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## Introduction: How do families matter in helping young people find work?

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# Introduction: How do families matter in helping young people find work?

**Tiziana Nazio and András Gábos**

Family legacies affect young people's strategies and decisions around finding work and moving into independent living. Where one comes from has always affected young people's job opportunities and paths out of school. These effects are becoming increasingly polarised both within and across European societies along a variety of dimensions that cannot simply be read off in terms of ethnicity, class, gender, the original nationality of one's parents, or even the society young people from different backgrounds find themselves in.

Understanding the long-term implications of these social divisions is central to knowing which kinds of policy interventions might be most effective in addressing current levels of youth unemployment.

Here, we examine how families help young people to find work, what effects brothers and sisters have, or what effect having parents who do not work has on young people finding work themselves. We also look at what happens to young people who leave home and/or set up their own families, and whether the recent recession has increased the risk of them returning to their parental home.

## **What difference does the family make?**

The resources brought into young people's lives by their families can play a crucial role in shaping their employment and career prospects. Equipped themselves with different capacities to support their young adult children, whether living at home or independently, families contribute to stratifying their children's educational and occupational achievements, their opportunities, strategies and prospects in the labour market. They do so through both direct and indirect mechanisms.

Higher-class families are more successful in informing and supporting young people's employment decisions. They do this through: advice and guidance; social networks and building expectations and aspirations; and economic support. These resources mean that children from wealthier families are better equipped to manage risky transitions that may entail longer periods of non-employment, more precarious jobs or a need for financial support. Securing more equal opportunities for young people requires addressing the effects of these inter-family differences.

## Research gaps

Much research has focused on the intergenerational transmission of inequalities through education. Less attention has been paid to how families back up children in their transition to the labour market. We focused on several ways in which families, with their differing resources, aid or hinder their children's employment prospects. We analysed the effect of social background on occupational outcomes, on degree of success in early careers, and on sharing of economic resources within and between households.

We used several comparative data sources for different analyses: the European Union Statistics on Income and Living Conditions (EU-SILC), the Gender and Generation Survey (GGS), and the Survey of Health, Ageing and Retirement in Europe (SHARE). We estimated the association between various individual, family and country characteristics, and several young people's outcomes: their occupational circumstances; their occupational success up to five years from finishing education; the distribution of money within the household (when co-resident with their parents); and receipt of regular transfers (when they had left the parental household).

## Findings:

### Coming from a work-poor household

Coming from work-poor households both strongly and negatively affects young people's employment opportunities. Berloff et al. (2016) point to the legacy of parents' working status during adolescence for young people aged 25-34: growing up in a work-poor household, where no one is working, makes for a higher risk of unemployment and inactivity than growing up in a work-rich household where both parents are working. The study provides evidence of an intergenerational persistence of worklessness, with some important differences for young men and women.

### Going into higher education

Young people living in households where neither parent was working are considerably less likely to be in education (Berloff et al. 2015). While higher education is a major stepping-stone to a professional job and a successful integration into the labour market, the chance of going on to tertiary education still largely depends on family social-class background and parents' own involvement in the labour market.

### The brothers and sisters effect

Wider family (dis)advantages are also reproduced through members of the family who no longer live in the parental home. It is not the number of brothers or sisters that matter, but whether they are employed or not. Siblings' employment seems to be associated with young people's chances of being employed. Employed brothers or sisters might possibly guide the young people still at home by helping them look for a job, or by referring them to someone in their social network, thus enhancing the young person's employment chances. It may also reflect shared family values or aspirations and expectations.

### Staying at home longer

Young people's step into independent living may actually be improved by staying longer in the parental home. Most young adults in Europe seem to benefit from living with their parents when we take into account how resources are shared within the household (Filandri et al. 2016).

This happens because of two mechanisms: parents typically have higher incomes compared to their young adult children and they also share a larger fraction of their incomes with other household members. From a poverty risk point of view, young people living in their parental home face lower risks than their counterparts who are already living independently. In some cases, as shown by Medgyesi and Nagy (*forthcoming*), young working members of the family also stay at home to support their families, and are more likely to share their financial resources with more vulnerable members of their family.

### Sharing financial resources

There are strong differences across countries regarding the likelihood of being a recipient of regular cash transfers from the parental household. Young people in the south of Europe are much less likely to receive cash transfers from their parents compared to young people from Northern Europe.

However, in the Southern countries, higher rates of material support are provided through longer periods of co-residence. Our research reveals two drivers of regular financial transfers: the probability of receiving regular economic support increases where families are wealthier, but also with their children's need (i.e., when they are not employed). Parental resources are more important than young people's needs when parents provide financial support. In other families, it is the young people themselves who are helping to support the family by sharing their financial resources.

### Conclusions

The family that young people grew up in not only shapes their choices around education and career tracks, it also influences their performance in the labour market. The number of employed family members can affect their capacity to secure employment. Social class background is associated with different levels of occupational success: higher social classes seem better able to give their children successful outcomes.

Intra-household sharing of resources and regular cash transfers seem to be an additional way in which social inequalities and unequal transmission of opportunities are being maintained and reproduced across generations.

Family resources (from co-resident and non-co-resident members) can strongly affect opportunities for young people in terms of guiding them through employment paths and also helping them avoid employment traps, gain access to social networks, develop soft skills, acknowledge their potential and interests, and select and afford investments in education.

## Policy implications

In order to secure similar opportunities, policy interventions should aim at changing the intergenerational transmission of disadvantages. In particular, policies focused on the most disadvantaged families could address the trend of increasing polarisation of opportunities. Given the salience of early stages of the employment career for later outcomes, policies should consider a comprehensive investment strategy in young people's transition to employment from an early stage, already when education decisions are being made and right upon school leaving.

A strategy to foster more equal access to job opportunities would entail:

1. increasing opportunities for disadvantaged children, as well as for low work-intensity households, so as to have their children pursue higher education;
2. on completion of studies, offering guidance around young people's strategic planning through the initial steps of their employment careers; and
3. devising cash benefits aimed at supporting the income level of the less advantaged social groups, especially during non-employment, through a universal system of unemployment benefits for young people that are unrelated to the previous contribution history.

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