



ECONOMY & POLICY

Is the Economy Hurting Your Kid's Report Card?

By [Stephen Gandel](#) | June 06, 2011

The economy, it appears, is hurting your child's ability to do algebra.

A study published this week by the National Bureau of Economic Research found that higher rates of unemployment tend to lead to lower student test scores. And it's not just kids whose parents have lost their jobs, but all kids. [The study](#) by a group of Duke University professors looked at test scores and unemployment rates around the country. The researchers found that kids in communities with high unemployment rates tended to have lower test scores even if their own family hadn't experienced a job loss. In fact, the stress of a poor economy can lower test scores for children as young as nine. But the study, which looked at fourth graders and eighth graders, found that older students were affected the most, and that math scores tended to drop more with economy stress than reading scores.

Ever since it became clear that the unemployment rate was going to stay high for some time, people have been wondering what would mean for America's future. Most of the time when we think about unemployment we think about how it will hurt the finances of the people who are out of work and their families. But unemployment can cause a lot of harm to society, and not just on those who are unemployed. It can increase divorce rates and boost crime. I wrote a story a little over a year ago about the high rate of [teen unemployment](#) and how that could lower wages for years to come for people entering the workforce. In January, the *New York Times* wrote a story titled [Teacher, My Dad lost his job. Do we have to move?](#) about the emotional stress children feel when their parents lose their jobs, and how that affects their school work.

But it appears that you don't have to be of working age, or even have a parent out of work to be affected by high unemployment. In the study Duke researchers Elizabeth Oltmans Ananat, Anna Gassman-Pines, Dania V. Francis and Christina M. Gibson-Davis looked at states that had higher than average levels of unemployment and found that students in those areas tend to score lower on academic achievement tests. Why would that be? First of all, studies have shown that when teachers are more stressed students tend to do perform worse. Also, even if a student's parents haven't lost their job, in a community with high-unemployment it is likely that the child will be in a classroom with other kids whose parents are out of work. The researchers say that children under stress at home can cause problems in the classroom, which hurts all the students' ability to learn. Lastly, high unemployment can cause foreclosures and property values in an area to fall. And since most school districts get their money from property taxes, lower revenue can cause schools to cut programs and under perform.

The researchers say their study should shed some light on the way we're measuring schools under the current No Child Left Behind Act law. They say a 2% increase in the local unemployment rate can cause a 16% increase in the



But perhaps more importantly, the study underscores the larger and lasting affect high unemployment may have on America. One of the ways people have talked about to lower the unemployment rate is to improve education. But this study shows that could be hard to do in an environment of high unemployment. It's a chicken and egg question.

Last week's [jobs numbers](#) indicated that the recovery in the jobs market seems to be slowing. Right now, a new round of stimulus to lower unemployment seems like a political no-go. But as the researchers point out, when considering whether we should spend more taxpayer dollars to help the jobless you have to consider not just what outcome stimulus spending will have on today's jobless, but on our ability to educate our children. It is well documented that lower levels of academic achievement lead to higher levels of unemployment. Doing nothing to lower today's unemployment rate could lower the next generations' ability to find a job as well.

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