

How Recessions Affect People Differently

The global economic crisis has had a considerable impact on employment opportunities around the world. In particular, those with lower education attainment, minority ethnicities and female gender have been particularly vulnerable to increased unemployment rates during times of economic hardship.

This article will explore in greater detail the effects of the economic downturn on employment opportunities for individuals of varying education attainment, ethnicity and gender.

Education Attainment

Studies have indicated that those with lower levels of educational attainment are more likely to be impacted by an economic downturn than those with higher levels of educational attainment.

According to a study conducted by The McKinsey Global Institute, during an economic recession unemployment rate tends to disproportionately affect those who did not pursue higher education as compared to their university educated counterparts.

Specifically, the study found that during recessions, individuals without college degrees are 1.7 times more likely to suffer job losses than those with at least a bachelor's degree. As such, it is evident that people with lower educational attainment experience greater difficulty in securing employment during times of recession.

Ethnicity

It has also been shown through research that certain ethnic groups experience disproportionate levels of unemployment during recessions.

A study published in The Journal Of Human Resources found that during recessions minorities were hit harder than other demographic groups, especially African Americans and Hispanics; these two populations often experienced double digit increases in unemployment rate when compared to Whites/Caucasians.

Furthermore, this same study noted that while White workers experienced an increase in long-term unemployment by 2 percentage points between 2007 and 2010 (the period following the Great Recession), African American workers experienced a 9 percentage point increase over the same time frame. As such, there is clear evidence suggesting minorities face greater difficulty in finding work opportunities during tough economic times when compared to non-minority groups.

Gender

Research indicates gender also plays a role in how people fare during recessionary periods. According to a report from Labor Force Statistics from the Current Population Survey (LFSP), women appear to suffer more from job losses due to recessions than men do; the report

found female unemployment rate tends to increase at faster rate than male unemployment rate following economic downturns - particularly when related to long-term trends rather than short-term fluctuations in the economy.

Additionally, research suggests women are generally less likely than men to benefit from government or employer interventions as well as financial aid packages meant specifically for unemployed individuals; this could lead them into longer spells without work which can have serious repercussions on their overall quality of life and future employment prospects.

The Bottom Line About Recession's Impact

It is evident that people belonging different educational backgrounds and demographics feel the impacts of economic downturns more acutely than others do - from high levels female long-term unemployment rates among ethnic minorities all way down low education attainment levels among young adults entering job markets post-recession; it is clear certain populations are hit hardest by recessionary environments leading many into difficult financial situations due their lack of access stable and secure work environments which can further exacerbate social inequality within societies worldwide.

It is imperative we find ways mitigate potential impacts on these vulnerable sectors through additional support measures such as stronger job retraining programs or increased social safety nets for affected individuals as well as policy reforms designed reduce any systemic bias against certain demographics within labor markets so everyone can benefit equally from global economies regardless their background or circumstances they belong too..

Women are typically more affected than men due to their lack of access to financial resources, job security, and wage-earning opportunities. People of color often find themselves in an even worse position post-recession as they are more likely to be employed in the industries most heavily impacted by economic downturns. And lastly, those with lower levels of education may struggle more to recover during a recession as they lack the job skills necessary to compete for higher paying positions.

Although effective policy measures can help cushion the blow of any recession - such as extending unemployment benefits and providing targeted tax relief - much more needs to be done in order to ensure that everyone is able to recover economically following a period of economic decline. Going forward, it will be essential for policymakers and businesses alike to recognize these disparities and take appropriate steps towards addressing them head on in order for all citizens to benefit from stronger economic growth.

National Financial Education Standards Addressed In This Article

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