



Muted Recession Graduates

Hungry graduates are grateful to have jobs, but are today's young people complaining less than they should?

The global recession has undoubtedly hurt the job market, especially for graduates entering the workforce. A year ago, statistics from the U.S. showed that more than half the unemployed had a college degree. This year, the unemployment rate of recent college graduates in the U.S. was estimated to be 17 percent. And those who achieve employment have pretty poor jobs; nearly one-half of them do work that does not require a college degree. Europe isn't any better, with high youth unemployment rates in many nations, including among college educated job applicants.

So the conclusion is that a recession is a bad time to graduate, right? Yes, if you apply objective criteria. But people make surprising judgments, and job satisfaction is one of them. **A study by Emily Bianchi**, which will be published in *Administrative Science Quarterly*, has looked at the connection between economic conditions and job satisfaction. The result is clear and surprising: those who graduated and entered the workforce during a recession were more satisfied with their jobs, both soon after getting employed and later in life.

How can that be? We know that recessions don't just create unemployment; they also reduce the quality of the jobs that are available. If worker judgments followed suit, they should be less satisfied. But still,

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those who got jobs during a recession are more satisfied because satisfaction is a result of how well you do compared with how well you think you could have done. This comparison is radically different in recessions, because faced with unemployment, those who attain jobs are grateful to have avoided it. This comparison with worse outcomes is unique for difficult economic times, because in boom times workers can instead compare with various success stories, and will have a harder time seeing unemployment as a possibility. And, the comparison is surprisingly stable. Graduating in tough times means continued comparisons with bad outcomes many years afterwards.

So are recessions unimportant then, because people will be satisfied just to get a job when they graduate from college? Not quite. The study focused on those who actually got jobs: it is safe to assume that the unemployed are not satisfied with their situation. And the research also shows that there is a worst-of-everything state. A worker who got a job during good economic times will be less satisfied to begin with, and when a recession slows down the career outcomes that person will be even more dissatisfied.

Bianchi, Emily C. Forthcoming. *The Bright Side of Bad Times: The Affective Advantages of Entering the Workforce in a Recession*. *Administrative Science*

Quarterly.

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