Article

Scarring Dreams? Young People’s Vocational Aspirations and Expectations During and After Unemployment

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Submitted: 30 November 2021 | Accepted: 11 April 2022 | Published: 9 June 2022

Abstract
Young people’s early-career unemployment experience has been found to have long-lasting effects, resulting in lower earnings even decades later. However, while this so-called “scarring effect” is well established, there is still little knowledge about the mechanisms through which it comes about. We take a closer look at the period that produces the wounds that later turn to scars. Drawing on a panel survey in which young adults in Austria were interviewed once at the beginning of an unemployment period and again one year later, we study how job aspirations and expectations changed during this period. We find that respondents on average lowered their aspirations and expectations over time, particularly those who experienced latent deprivation during unemployment. Furthermore, while the aspirations and expectations of those who were unemployed at the time of the second interview remained relatively unchanged, those who were employed lowered their expectations and to some extent also their aspirations. Our results suggest that research should pay more attention to the heterogenous effects of early-career unemployment: It produces scarred dreams for some while others manage to keep their aspirations and expectations alive.

Keywords
job aspirations; job expectations; latent deprivation; scarring effects; youth unemployment

1. Introduction
Experiencing unemployment at an early stage may leave long-lasting scars on future careers, including wage losses and lower job quality years or even decades after the unemployment spell (e.g., Arulampalam, 2001; Dieckhoff, 2011). One potential explanation for this so-called “scarring effect” might be that due to the unemployment experience and difficulties in finding a new job, individuals lower their occupational aspirations and expectations and adjust their career goals, which in turn affects career achievements (Empson-Warner & Krahn, 1992; Schoon, 2001).

However, despite ample research on the development of job aspirations and expectations in adolescence, in particular during the transition period between education and employment, and their effects on career outcomes (Beal & Crockett, 2010; Schoon & Polek, 2011), little is known about the potential changes in job aspirations and expectations of young people who become unemployed (Shu & Marini, 2008).

To fill this research gap, we explore longitudinal data from a panel survey of young adults aged 18–28 in Vienna, Austria, who had recently registered as being unemployed in the public employment service (Mühlböck et al., 2018; Steiber et al., 2017). Specifically,
we analyze how job aspirations (in terms of the status of the desired job) and expectations regarding the probability of reaching these aspirations develop after young adults become unemployed. Hence, we compare information from the first wave of the panel study with data from the second wave, which was conducted one year later when our respondents were either still unemployed or had found a new job.

Studying this particular age group is of special importance because aspirations formed in early adulthood may remain comparably stable across the life course (Low et al., 2005). Hence, periods of unemployment in these formative years may shape career goals and expectations (Lent & Brown, 2013; Lent et al., 2022). As early-career unemployment spells have become more common in recent decades, studying the heterogeneous consequences of youth unemployment becomes increasingly relevant (O’Reilly et al., 2015; Ralston et al., 2021). Manifest and latent deprivation during periods of unemployment (Jahoda, 1982) may force those who experience financial and mental hardship to lower their aspirations and accept any job that is available, thereby increasing existing inequalities. However, to date, heterogeneity within the experience of youth unemployment has received little attention. Therefore, this article focuses on the diverse trajectories of individuals experiencing unemployment at a young age focusing on the institutionally homogenous field of the Viennese labor market.

Austria has a strong vocational education system with early streaming of youth into different educational paths (stratified educational system). Its skills formation system has been described as “collective” (cf. Busemeyer & Trampusch, 2011), with the direct involvement of firms in initial vocational training and thus relatively smooth school-to-work transitions. Vienna, more than less urban areas of Austria, features a stark separation of pupils into low/vocational and high/academic educational tracks (Schneeweis & Zweimüller, 2014). This institutional setting should be conducive to the early formation of stable job aspirations and expectations (Basler & Kriesi, 2019).

Nevertheless, our analysis shows considerable and heterogeneous transformations in job aspirations and expectations following unemployment experiences. Young adults who experienced latent deprivation were especially likely to lower their job aspirations and expectations during the observation period. The aspirations and expectations of those who were still (or again) unemployed at the time of the second interview remained relatively stable, whereas those who were employed by the second interview had lowered their expectations, and those with long unemployment experience had also lowered their aspirations. We discuss whether this development reflects an adjustment to a more realistic assessment of career chances or whether the unemployment experience drives young people into jobs that neither match their original aspirations nor their qualifications.

The article proceeds as follows: First, we summarize previous theoretical and empirical accounts of the “scarring effects” of unemployment and the importance of aspirations and expectations for people’s careers. We derive hypotheses about the potential effects of different experiences following job loss. Next, we describe the data and main variables, then provide the analysis. We conclude by summarizing our main results and discussing the potential consequences of lowered aspirations and expectations.

2. Vocational Aspirations and Expectations and Career Outcomes

Previous research has thoroughly documented the so-called “scarring effects” of unemployment. When encountered at an early stage in one’s career, the experience of unemployment not only causes future unemployment (Arlamplalam et al., 2000; Cockx & Picchio, 2011), but also substantial losses in future earnings (Gangl, 2006; Gregg & Tomyene, 2005) and affects the job quality of future employment (Brand, 2006; Dieckhoff, 2011). However, while the effects of unemployment on later career prospects are well documented, less is known about the causal mechanisms behind these effects. One potential explanation is that human capital depreciation may occur during unemployment through the loss of firm-specific or general skills (Krahm & Chow, 2016). A loss in social capital due to a reduction in social contacts and networks may also account for the “scarring effect.” Another explanation is based on signaling theory, stipulating that a prolonged unemployment spell in a CV signals low productivity to prospective employers (Shi et al., 2018). Furthermore, the psychological impacts of unemployment such as reduced self-efficacy and mental health (Paul & Moser, 2009; Simões et al., 2017) could translate into less effective job searching (Wanberg et al., 2005). Finally, social and financial pressures and the realization that high-quality jobs are difficult to obtain may lead individuals to lower their occupational aspirations and expectations and to accept jobs of lower intrinsic and extrinsic quality (Empson-Warner & Krahm, 1992).

Research on status attainment and intergenerational social mobility has highlighted the crucial role of occupational aspirations and expectations as key drivers of the career choice process, motivating educational decisions, vocational choice, and influencing career success (Mau & Bikos, 2000; Schoon & Parsons, 2002; Schoon & Polek, 2011; Sewell et al., 1969). According to the propositions of the social cognitive model of career self-management (Lent & Brown, 2013), actions to develop one’s career are motivated by goals that are formed based on aspirations and outcome expectations. In line with the theoretical assumptions of the model, empirical research has found that occupational attainment is related to previous job aspirations and to the belief in one’s ability to reach these aspirations (Armstrong & Crombie, 2000). For example, Schoon (2001) and Schoon and Polek (2011) have found that job aspirations and expectations expressed at age 16 are good predictors of occupations...
held at age 33. Youth with higher career aspirations obtain jobs with higher prestige and wages in adulthood, even when factors such as educational attainment, cognitive ability, and other social psychological characteristics are controlled for. The strong empirical connection between adolescents’ aspirations and expectations and their eventual attainments indicates that career goals and achievement expectations are indeed important social-psychological determinants of career outcomes (Ashby & Schoon, 2010).

However, the occupational aspirations of young people may be unrealistic (Baird et al., 2008). Considering the jobs available, not everyone will be able to work in his or her desired occupation. Hence, it is important to differentiate between occupational aspirations and achievement expectations. Beal and Crockett (2010) compare answers to the questions “what kind of work would you like to do?” (occupational aspirations) and “what work do you think you will probably do?” (occupational expectations). They find that for 79% of adolescents, aspirations and expectations fall into the same category in terms of occupational prestige scores. This finding could be interpreted as an indication that most young people hold realistic aspirations. A problem arises for those with unrealistic aspirations and expectations because clinging to dreams that do not materialize can lead to emotional distress (Carr, 1997; Wrosch et al., 2007). Career ambition is a double-edged sword: On the one hand, being ambitious and believing in one’s own ability to achieve the desired job is an important precedent for success (Lent & Brown, 2013); on the other hand, overambition and distorted expectations may lead to prolonged periods of unsuccessful job search (Mueller et al., 2021).

3. Adaptability of Aspirations and Expectations Over Time

The formation of occupational aspirations has been theorized as a lifelong process starting in early childhood and continuing beyond school-leaving age. As adolescents become increasingly conscious of the social structure of opportunities and constraints during the transition from school to work, they dismiss (seemingly) unrealistic aspirations in favor of more accessible options (Gottfredson, 1981). With growing work experience, aspirations stabilize (Super, 1980). Hence, the variability of aspirations changes over the lifespan: They are comparatively fluid during adolescence and early adulthood, and become more stable around the age of 25–30 (Low et al., 2005). Yet, aspirations and expectations are adaptive to changing environments (Savickas, 2005) and subject to learning effects based on experiences made throughout one’s career (Lent & Brown, 2013).

Several researchers have studied changes in career goals during the school-to-work transition (Jacobs et al., 1991; M. K. Johnson, 2002; Rindfuss et al., 1999; Schels & Abraham, 2021; Shu & Marini, 2008). They show that occupational status aspirations tend to decline when young people enter the labor market, indicating an adaptation of initially ambitious plans to the opportunities available to the individual (Shu & Marini, 2008). Women, younger, and less educated individuals are found to be particularly susceptible to such downward adaptations (Low et al., 2005).

Furthermore, the school context has been found to influence the development of vocational aspirations, especially in countries with a stratified educational system. Individuals adapt their goals to the respective social environment within their educational track (Wicht & Ludwig-Mayerhofer, 2014). A high level of educational stratification and low permeability between tracks should lead to stronger differences in vocational aspirations between tracks as well as early solidification of aspirations (Basler & Kriesi, 2019). We may thus observe differences in the timing of aspiration formation and adaptation processes between countries depending on their education and skill formation systems. Tomasik et al. (2009) argue that downgrading initially overambitious job aspirations leads to better career outcomes for young people than the reverse strategy of starting with too modest aspirations that may shorten the duration of job search. The latter strategy could lead job seekers to abandon better quality goals prematurely. In contrast, the strategy of downgrading will allow them to obtain a job with the highest level of social prestige attainable—at least as long as the pace of downgrading is sufficiently fast to avoid prolonged periods of job search (Tomasik et al., 2009).

Even more pronounced adaptive processes have been found with regard to expectations, arguably because expectations are more aligned with reality than aspirations and thus more directly affected by experience and feedback (Beal & Crockett, 2010). At the same time, outcome expectations affect aspirations. People value rewards they are likely to receive and place less importance on rewards to which access is unlikely. Hence, if they perceive the chances of obtaining their desired job to be low, they will consciously or unconsciously adjust their aspirations and set themselves goals with a higher perceived probability of achievement (M. K. Johnson & Elder, 2002).

In sum, the literature suggests that the opportunities and constraints experienced over the life course shape individuals’ perceptions of the likelihood of attaining a goal, which in turn lead individuals to adapt their aspirations and expectations. Those experiencing more constraints than expected presumably lower their expectations and potentially also their aspirations. Those experiencing better opportunities and fewer constraints than expected will be less likely to downgrade and more likely to maintain or even upgrade their expectations and aspirations (Low et al., 2005).

4. Unemployment and Changes in Aspirations and Expectations

Labor market experiences made during early adulthood are likely to affect the formation of career aspirations and
expectations. These early experiences of constraints and opportunities, which occur during a period when young people’s vocational aspirations are still in flux, provide important feedback about the chances of actually obtaining a job in the desired occupation. Hence, experiences of prolonged unsuccessful job search, especially when combined with the financial and mental hardships associated with unemployment (Jahoda, 1982), could be particularly influential.

In principle, theories and empirical findings regarding the development of aspirations and expectations over an individual’s life-course, and in particular during the transition from school to work, should also apply to periods of unemployment and the experiences of (un)successful job search in the early career phase. Yet, this cannot be taken for granted, as most young unemployed have already gained work experience, which may increase the stability of their job aspirations and expectations. At the same time, potential negative experiences of job loss such as disappointment, frustration, and self-doubt accompanied by a loss of financial security may induce profound adjustments in career goals. Hence, this article focuses on the development of occupational aspirations and expectations during periods of unemployment.

To date, only a few researchers have studied the role of unemployment in shaping individuals’ job aspirations and expectations, and they come to different conclusions. Based on interviews with young people on the Isle of Sheppey, Wallace (1987) finds that unemployment experience and being forced to accept low-status jobs leads to reduced occupational aspirations. Such a reduction is particularly strong when aspirations were unrealistically high at the outset. These results have been supported by a quantitative study conducted by Empson-Warner and Krahn (1992) that uses panel data on high school graduates in Edmonton, Canada. It shows that experiencing unemployment during the first year following graduation leads to reduced aspirations. Other studies have not found any significant effects of unemployment. According to Furlong (1987, p. 67), a sudden rise in unemployment rates in Leicester did not affect the aspirations of young people. Church and Ainley (1987, p. 90) also find no negative effect of unemployment on young adults’ aspirations in London. Regarding achievement expectations, the previous literature has mostly studied the related concept of perceived employability, defined as the subjectively perceived ability to find a new job (if necessary), irrespective of the type of job. Here, most studies concluded that perceived employability is dampened by prolonged periods of unemployment (cf. Schmillen & Umkehrer, 2013). However, in a recent study based on US survey data, Mueller et al. (2021) could not detect such an effect of long-term unemployment.

In sum, the existing empirical literature has provided ambiguous results regarding changes in young adults’ job aspiration and expectations after unemployment. We argue that diverging trajectories among those who become unemployed might explain this ambiguity.

Following up on the key theoretical insight that young adults’ likelihood of lowering job aspirations and expectations depends on the opportunities and constraints encountered during unemployment, we argue that it is insufficient to focus on differences between unemployed and employed individuals, as more specific differences in unemployment experiences may moderate changes in aspirations after or during unemployment. We, therefore, study the effects of unemployment duration, financial or latent deprivation during unemployment, and re-employment on changes in aspirations and expectations in the year after becoming unemployed.

Based on the social cognitive model of career self-management (Lent & Brown, 2013) and previous empirical findings by Empson-Warner and Krahn (1992), we expect that young adults adapt their aspirations and expectations following negative job search experiences. Consequently, we hypothesize that individuals who experience a longer period of unemployment will lower their aspirations and expectations more severely than those who remain unemployed for a shorter duration (H1). We further expect that financial deprivation during unemployment correlates with a downgrading of aspirations and expectations (H2), as the lack of economic resources increases the pressure to accept any job irrespective of whether it is in the desired occupation or not (Lent & Brown, 2013). Latent deprivation during unemployment may erode people’s self-worth (Jahoda, 1982) and hence correlate with a lowering of aspirations and expectations (H3).

For those who find a job, two possible scenarios are conceivable: On the one hand, the positive experience of re-employment could induce new optimism (Lent & Brown, 2013). Following this line of argumentation, young adults who are in employment at the time of the second interview should experience an increase in aspirations and expectations in comparison to those who are still (or again) unemployed (H4a). On the other hand, similar to the effects encountered during school-to-work transitions when adolescents adjust their aspirations and expectations downwards to match labor market realities (Low et al., 2005), unemployment-to-work transitions may lead to a decline in aspirations and expectations (H4b). Furthermore, the potential negative effect of re-employment could be stronger after longer periods of unemployment, assuming that the jobs accepted after longer search periods are less likely to match aspirations and expectations (interaction hypothesis H5a). In line with Jahoda’s (1982) study on long-term unemployment, negative effects due to financial and latent deprivation are expected to be more pronounced when individuals experience longer periods of unemployment (interaction hypotheses H5b and H5c).

5. Data and Methods

To test these hypotheses, we draw on data from a two-wave panel survey conducted in Vienna among
young unemployed adults aged 18–28 (Mühlböck et al., 2018). The first wave took place between May and September 2014 among young adults who had recently (maximum of four weeks before the interview) registered as unemployed. Respondents were recruited directly at public employment offices in Vienna, either immediately after registration or when they had their first counseling meeting. The survey was self-administered, with respondents filling out the questionnaires on laptops in the presence of interviewers. Respondents were contacted again to participate in the second wave of the survey one year later, which was again self-administered and computer-assisted. At that time, many respondents were still (or again) searching for a job (41.9%), whereas others were in education (30.6%) or had found new employment (27.5%). The first wave included 1,215 individuals, and 625 individuals participated in both waves in total. Despite the particularly difficult and mobile target group of young adults, the re-interview response rate of 51% is similar to the response rate of the IZA evaluation dataset, which was collected with a similar design but covers a bigger age range (16–54 years old) of newly unemployed individuals in Germany (Arni et al., 2014). To account for non-response and attrition, we computed weights based on information from register data on the general inflow into unemployment in the age group 18–28 in Vienna and the estimated probability of first-wave participants to participate in the second wave (Mühlböck et al., 2018).

A descriptive table showing the distribution of age, gender, and educational level in the population of unemployed young adults in Vienna in the summer of 2014 and among the survey sample (weighted and unweighted) is provided in the Supplementary File (Table A1). Summary statistics of all variables used in this article and the exact question wordings can be found in Table A2.

We measured job aspirations in both waves (labeled as t0 and t1) by asking participants to name their desired occupation. About 17.7% of the respondents indicated that they did not have a desired occupation at t0 and 19.9% of the respondents gave this answer at t1, which corresponds to previous studies reporting high proportions of respondents without a desired occupation (Staff et al., 2010; Yates et al., 2011). The responses of those who named a desired occupation were coded by three independent coders using the International Standard Classification of Occupations (ISCO). They were then matched with the International Socio-Economic Index of Occupational Status (ISEI; see Ganzeboom et al., 1992; Ganzeboom & Treiman, 1996) to arrive at a continuous indicator for the socio-economic status of the desired occupation, with higher values denoting a higher status. The ISEI is based on both the required level of education for a specific occupation and the expected income in this occupation, and thus combines the two most important facets of socio-economic status. Because the ISEI is derived computationally using optimal scaling, it is seen as a more objective measure than for example prestige scores, which rely on subjective evaluations. The use of ISEI renders the study comparable with several other studies on job aspirations (Basler & Kriesi, 2019; Miyamoto & Wicht, 2020; Wicht & Ludwig-Mayerhofer, 2014). In our data, ISEI values of desired jobs range from 19 (e.g., roofers) to 88 (e.g., medical doctors), with a mean value of 49.6 at t0 (the beginning of the unemployment spell) and a mean value of 49.3 at t1 (one year later). Despite the fact that the mean values hardly differ, the Sankey diagram in Figure 1 reveals large within-individual changes during the observation period. More than half (51.8%) of the respondents who indicated a desired occupation changed it between t0 and t1, with half of them (25.4%) raising and half of them (25.4%) lowering their aspirations. The share of those with medium-level aspirations decreased when compared to the beginning of the unemployment spell and those with low levels of aspiration were more likely to stay in this category than those with medium and high levels of aspiration.

Expectations were measured by asking participants to rate the probability that they would ever be employed in their desired occupation on a scale from 0 (extremely unlikely) to 10 (extremely likely). We find that many respondents had high expectations, especially at t0 (mean: 7.5), which declined during the observation period (mean t1: 6.8). About 43.5% lowered their expectations; 29.5% held higher expectations at t1 than at t0; 27.0% did not change their expectations. As can be seen from the Sankey diagram in Figure 1, expectations were even more volatile than aspirations. At the same time, change in aspirations and change in expectations are inversely correlated (r = −0.20, p < 0.001), implying that a decline in aspirations correlates with an increase in expectations.

In the following section, we analyze the effects of longer periods of unemployment, financial and latent deprivation, as well as re-integration in the labor market on changes in aspirations and expectations. We distinguish between individuals who were continuously unemployed for less than 90 days and those who were continuously unemployed for 90 days or more during the observation period, a threshold value commonly used in Austrian active labor market policy to distinguish between those individuals who easily find re-employment and those who need assistance ("Hauptziel: Langzeitarbeitslose verhindern", 2014). We measure financial deprivation by calculating an additive index of two items asking whether respondents had enough money for everything they needed and whether they had to forgo purchases due to a lack of financial resources during the period of unemployment. Latent deprivation is measured by answers to a question asking respondents whether they frequently felt depressed during unemployment using the same scale. “Status at t1” indicates whether someone was in employment, in education, or NEET (not in employment, education, or training) at t1. While we include those in education, we focus our main analyses on differences
between those employed and unemployed (NEET), while the effect of education is discussed elsewhere (Mühlböck et al., 2020). There can be overlaps between being employed, in education, and NEET. To arrive at a clear distinction between outcome states, we coded the status “job” conservatively—when respondents were in vocational training or pursuing tertiary education in addition to having a job, they were coded as being in education, and when they earned less than EUR 406 per month (Geringfügigkeitsgrenze, i.e., marginal employment) in their job(s), they were coded as NEET. However, results are robust against different coding decisions, and analyses using three separate binary variables for job (0/1), education (0/1), and unemployed (0/1) yield similar results.

We test the hypotheses regarding the effects of unemployment duration, manifest and latent deprivation, and employment status at t1 using change score models (D. Johnson, 2005) to avoid confounding by time-invariant variables at the level of the individual (see Supplementary File, Tables A3 and A4, models 1–4). The regression models are depicted by the following equations:

\[
\Delta \text{Aspiration}_{(t_1-t_0)} = \beta_0 + \beta_i X_{ij} \tag{1}
\]

\[
\Delta \text{Expectation}_{(t_1-t_0)} = \beta_0 + \beta_i X_{ij} + \gamma \Delta \text{Aspiration}_{(t_1-t_0)} \tag{2}
\]

where \(\Delta \text{Aspiration}_{(t_1-t_0)}\) and \(\Delta \text{Expectation}_{(t_1-t_0)}\) denote the changes in aspirations and expectations between t0 and t1, the vector \(X_{ij}\) represents our independent variables, and the vector \(\beta_i\) represents the respective regression coefficients. As changes in aspirations may lead to changes in expectations, we control for the former in regression models on the latter. To test the hypotheses that suggest heterogeneous effects depending on the severity of the unemployment experience, we estimate models that include interactions between the variables in question (see Supplementary File, Tables A3 and A4, models 5–7) and provide marginal effects plots to interpret the results. An advantage of the change-score model is that homogeneous time invariant effects are automatically controlled for. As a robustness check, we estimate lagged dependent variable models (Supplementary File, Table A4) that account for age, gender, and level of education.

6. Results

Regarding young adults’ job aspirations, we find a statistically significant negative effect of experiencing latent deprivation during unemployment (\(\beta_{\text{Latent deprivation}} = -1.68, t = -2.636, p = 0.009\)), but no statistically significant effect of financial deprivation (\(\beta_{\text{Financial deprivation}} = -0.17, t = -0.271, p = 0.787\); see Table A1). The effect of employment status is found to be dependent on duration of the unemployment spell. Those who were employed at t1 and had experienced an unemployment spell of at least 90 days lowered their aspirations, while those re-employed after a shorter unemployment experience slightly raised their aspirations (Figure 2a). Among those individuals with NEET status at the time of the second interview, aspirations remained stable between t0 and t1. Figure 2c shows that the effect of latent deprivation during unemployment is also moderated by unemployment duration. Those experiencing longer unemployment periods reduced their aspirations more severely due to latent deprivation than those who were unemployed for less than 90 days. We find no evidence for an effect of financial deprivation on job aspirations irrespective of the duration of the unemployment spell (Figure 2e).

The results for job expectations are similar to those for aspirations. Controlling for changes in aspirations, we find that young adults who experienced latent

![Figure 1. Changes in aspirations and expectations between t0 (beginning of unemployment spell) and t1 (one year later). Notes: N = 577 individuals; categories roughly correspond to tercile splits at t0; aspirations: low ≤39, medium >39 and ≤56, high >56; expectations: low ≤6, medium >6 and ≤9, high >9.](image-url)
Figure 2. Marginal effects for change in aspirations (left) and expectations (right) between t0 (beginning of unemployment spell) and t1 (one year later). Notes: Figures 2a through 2c are based on models 5–7 in Table A3 in the Supplementary File; Figures 2d through 2f are based on models 5–7 in Table A4; 95%-confidence intervals are shown.
We find no statistically significant effects for unemployment (β_unemployment = −0.28, t = −2.199, p = 0.028). We find no statistically significant effects for unemployment duration (β_unempl.<90d = 0.52, t = 1.607, p = 0.109) or for financial deprivation (β_financial deprivation = −0.10, t = −0.795, p = 0.427). However, concerning employment status, we do find a statistically significant effect on expectations. Those who had a job at t1 had lowered their expectations more severely than those with NEET status (β_job = −1.09, t = −2.979, p = 0.003). In contrast to the results for job aspirations, we do not find any significant moderating effects of unemployment duration on either employment status, latent, or manifest deprivation (Figures 2b, 2d, 2f).

In summary, neither the first hypothesis regarding a general negative effect of longer unemployment duration nor the second hypothesis regarding a negative effect of financial deprivation during unemployment are supported by our analysis. However, we find strong support for the hypothesized effect of latent deprivation (H3): Those experiencing depression during unemployment downgraded not only their aspirations but also their expectations. Concerning re-employment, H4b stipulates a negative effect is supported, albeit only for expectations, while only those who experienced a long period of unemployment prior to taking up a job had lowered their aspirations (H5a). Finally, while we do not find support for a moderating effect of unemployment duration on the effect of financial deprivation (H5b), in line with H5c, those who experienced longer unemployment spells lowered their aspirations more severely when affected by latent deprivation than those with shorter unemployment spells.

So far, we have analyzed the changes between t0 and t1, as the development in this period is the focus of our study. However, these changes may depend not only on the experiences encountered during the observation period but also on the initial levels of aspirations and expectations at t0. Hence, to complement the change score analysis, we take a closer look at the initial values of aspirations and expectations (Table 1). For those respondents who found a job after experiencing a longer period of unemployment, initial aspirations were particularly high (mean t0: 54.2), while mean aspirations at t1 amounted to 50.8. In comparison, the mean level of aspiration among those who were employed after a short unemployment spell increased from 49.1 at t0 to 52.0 at t1. This could indicate that aspirations in this group had been unrealistically high at the beginning of the unemployment spell. Indeed, in this group, we also observe the largest difference between the original aspirations at t0 and the occupational status at t1. However, while the mean occupational status at t1 of the group with longer unemployment duration amounts to 46.7, the mean of the group with short unemployment duration is 44.5. This finding is in line with the argument that high initial aspirations may not only result in a longer job search duration, but also in jobs with a higher occupational status (Tomasik et al., 2009).

### 7. Discussion and Conclusion

We find that the aspirations and expectations of young adults are quite volatile in the year after becoming unemployed. This is in line with the social cognitive model of career self-management (Lent & Brown, 2013), which stipulates that individuals adapt their career goals and outcome expectations to their experiences, which may be quite intensive and incisive during this period. At the same time, experiences of unemployment differ considerably between individuals.

Our findings indicate that the duration of unemployment per se does not affect the job aspirations and expectations of young adults. However, it moderates the effects of latent deprivation and re-employment on job aspirations. Those whose unemployment spell lasted at least three months lowered their aspirations more severely the more they were affected by latent deprivation. Furthermore, while aspirations increased slightly among those who re-entered the labor market after less than three months, re-employment resulted in scarred dreams for those whose unemployment experience lasted longer, crystallizing into a sometimes severe decrease in job aspirations in terms of occupational

### Table 1. Mean levels of aspirations and expectations at t0 (beginning of unemployment spell) and t1 (one year later).

<table>
<thead>
<tr>
<th></th>
<th>Aspiration t0</th>
<th>Aspiration t1</th>
<th>ISEI job at t1</th>
<th>Expectation t0</th>
<th>Expectation t1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unempl. &lt;90d</td>
<td>52.03</td>
<td>52.01</td>
<td>7.80</td>
<td>6.90</td>
<td></td>
</tr>
<tr>
<td>Unempl. ≥90d</td>
<td>48.16</td>
<td>47.68</td>
<td>7.18</td>
<td>6.62</td>
<td></td>
</tr>
<tr>
<td>Status t1: NEET</td>
<td>45.22</td>
<td>44.54</td>
<td>6.97</td>
<td>6.68</td>
<td></td>
</tr>
<tr>
<td>Status t1: job</td>
<td>51.61</td>
<td>51.40</td>
<td>45.65</td>
<td>7.25</td>
<td>5.86</td>
</tr>
<tr>
<td>UE &lt;90d &amp; NEET</td>
<td>47.09</td>
<td>47.15</td>
<td>7.44</td>
<td>7.18</td>
<td></td>
</tr>
<tr>
<td>UE ≥90d &amp; NEET</td>
<td>44.74</td>
<td>43.86</td>
<td>6.85</td>
<td>6.55</td>
<td></td>
</tr>
<tr>
<td>UE &lt;90d &amp; job</td>
<td>49.07</td>
<td>51.96</td>
<td>44.50</td>
<td>7.58</td>
<td>5.76</td>
</tr>
<tr>
<td>UE ≥90d &amp; job</td>
<td>54.15</td>
<td>50.84</td>
<td>46.71</td>
<td>6.91</td>
<td>5.96</td>
</tr>
</tbody>
</table>

Note: N = 388.
status. Regarding job expectations, measured as the perceived probability of being able to work in the desired occupation one day, we also find negative effects of latent deprivation and re-employment (irrespective of unemployment duration). Because the institutional setting in Austria promotes the early formation of stable job aspirations and expectations (Basler & Kriesi, 2019), the effects we find for our sample of young adults are likely to be even more pronounced in countries where workers’ skills and occupational options are less predefined by their educational paths.

The fact that individuals who were employed at the time of the second interview displayed a decrease in aspirations and expectations warrants further discussion. As elaborated in the theory section, this negative effect of the unemployment-to-work transition was to be expected to some extent, since a similar decline in aspirations and expectations has been found in studies on school-to-work transitions. That aspirations did not decline for those with NEET status indicates that aspirations are indeed impaired by a combination of extended job search combined with experiences in the labor market.

A downwards adjustment of aspirations is not necessarily problematic. Young adults’ aspirations may have been unrealistically high in the first place, hampering their re-employment chances. This is why assessments of the match between desired and achievable occupations are part of active labor market programs (Alexander, 2019; Walther, 2015). Indeed, based on a crude comparison of the actual level of education and the required level of education for the desired occupation, we find that 47.4% of the respondents did not possess the necessary qualifications generally needed for the ISCO1-level of their desired job. Moreover, as has been argued by Tomasik et al. (2009) and suggested by our analysis, starting with high aspirations and gradually lowering them when they cannot be fulfilled may lead to better career outcomes than the reverse strategy of starting with low aspirations and raising them later.

However, there are also important downsides to lowered aspirations. First, it is difficult to assess whether aspirations were indeed unrealistic. In the short term, they probably were too high as compared to the current level of education and the jobs available to the young adults. Yet, at the age of 18–28, further education can be acquired if necessary. Furthermore, in the long term, the lower aspirations of young adults may become a self-fulfilling prophecy if further education and career advancements are not pursued due to a lack of motivation. Second, our findings indicate that young adults may not only accept temporary setbacks but even abandon long-term aspirations due to pressures to accept any job just to get out of unemployment. Third, the finding that those with longer periods of unemployment lower their aspirations is telling of the deepening scars that unemployment inflicts on young people. In view of the importance of the profession and of employment for an individual’s status in society, an occupation that does not conform to initial aspirations has lasting negative effects on mental and material wellbeing. Indeed, we find that those respondents whose jobs at the time of the second interview did not match their aspirations at the time of the first interview were more likely to feel overqualified, displayed lower levels of job and life satisfaction, and earned less in their jobs than their peers whose jobs matched or surpassed their initial aspirations (see Table A6 in the Supplementary File). Hence, experiences during unemployment and their effects on job aspirations and expectations warrant further exploration. Our study should thus contribute to a renewed interest in the causal mechanisms behind unemployment scars.

Future research should seek to overcome several limitations that we faced in this study: First, while the size of our sample is already large in comparison to previous studies of unemployed young people (Axelsson et al., 2007), larger sample sizes will be required to explore more complex relationships between different combinations of factors. Second, the analysis of two-period panel data suffers from important caveats. The change score models do not account for the fact that aspirations and expectations at t0 could affect our independent variables of interest, especially unemployment duration and job search success. While we also estimated lagged dependent variable models, which yield similar results, neither change score nor lagged dependent variable models are ideally suited to measure treatment effects due to potential endogeneity and omitted variables—biases that can neither be ruled out nor tested with the available data (Morgan & Winship, 2014). Future panel studies with observations for more than two periods could help to overcome this problem. Finally, the relationship between aspirations and expectations is highly complex. In this study, we analyzed them in parallel, apart from accounting for a potential effect of change in aspirations on change in expectations by including a respective control variable in our models. Yet, their complex relationship should be explored further, which, again, would require more than two survey waves.

Acknowledgments

The study is based on data from a panel survey that has been funded by the Austrian Federal Ministry of Labour, Social Affairs and Consumer Protection as part of the JuSAW project. Open access funding was provided by the University of Vienna.

Conflict of Interests

The authors declare no conflict of interests.

Supplementary Material

Supplementary material for this article is available online in the format provided by the author (unedited).
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