Effects of Parents’ Unemployment on a Child’s Personality and Emotions
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Research Question: Methodological Artefact

**Negative effects** on socio-emotional behaviour of child caused by the mother’s job loss (Peter & Spieß 2013) vs. **Positive effects** on conscientiousness and neuroticism of children whose father lost his job (Angelini et al. 2015)

Are previous results driven by methodological artefacts (LDV, dependent variable)? If not, what are the mechanisms behind the effects?

Theoretical Model and Results

Lazarus (1976): Stressful event → personality is open to changes
Lazarus (2006): Internalization of job loss → negative emotions (anxiety, fear, sadness)
Darity & Goldsmith 1996. Emotions conferrable to social periphery

➢ Job loss of a parent → negative changes on the child’s personality & emotions

Mechanisms:
➢ Mediators: Parents’ life satisfaction, parents’ health, financial resources, time spent with child

Dynamic model:
➢ Negative effects of the parental job loss disappear after some time

### Effects on Emotions

<table>
<thead>
<tr>
<th>Years since job loss</th>
<th>Total Effect</th>
<th>Direct Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0.025</td>
<td>0.0</td>
</tr>
<tr>
<td>1</td>
<td>-0.025</td>
<td>-0.05</td>
</tr>
<tr>
<td>2</td>
<td>-0.075</td>
<td>-0.1</td>
</tr>
</tbody>
</table>

### Effects on Personality

<table>
<thead>
<tr>
<th>Years since job loss</th>
<th>Effects of Parents’ Unemployment on Child’s Emotions</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Parents life satisfaction</td>
</tr>
<tr>
<td>1</td>
<td>Parents’ health</td>
</tr>
<tr>
<td>2</td>
<td>Household income</td>
</tr>
<tr>
<td></td>
<td>Financial deprivation</td>
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<td></td>
<td>Time spent with child</td>
</tr>
</tbody>
</table>

Effects of Parents’ job loss on selected Mediators:

- Parents’ life satisfaction
- Parents’ health
- Household income
- Financial deprivation
- Time spent with child

Data and Methods

- **Pairfam** (Release 7.0): Waves 2-7
- Fixed-effects regressions (total effect, direct effect and effects of job loss on mediators)
- **Dependent variables**: Personality and Emotions of the child (perspective of the child), I0,1-standardized
- Dynamic models using **event time dummy variables** (Reference: all years before parent lost job)

Conclusion

➢ Why is there no effect on children’s personality?
  Different methodological approach than Peter & Spieß (2013) & Angelini et al. (2015)

Open Questions

➢ Why is there an effect on children’s emotions?
  What explains the effect?
  Missing mechanisms?