

How unemployment affects cultural spending

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This research was conducted by **Javier Gardeazabal** and **Eduardo Polo-Muro** at **University of the Basque Country, Spain**

Summary

This paper explores the impact of unemployment on household spending on culture (specifically cinema and performing arts, museums and other exhibits, and books). The research found that when someone became unemployed their household would experience a significant fall in income and a reduction in cultural expenditure, 'more so when households already had an unemployed member to begin with'. Correspondingly, the research found that when someone went from being unemployed to employed their income would rise significantly but their spending on culture did not bounce back. The authors show that wider economic prospects as well as the gender and education of those undergoing a change in employment status affect any change to levels of household cultural spending.

The study is based on a nationally representative survey of income and expenditure in Spanish households from 2006-2015

The data covers a decade of mixed economic fortunes. Up to 2008 the Spanish economy was growing, then there was a deep recession which lasted until 2013, at which point the economy began to grow again. During the recession all parts of Spanish society experienced an increase in unemployment, and the survey reveals a corresponding shock to household incomes. Detailed analysis reveals that one household member becoming unemployed led to a decline of over 16 per cent in the average household cultural expenditure. When a second

person in a household became unemployed there was a further reduction of between 19 to 26 per cent.

When becoming unemployed, ‘the reduction in cultural expenditure is larger in hard times’

This suggests the different patterns in household spending as a result of changes to employment in good or bad times might not be related to income specifically. Alternative explanations are that people lose a taste for cultural goods during times of mixed fortunes, or that their wealth and future income expectations shape their decisions, or they follow social norms of reducing spending on ‘non-essentials’ like culture when times are tight.

Keywords

spain **employment** **survey**

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