

**“The Effect of Parents’ Employment on Children’s Educational Attainment”**

John Ermisch

*Department of Economics, Institute for Social and Economic Research, University of Essex*

Marco Francesconi

*Institute for Social and Economic Research, University of Essex*

Working Paper: Published 2002

*Working Papers of the Institute for Social and Economic Research, paper 2002-21: 1 – 29*

<http://www.iser.essex.ac.uk/publications/working-papers/iser/2002-21.pdf>

**Themes:** Child Wellbeing

**Regions:** West Europe

**Age Ranges:** 18+

**Keywords:** Education/Cognitive Skills, Work and Employment, Economic Status

**Abstract:** This paper presents conditions under which a causal interpretation can be given to the association between childhood parental employment and subsequent educational attainment of children. It is a parameter of a conditional demand function. Its estimation is complicated by endowment heterogeneity and by the fact that parents may compensate or reinforce children's endowments relevant to educational attainment. A sibling difference estimation strategy is generally not sufficient to identify the effect of parents' employment. Identification rests on assumptions about the timing of parents' knowledge of their children's endowments and about the technology used to produce children's human capital. We find a negative and significant effect on the child's educational attainment of the extent of mother's full-time employment when the child was aged 0-5. The effects of mother's part-time employment and father's employment are smaller and less well determined but again negative. These results suggest that a higher full family income increases the educational attainment of children, and given full family income, a higher mother's or father's wage reduces their children's educational attainment.