind: The Effects of Statewide Job Loss on Student Achievement](#),” National Bureau of Economic Research Working Paper, June 2011.