

# Evidence briefing: longitudinal studies



E·S·R·C  
ECONOMIC  
& SOCIAL  
RESEARCH  
COUNCIL

## Employment and the labour market

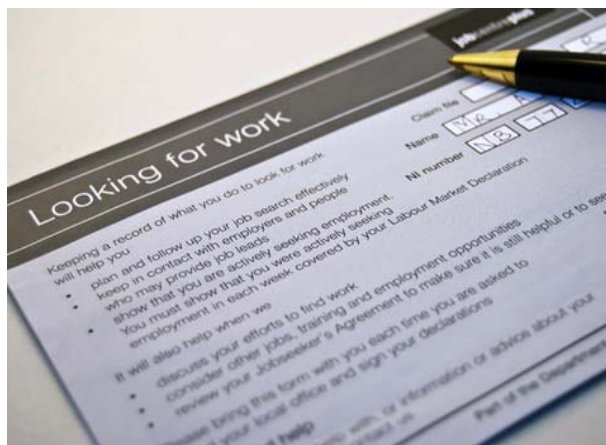
This briefing highlights the use of longitudinal data in informing and shaping policies relating to employment and worklessness.

Longitudinal data enable us to

- Study the links between social change, changes in the labour market and the changing experiences and trajectories of different cohorts.
- Understand the long-term outcomes of experiences and decisions in early life
- Examine the links between different areas of life (e.g. health and employment, fertility and employment)
- Follow individual career trajectories
- Study the links between social change, changes in the labour market and the changing experiences and trajectories of different cohorts.

### Policy use

- The British Household Panel Survey is used by the Department for Work and Pensions to analyse the career trajectories of people with varying skills and backgrounds in the labour market.
- Utilising these data, the Department for Work and Pension's *Low Income Dynamics* report has informed the indicators on persistent



poverty in the Coalition Government's Child Poverty Strategy.

- The Longitudinal Study of Young People in England informs the Government's Participation Strategy, showing how outcomes at age 18 (work, education or unemployment) correlate to experiences at school – such as qualification levels, truancy or exclusion.

### What are longitudinal studies?

A longitudinal study tracks a sample of people over long periods of time - often many decades - in order to reveal developmental trends across generations. By repeatedly observing the same variables, such as income, health or employment, these surveys provide invaluable data for research on a range of issues, their causes, and the effectiveness of different policies.

# Evidence briefing: longitudinal studies

E · S · R · C  
ECONOMIC  
& SOCIAL  
RESEARCH  
COUNCIL

## Case: The wage scar from male youth unemployment

Professor Paul Gregg (ESRC Centre for Market and Public Organisation) and Dr Emma Tominey used data from the National Child Development Survey to analyse the long-term 'scarring' effect of youth unemployment. They concluded that male youth unemployment has an impact on wages up to 20 years later. There is a large (13-21 per cent) and significant wage penalty at age 42 for being unemployed for over a year between age 16 and 23.

### Research findings

- Youth unemployment imposes a sizeable wage scar followed by slow recovery over the next 20 years if the individual can avoid further spells of unemployment after age 23.
- A modest residual wage scar of around 9–11 per cent persists up to 20 years later even for those who have no further unemployment experience.

- Those with extensive youth unemployment are also at higher risk of further unemployment through to age 33, inhibiting wage recovery.
- Interventions to reduce the exposure of young adults to substantive periods of unemployment could, if successful, have substantial returns in terms of the individual's lifetime earnings and represent a good investment.

### Policy impact

The research has been influential in labour market policy to prevent long-term unemployment. Jobcentre Plus support emphasises the duration of unemployment, where longer-term unemployed are offered more advisor time and opportunities for training and programmes.

The findings on wage scarring have also influenced the Coalition Government's Work Programme, where young people enter the programme after nine months of unemployment, or three months in particular cases.

"It's not possible to design labour market policies without access to longitudinal data, showing how people change states between different jobs or unemployment over a year."

*Hugh Stickland, Department for Work and Pensions (ESRC/ONS Longitudinal Studies Seminar 19/7/2011)*

## Supporting longitudinal research

The Economic and Social Research Council is the UK's leading agency for research funding and training in economic and social sciences.

We fund a number of longitudinal surveys and related research, including *Understanding Society*; Timescapes; the new Birth Cohort Study; the UK Longitudinal Studies Centre; and the Centre for Longitudinal Studies, which houses three of Britain's internationally renowned surveys - the 1958, 1970 and Millennium Birth Cohort Studies.

Web: [www.esrc.ac.uk](http://www.esrc.ac.uk). Email the ESRC communications team: [comms@esrc.ac.uk](mailto:comms@esrc.ac.uk)

*The information in this briefing is based on the presentations of Professor Jane Elliott, Centre for Longitudinal Studies, and Mr Hugh Stickland, Department for Work and Pensions, at the ESRC/ONS Longitudinal Studies Seminar 19/7/2011.*