The dynamic of young people's future labour market expectations in the turn of COVID-19

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Presentation at TIY 2022

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Naples

Motivation

- Young people suffer more from COVID-19 than the elder ones (Ranta et al 2020)
  - Severe decrease in subjective wellbeing (Sandner et al 2022; Dietrich et al 2022)
  - Severe and longer lasting effects in mental health
- COVID-19 affected young people also with respect to their cognitive, emotional and social development (Kuhn et al 20121)
- And not to forget, the decrease in learning extensity and intensity at schools and vocational training due to lockdowns, lack of online learning opportunities or the reduction of vocational training due to temporary firm closure (Dietrich et al 2021)
- This may effect the future schooling, training and employment perspectives of young people

Research questions

- Do young people from different socioeconomic backgrounds respond similar to the COVID-19 pandemic with respect to future expectations and future worries?

- How important is individuals' life course position with respect to future expectations and worries?

- Are the observed pattern stabile over the COVID-19-time?

Theoretical and empirical background

- Future expectations in education and employment can help young people
  - To chart a life course
  - To provide direction for spending time and energy during the school years

- Future expectations are strong predictors for future educational and occupational attainments (Schoon 2010)
  - Young people from less privileged backgrounds are generally less ambitious than their more privileged peers (Andres et al., 2007)

- Less is known about the impact of exogenous shocks on young people's psychological or socio-emotional responses (with respect to economic downturns see e.g.: Fletcher, 2015; Parker et al., 2016)

- The Great Recession has undermined employment prospects for young people and also their confidence, self-perceptions, values, and outlook to the future (Schoon & Mortimer. 2017)

- SES affects not only people's conceptions of their present self, but also their future self (Alm 2011; Johnson & Hitlin 2017; Antonoplis & Chen 2020; Burger & Mortimer 2021);

- Educational Attainment (edu degrees/human capital) as moderator for future worries (Kaspar & Mortimer 2021)

- Live course effects (at risk population; Settersten et al 2020)

- Time effects: Coping effects /adaptation effects over time (Alm 2011)

- Personality (Self-efficacy: Alemany-Arrebola 2020; Hamdan et al 2022; Malurean et al 2021)

- Group effects
  - Age: Young adults were significantly more concerned about the effects of the COVID-19 pandemic on their career/studies, and economic situation than older people (Ranta et al. 2020)
  - Ethnic minorities (Warner & Swisher 2015)
  - Gender (Alon et al 2020)
  - Social exclusion increases future worries (Bandell &Lanuza2 2018; Sjåstad et al 2020)

Data, variables and methods I

- Data:
  - Infas-multi-topic –bus-survey
  - Monthly population survey since 2018
  - Randomized population sample (repeated cross-section)
  - N: around 1000 cases a month
  - Socio-economic situation, voting behavior, consumption und values
  - Infas included a COVID-19 module in April 2020
  - The IAB bought in an additional YAEH COVID-19-module at January 2021
    - Age-range 18-44
    - Data for the YAEH COVID-19-module are available from first quarter 2021 to second quarter 2022

Data, variables and methods II

- Outcome variables
  - Current economic situation
    - In Germany (wirtla03_01: 1 very good - 1 very bad)
    - Individuals' situation (wirtla04_01: 1 very good - 1 very bad)

  - Economic future expectations
    - In general for Germany (wirtla01: 1 optimistic- 2 pessimistic)
    - Individuals situation in one years future (wirtla04_02: 1 much better - 5 much worse)

  - Individuals' future worries
    - In education and further training perspectives (COVIDY_5B: 0 no worries-10 extreme worries)
    - In employment perspectives (COVIDY_5C: 0 no worries-10 extreme worries)

# Data, variables and methods III

- Explanatory vars :
  - Age

  - Class background
  - Low/high
  - Subjective social position (teilg03: 1 bottom ... 10 top)
  - Migration background (1/2/3 gen – native)
  - Social exclusion (teilg01: 1 included .. 10 excluded)

  - Human capital in years (HK 8-18)
  - LM position (employed, unemployed, student, inactive, missing)
  - Life course position (at risk)
  - Self efficacy (covidy_6_01-6: 1 high-4 low)

  - Covid infection
  - Quarantine

  - Controls: Gender, Region (East- / West-Germany)
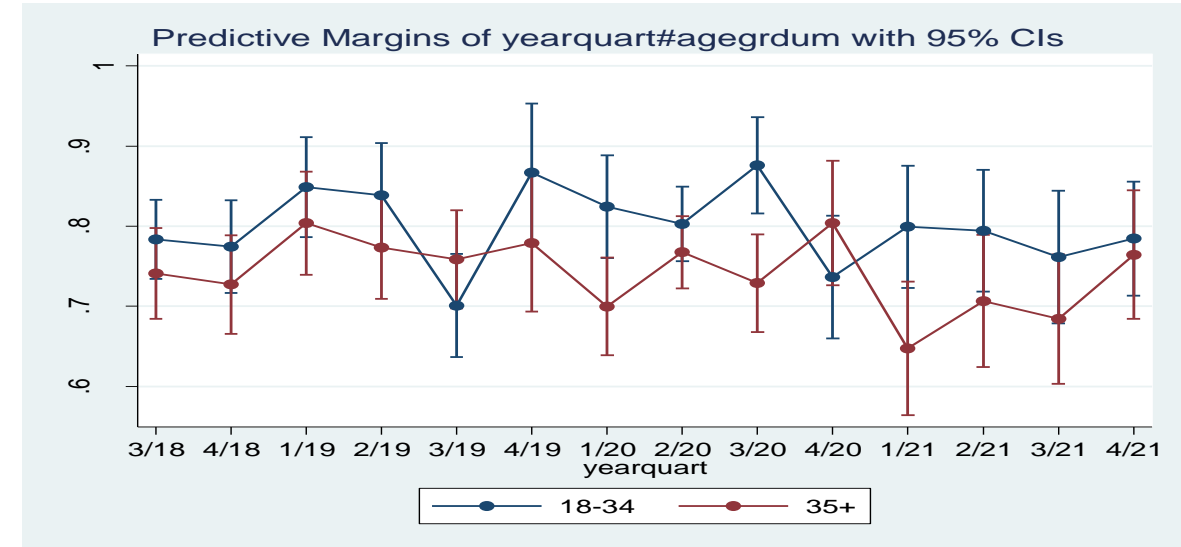
Data, variables and methods IV

- Models:
  - OLS regressions and marginal effect plots

Individuals' assessment of current and future economic situation by age and year-quarters
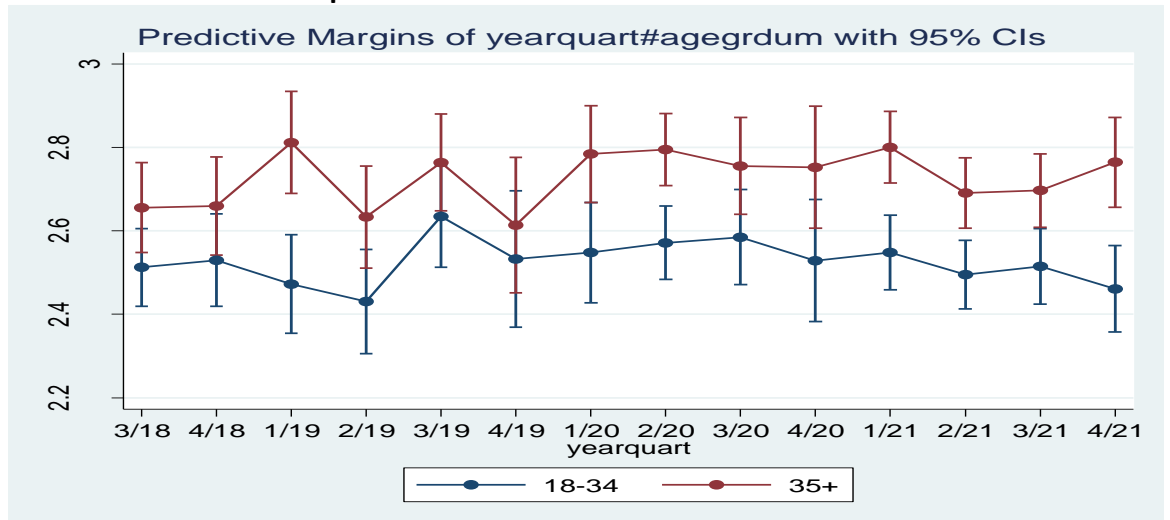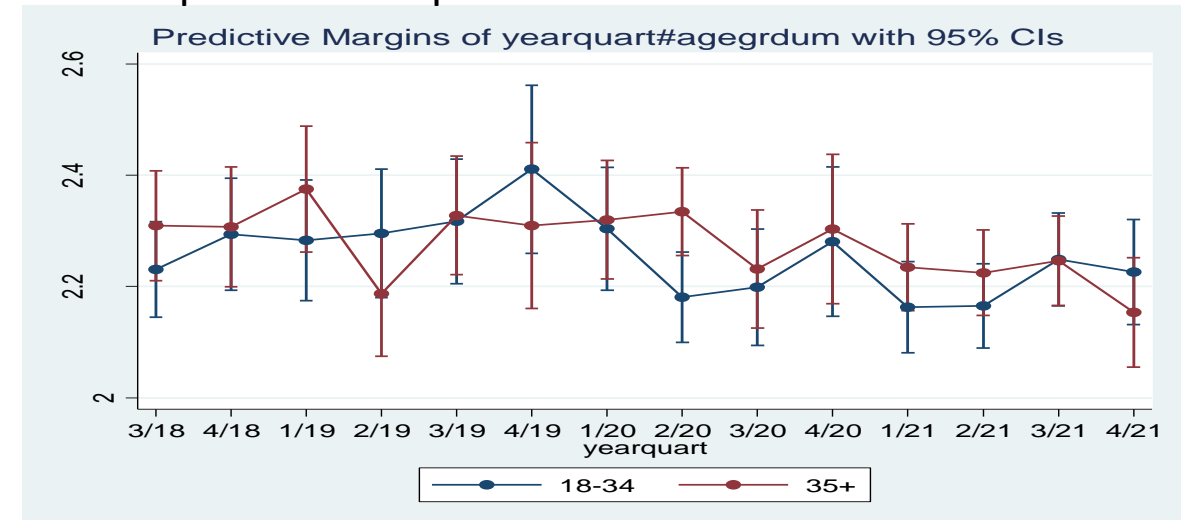

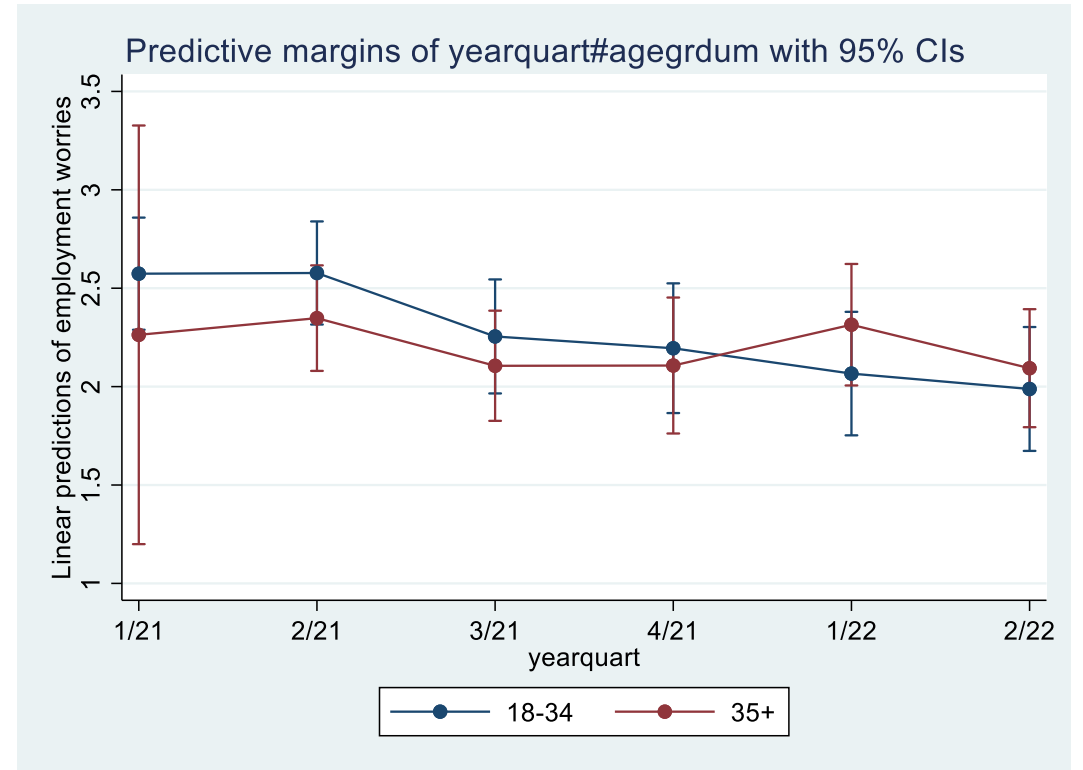Current econ. situation in Germany
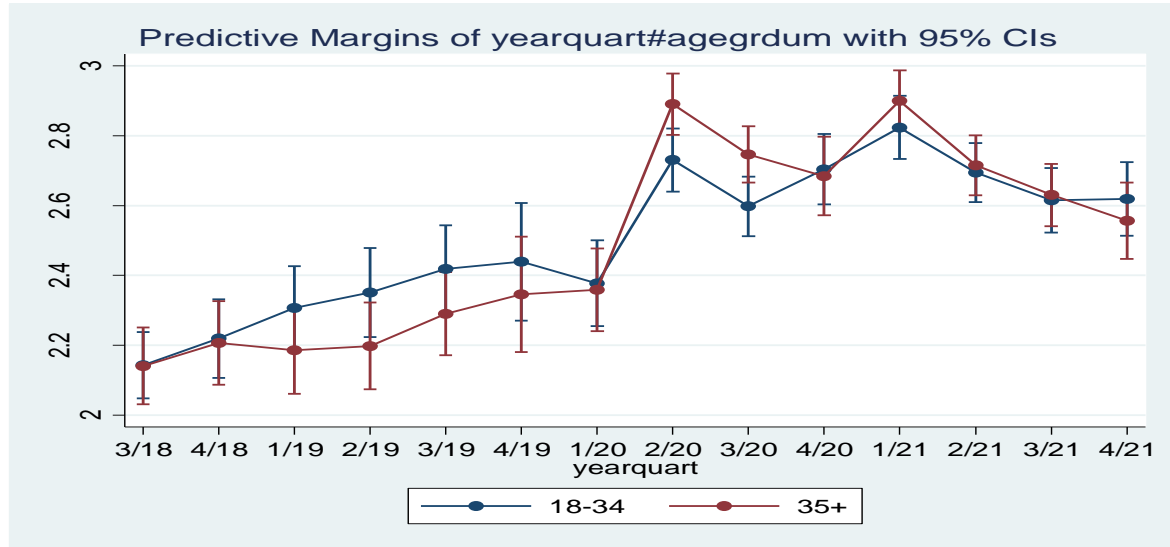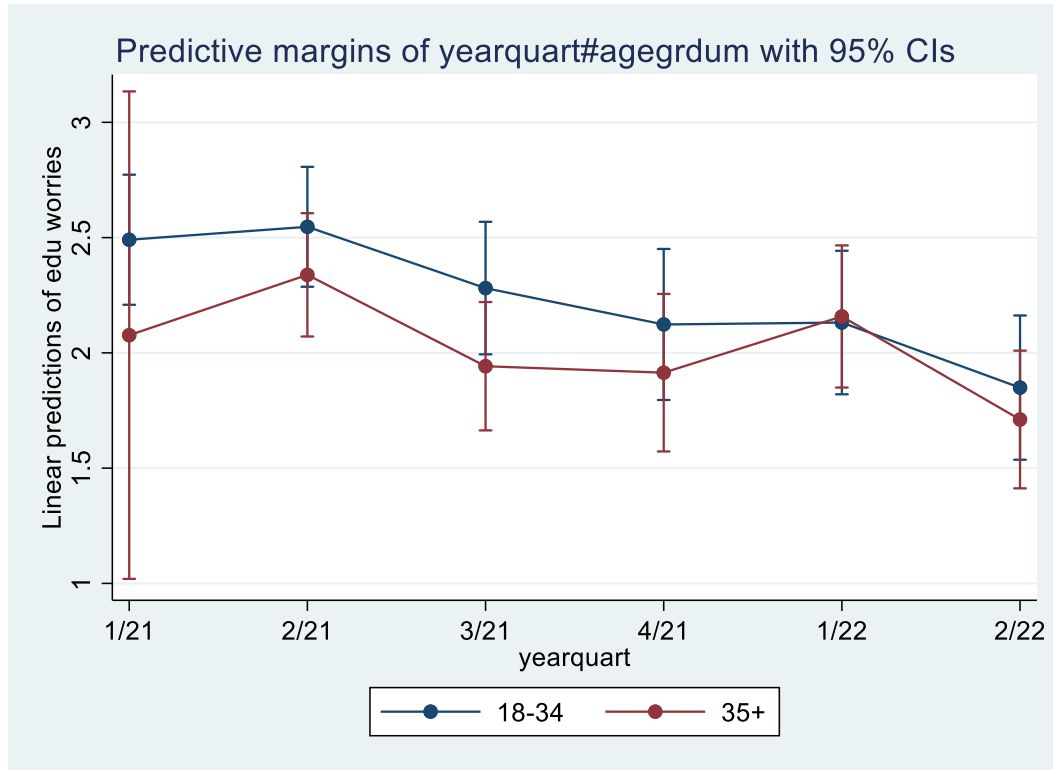
Future econ. situation in Germany

Respondents' current econ. situation

Respondents' expected future econ. situation

Individuals' assessment of educational and economic future by age and year-quarters


Predictive margins of yearquart#agegrdum with 95% CIs
(left) Linear predictions of edu worries — 18-34, 35+

Predictive margins of yearquart#agegrdum with 95% CIs
(right) Linear predictions of employment worries — 18-34, 35+

Individuals' assessment of future educational perspectives - ols

covidy_5_02	Coefficient	Std. err.	t	P>|t|	[95% conf. interval]	
1.atrisk	.8502222	.1157147	7.35	0.000	.6233252	1.077119
uo_gr						
middle	-.5104549	.1063399	-4.80	0.000	-.7189694	-.3019404
high	-.8947587	.1383452	-6.47	0.000	-1.16603	-.6234872
socexcl	.6156914	.105402	5.84	0.000	.409016	.8223668
hk	-.1266942	.0330225	-3.84	0.000	-.1914458	-.0619426
selfeff	.8028802	.1074334	7.47	0.000	.5922216	1.013539
male	-.2476554	.0915859	-2.70	0.007	-.4272399	-.0680709
mig						
dritte gen	.1538372	.1336473	1.15	0.250	-.1082226	.415897
zweite gen	.345982	.1451546	2.38	0.017	.0613585	.6306056
erste generation	.7915141	.1384794	5.72	0.000	.5199795	1.063049
ost	.2418474	.1103624	2.19	0.029	.0254455	.4582493
agegrdum						
35+	-.1881626	.1004428	-1.87	0.061	-.3851138	.0087887
yearquart						
2/21	.0605043	.170856	0.35	0.723	-.2745154	.395524
3/21	-.2739354	.1756411	-1.56	0.119	-.6183379	.0704671
4/21	-.3638646	.1865556	-1.95	0.051	-.7296685	.0019393
1/22	-.2365056	.1810322	-1.31	0.192	-.5914791	.1184679
2/22	-.6012502	.1807661	-3.33	0.001	-.955702	-.2467985
_cons	2.465844	.4608561	5.35	0.000	1.562183	3.369504

Source	SS	df	MS			
				Number of obs	=	2,757
				$F_{(17, 2739)}$	=	24.55
Model	2294.31569	17	134.959746	Prob > F	=	0.0000
Residual	15056.1805	2,739	5.49696258	R-squared	=	0.1322
				Adj R-squared	=	0.1268
Total	17350.4962	2,756	6.29553563	Root MSE	=	2.3446

Scale: 1 Not worried at all - 10 very worried

Individuals' assessment of educational perspectives in future - marginal effects
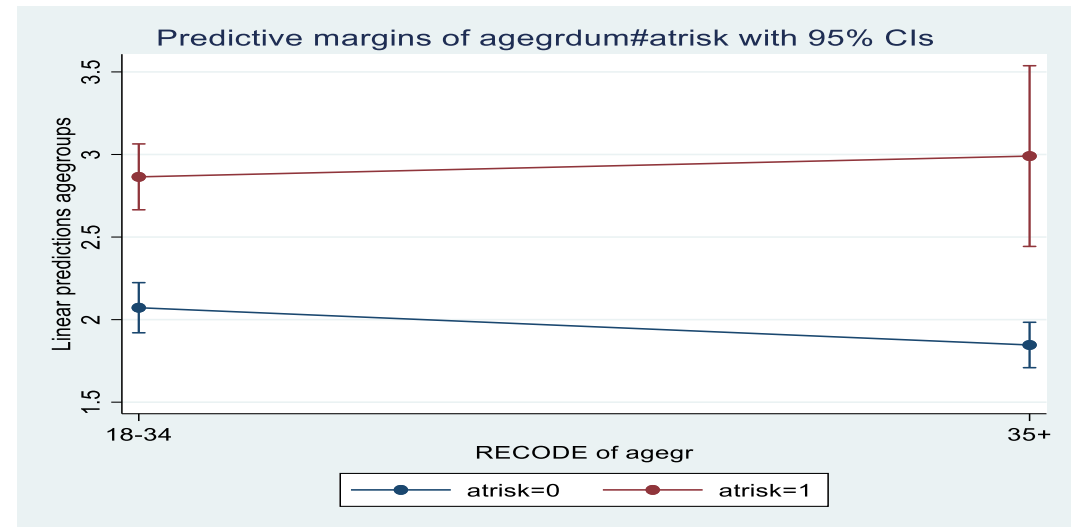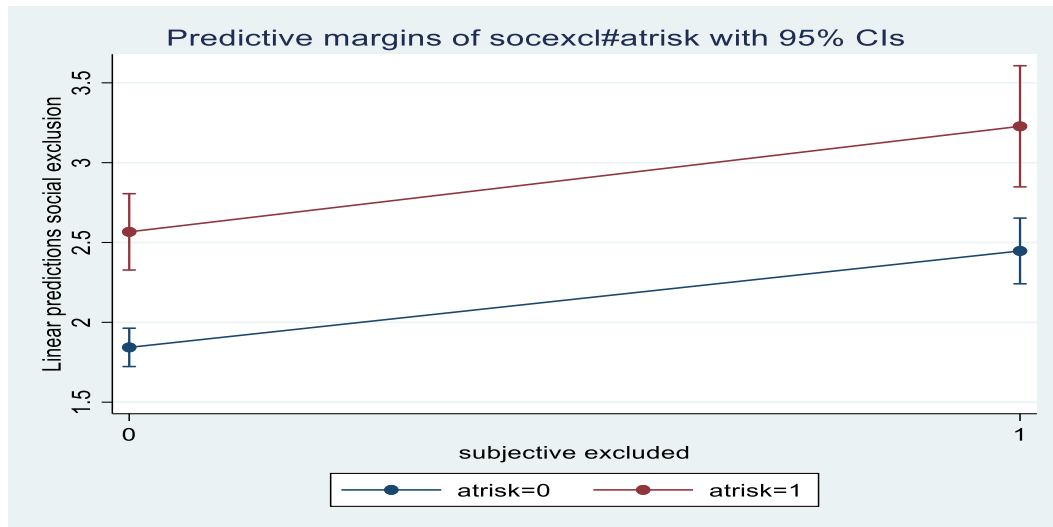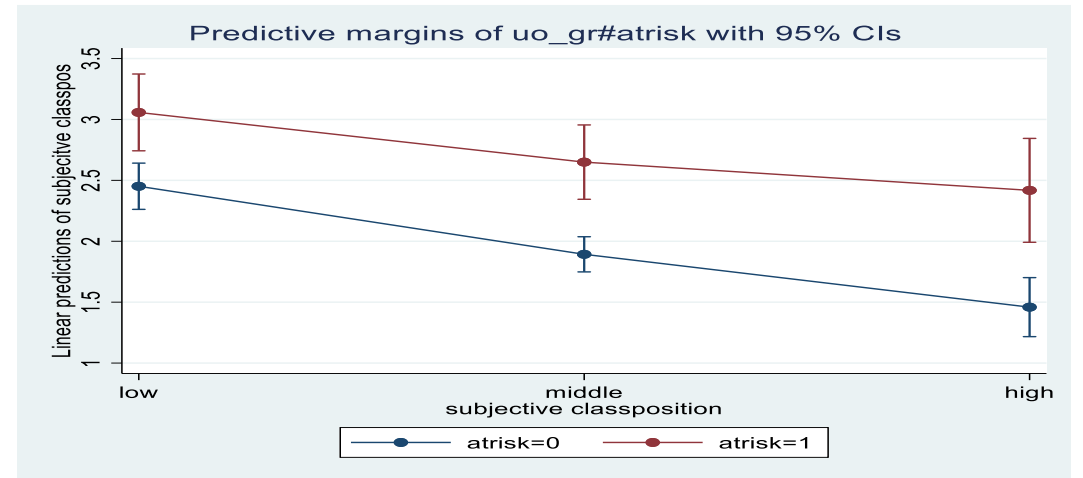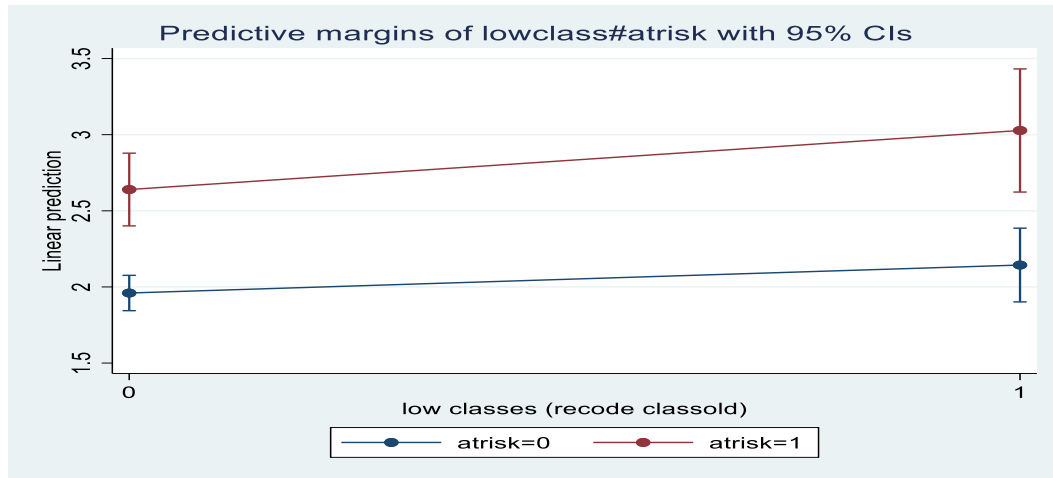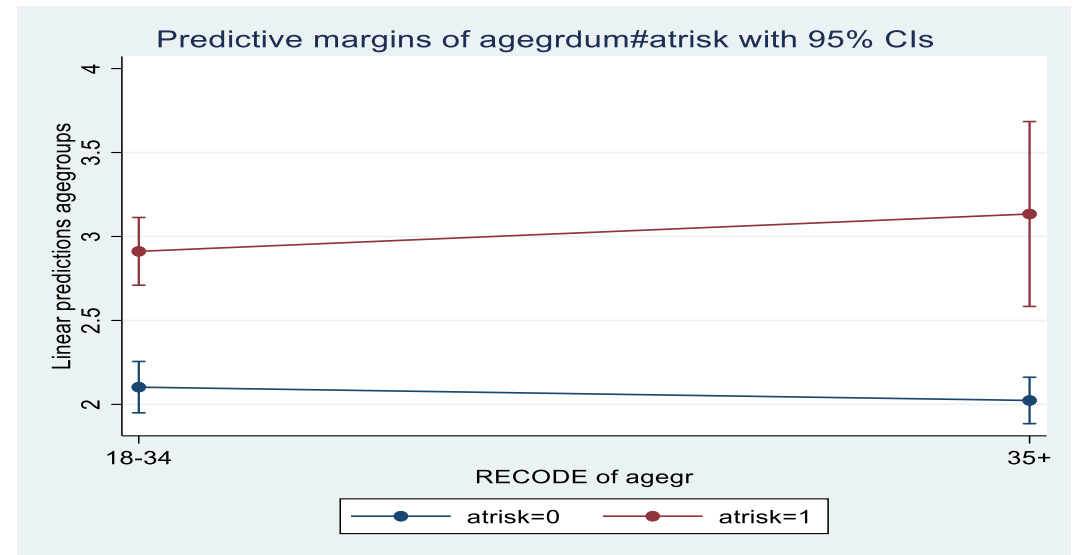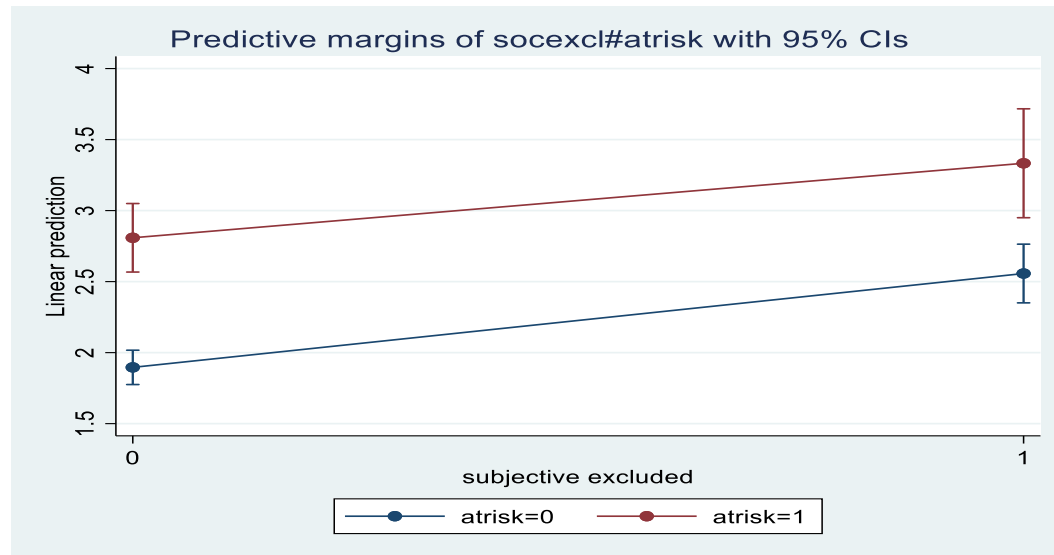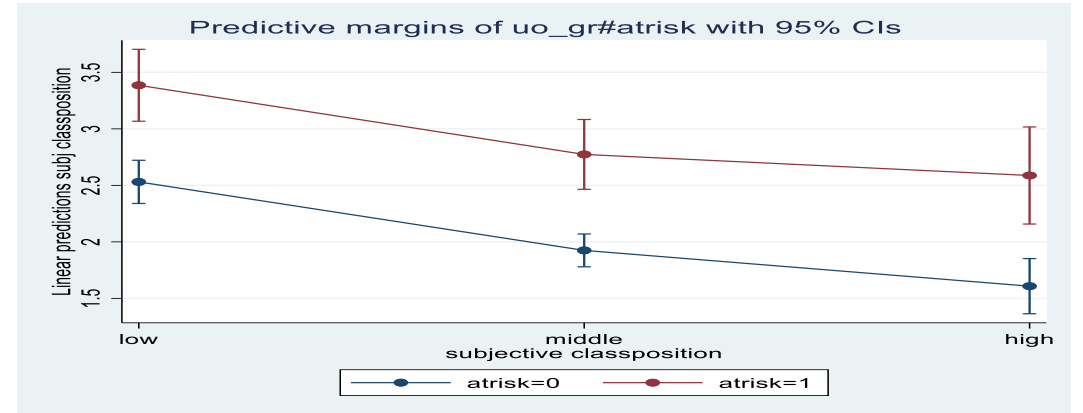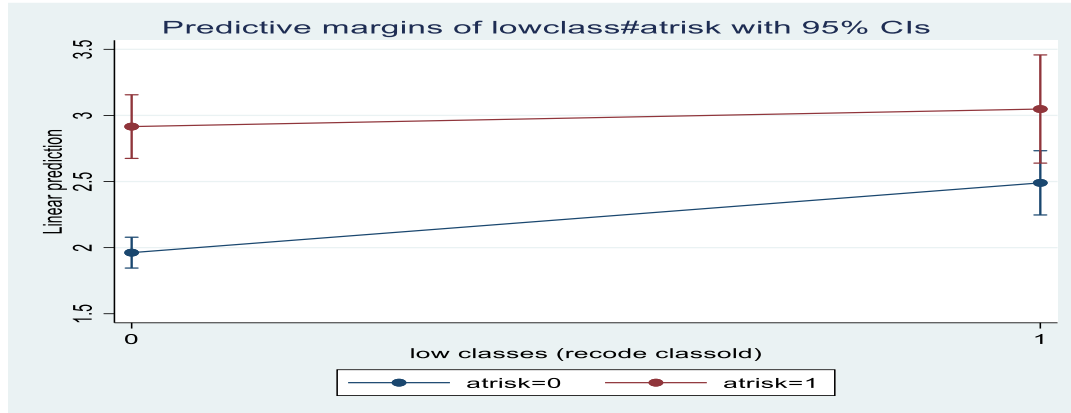
Individuals' assessment of future employment perspectives - ols

covidy_5_03	Coefficient	Std. err.	t	P>|t|	[95% conf. interval]	
1.atrisk	.8585174	.1167032	7.36	0.000	.6296822	1.087353
uo_gr						
middle	-.6056363	.1070113	-5.66	0.000	-.8154673	-.3958053
high	-.891215	.139225	-6.40	0.000	-1.164212	-.6182183
socexcl	.6296496	.1059704	5.94	0.000	.4218595	.8374397
hk	-.1027962	.0332325	-3.09	0.002	-.1679595	-.037633
selfeff	.904069	.1082492	8.35	0.000	.6918105	1.116328
male	-.2248036	.092169	-2.44	0.015	-.4055314	-.0440758
mig						
dritte gen	.1120171	.1344853	0.83	0.405	-.1516858	.37572
zweite gen	.3131923	.146641	2.14	0.033	.0256541	.6007304
erste generation	.9916028	.1393033	7.12	0.000	.7184525	1.264753
ost	.0598049	.1112599	0.54	0.591	-.158357	.2779669
agegrdum						
35+	-.0470803	.1010577	-0.47	0.641	-.2452374	.1510767
yearquart						
2/21	-.0689629	.1723044	-0.40	0.689	-.4068227	.268897
3/21	-.3554584	.1771469	-2.01	0.045	-.7028135	-.0081032
4/21	-.3820861	.188237	-2.03	0.042	-.751187	-.0129851
1/22	-.3405169	.1825142	-1.87	0.062	-.6983964	.0173627
2/22	-.4885663	.1821878	-2.68	0.007	-.8458059	-.1313267
_cons	2.120098	.4643729	4.57	0.000	1.209541	3.030655

Source	SS	df	MS			
Model	2372.83425	17	139.578485			
Residual	15237.0837	2,737	5.5670748			
Total	17609.918	2,754	6.39430573			

Number of obs = 2,755
F(17, 2737) = 25.07
Prob > F = 0.0000
R-squared = 0.1347
Adj R-squared = 0.1294
Root MSE = 2.3595

Scale: 1 Not worried at all - 10 very worried

Individuals' assessment of employment perspectives in future - marginals

Adjustments of individuals' assessment of future edu and employment perspectives - ols
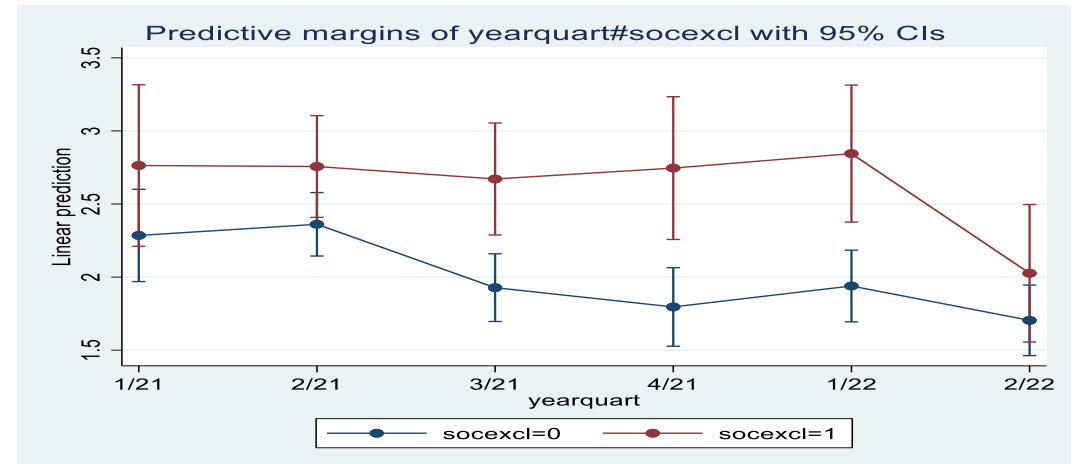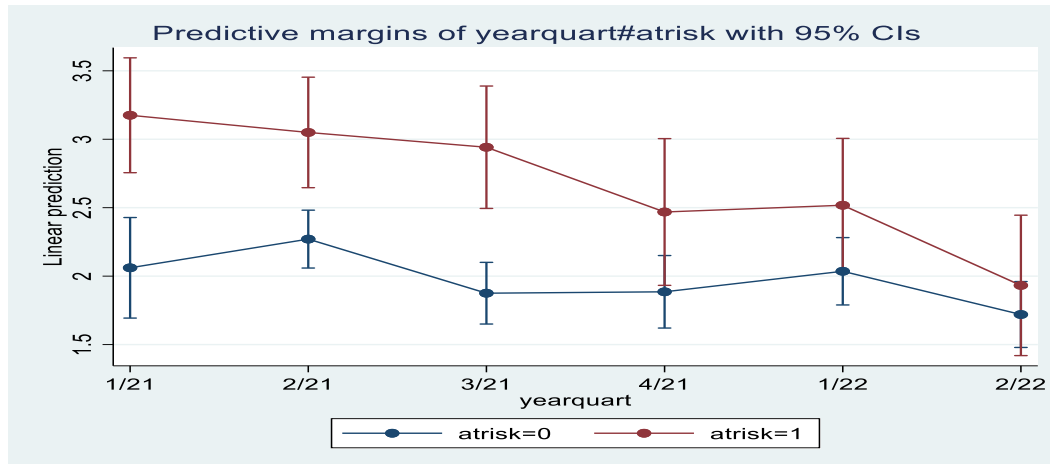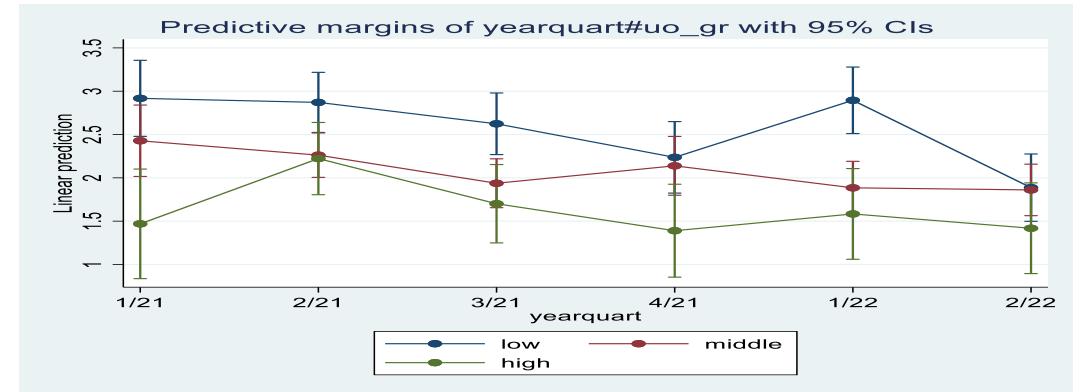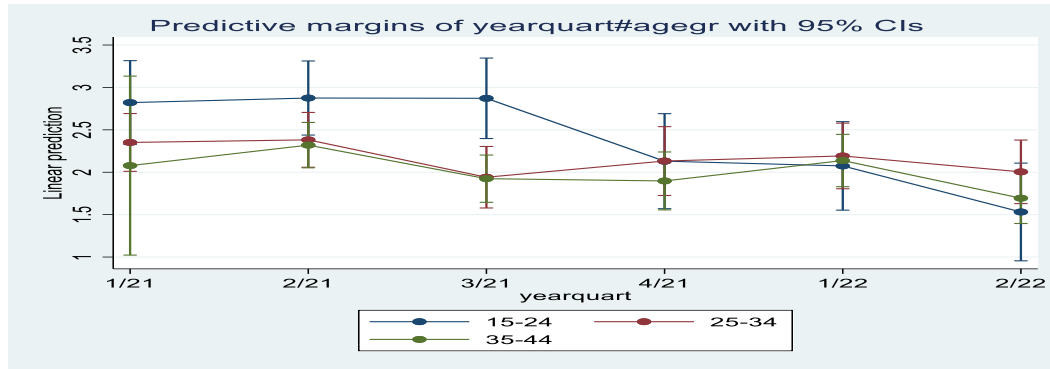
Edu perspectives

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2/22	-.6012502	.1807661	-3.33	0.001	-.955702	-.2467985
agegrdum						
18-34	.1881626	.1004428	1.87	0.061	-.0087887	.3851138
_cons	2.277681	.4652959	4.90	0.000	1.365315	3.190048

Employment perspectives

covidy_5_03	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
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agegrdum						
18-34	.0470803	.1010577	0.47	0.641	-.1510767	.2452374
_cons	2.073018	.4686674	4.42	0.000	1.15404	2.991995

Adaption of Individuals' assessment of educational perspectives in future during COVID-time- marginals

Adaption of Individuals' assessment of employment perspectives in future during COVID-time- marginals
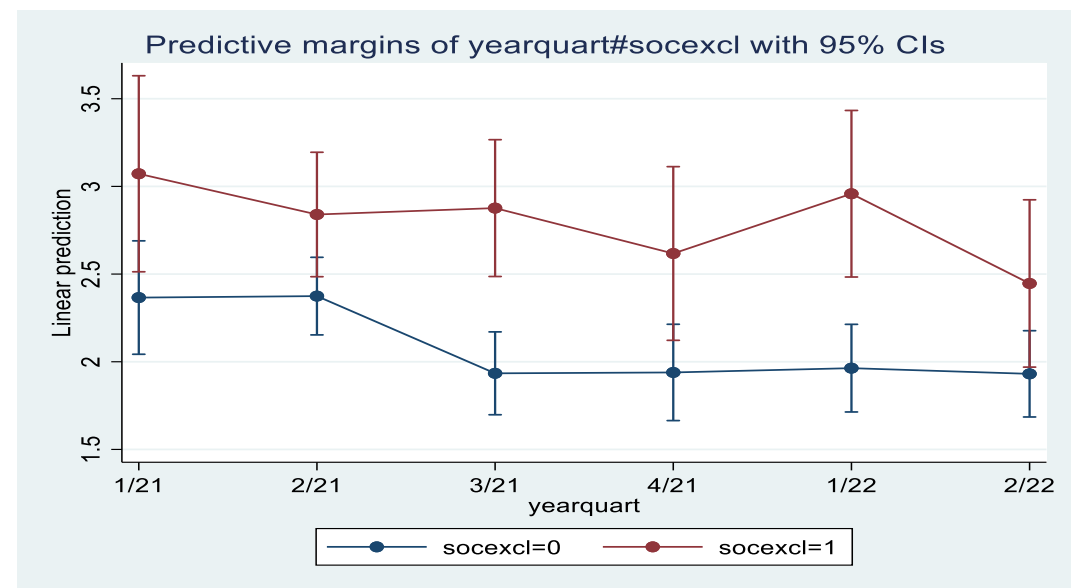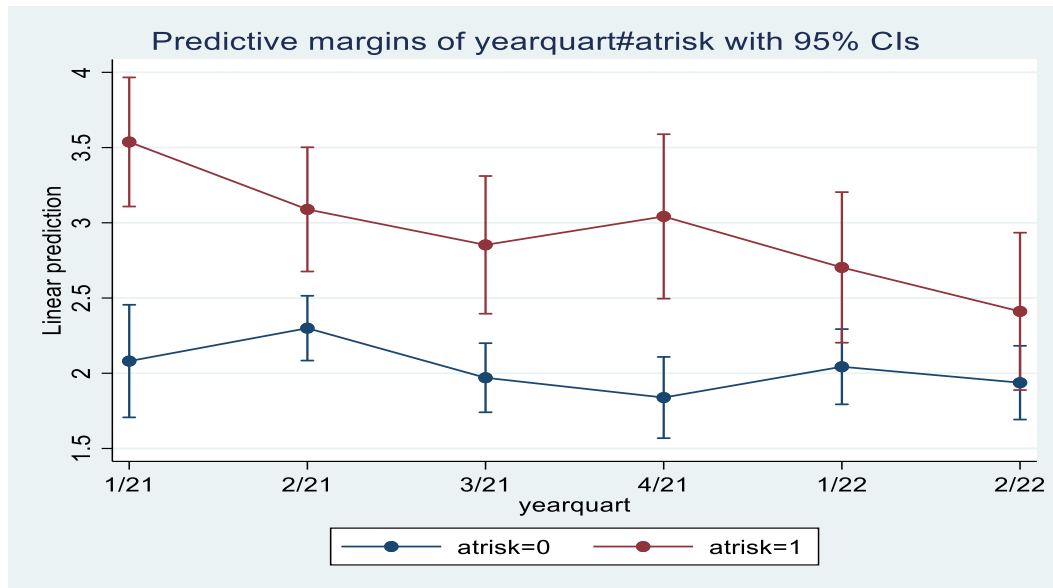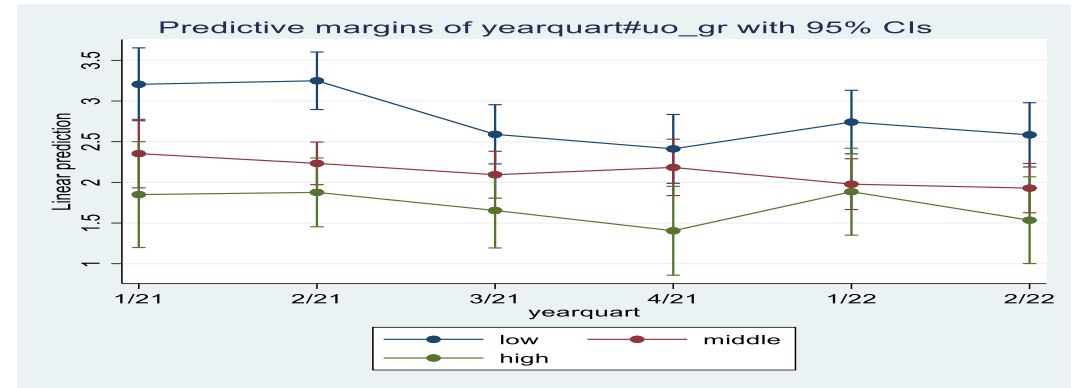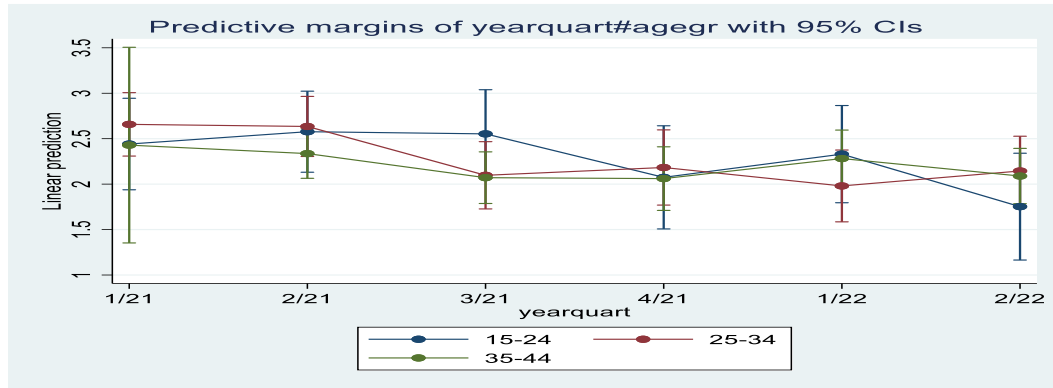
Summary and conclusions

- Regarding wellbeing and mental health young people were hit stronger by COVID-19 than the elder ones
- When it comes to economic and educational future respondents distinct between
  - Country-specific and individual economic situation
  - Current and future economic situation

- COVID-19-effects are moderated by social origin (class position and migration-background), educational attainment, self-efficacy… regarding
  - the perception of the current and future econ. development in general and
  - worries regarding individuals' educational, vocational and employment future
- Young people are less concerned with the general economic situation, but regarding individuals' future in educational and employment perspectives as a consequence of COVID-19
- However, younger people tend to cope with COVID-19 effects over time
  - Educational and employment worries of young people have been pronounced in early 2021, but tend to relax in 2022

Summary and conclusions

- SES is completely absorbed by HC (indirect effect of SES)
- Migrants are more worried reg educational future, but tend to adjust to natives over time
- But, 1st gen migs remain more worried over time regarding their employment future

- Elder at-risk respondents are more worried regarding future employment perspectives then younger ones
- Coping/Adjusting of worries regarding future education and employment perspectives over time!!
  - Especially below 25 year old's show pronounced worries at the beginning and relax over time in contrast to elder ones
  - However low class and social excluded respondents remain stable over time

Limitations and policy related conclusions

- Limitations
  - Repeated cross sectionals don't capture within effects,
  - However, representative samples at each point of measurement!!
  - Small numbers, but still statistical and economic power

- Policy recommendations
  - Addressing econ hardships in times of crisis
  - Intensifying guidance and counseling
  - Offering and supporting educational and occupational upgrades for the disadvantaged ones

Thanks for your attention

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