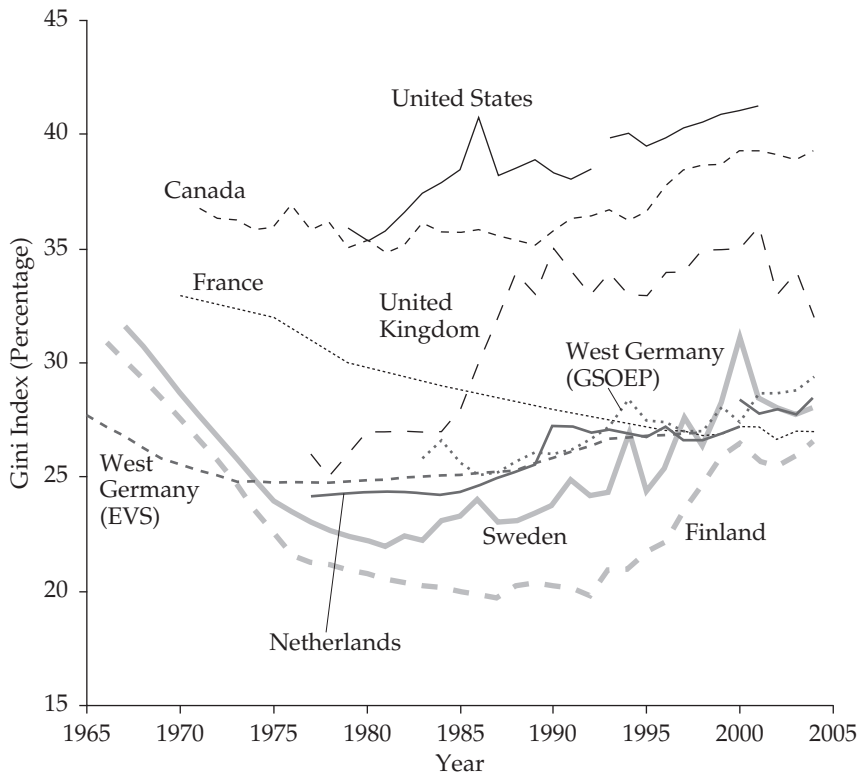


**Figure 1.1** Gini Index (Percentage) of Disposable Income



Source: Brandolini and Smeeding (2009), reproduced with permission.

Note: The Gini index varies from 0, complete equality, to 1, complete inequality. EVS = Survey of Income and Expenditure; GSOEP = German Socio-Economic Panel

**Figure 1.2** Estimates of Intergenerational Income Mobility and Inequality for Fathers and Sons for Eleven Developed Countries

	Low parental inequality	Medium parental inequality	High parental inequality
High-medium persistence (low or medium mobility)		Germany	France Italy United Kingdom United States
Low persistence (high mobility)	Finland Norway Sweden	Denmark	Australia Canada

*Source:* Authors' calculations based on Blanden (2009) and Björklund and Jäntti (2009).

*Notes:* See table 1.1 for classifications of high, medium, and low. Japan is not included because of lack of data.

**Table 1.1 Comparing Mobility and Inequality**

Nation	Persistence Elasticity <sup>a</sup> (Mobility–Immobility)	Inequality <sup>b</sup> (Pre-1980)	Inequality (1980 to 2004)
Finland	Low	Low	Low
Sweden	Low	Low	Low
Norway	Low	Low	Low
Denmark	Low	Medium	Low
Canada	Low	High	High
Australia	Low	High	High–Medium
Germany	Medium	Medium	Medium
United Kingdom	High	High	High
France	High	High	Medium
United States	High	High	High
Italy	High	High	High

*Source:* Authors' compilation based on Björklund and Jäntti (2009); Brandolini and Smeeding (2009); Blanden (2009); and Luxembourg Income Study (LIS) (n.d.).

<sup>a</sup>The higher the persistence elasticity, the lower the mobility: "low" = < .3; "medium" = .3 to .4; and "high" = > .4.

<sup>b</sup>The higher the Gini coefficient, the higher the household inequality: "low" = Gini of .20 to .25; "medium" = Gini of .26 to .30; "high" = Gini of .32 to .37.

**Table 2.1** Pathway Variables

	U.S. Data	British Data
Education at age thirty	High school graduate Some college College completion	O level or equivalent A level Degree or equivalent
Early marriage	Year of first marriage age twenty-two or younger	Year of first marriage is before 1992
Labor market (ages twenty-two to twenty-five, ages twenty-six to twenty- eight)	Percentage of years working less than 500 hours and not attending school  Percentage of years working 1,500 hours or more or primary role is student	Percentage of years where less than six months are spent in full-time work or full- time education  Percentage of years with twelve months of full-time work or at least six months of full-time education
Health at age thirty	Excellent Poor or very poor	Excellent Poor or fair
Marriage	Married at age thirty	Married at age thirty
Occupation at age thirty	Seven-category occupa- tion code based on NS-SEC	Seven-category occupa- tion code based on NS-SEC
Occupation at age thirty-four	Seven-category occupa- tion code based on NS-SEC	Seven-category occupa- tion code based on NS-SEC

Source: Authors' compilation.

**Table 2.2 Descriptive Statistics for Pathway Variables in Earnings Regressions**

	U.S. Men	U.S. Women	British Men	British Women
At least high school graduate/O levels	88.7%	91.2%	74.1%	75.5%
At least some college/A levels	53.0	56.8	43.7	45.5
Graduate college/degree	29.1	27.4	23.4	23.4
Education missing	1.4	1.3	6.4	3.3
Married at age twenty-two or less	31.3	46.8	5.4	12.9
Missing married at twenty-two	17.3	18.0	5.2	3.3
Ages twenty-two to twenty-five, no work/education	22.9	25.2	5.8	13.9
Ages twenty-two to twenty-five, full-time work/education	64.5	58.3	88.1	70.9
Ages twenty-six to twenty-nine, no work/education	7.5	19.4	2.8	12.5
Ages twenty-six to twenty-nine, full-time work/education	84.5	63.7	71.5	51.8
Missing labor market information	2.3	0.4	6.2	3.2
Married at age thirty	66.7	63.5	38.3	47.5
Missing married at thirty	2.0	0.3	7.6	4.0
Health excellent at thirty	34.2	27.2	33.2	33.9
Health poor (plus "fair" for U.K. respondents) at thirty	4.2	7.1	13.0	11.7
Health missing at thirty	3.8	1.9	6.2	3.2
Higher managerial and professional level at thirty	16.3	11.8	15.4	7.4
Lower managerial and professional level or higher at thirty	40.0	43.3	45.7	44.9
Intermediate or higher at thirty	49.0	63.6	55.6	70.4
Small employers and own account or higher at thirty	58.9	69.9	56.6	71.1
Lower supervisory and technical level or higher at thirty	71.7	72.2	77.7	77.9
Semiroutine or higher at thirty	85.9	86.3	88.2	92.6
Missing occupation at thirty	12.5	16.3	9.2	12.3
Higher managerial and professional level at thirty-four	17.7	9.7	22.4	12.8
Lower managerial and professional level or higher at thirty-four	41.0	41.2	51.9	49.9
Intermediate or higher at thirty-four	51.2	63.9	59.3	70.5
Small employers and own account or higher at thirty-four	60.3	69.6	63.1	72.3

(Table continues on p. 40.)

**Table 2.2** *Continued*

	U.S. Men	U.S. Women	British Men	British Women
Lower supervisory and technical or higher at thirty-four	73.9	70.9	81.1	77.7
Semiroutine or higher at thirty-four	88.3	86.9	90.4	94.1
Missing occupation at thirty-four	5.4	10.7	19.5	22.9
Sample size	647	801	3,899	3,766

*Source:* Authors' calculations based on data from the Panel Study of Income Dynamics (PSID) (2011) for the United States, and the British Cohort Study (BCS) (n.d.) for Great Britain.

*Note:* The means of the variables are the means of the observations that are not missing. This is appropriate because in the main analysis missing values are replaced with these mean values.

**Table 2.3 Comparison of Individual Earnings Persistence Across Countries**

	United States	Great Britain
$\beta$ s (elasticities)		
Men	0.385 (0.047)	0.269 (0.016)
Women	0.349 (0.050)	0.341 (0.025)
Partial correlations		
Men	0.301 (0.037)	0.275 (0.017)
Women	0.241 (0.035)	0.220 (0.016)

*Source:* Authors' calculations based on data from the Panel Study of Income Dynamics (PSID) (2011) for the United States, and the British Cohort Study (BCS) (n.d.) for Great Britain.

*Note:* Standard errors in parentheses.

**Table 2.4 Sequential Models: U.S. Men**

	(1)		(2)		(3)		(4)	
	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$
Explained components of total $\beta$								
Education	0.217	56.3%	0.220	57.2%	0.139	36.2%	0.122	31.7%
Early marriage			0.011	2.9	0.010	2.6	0.011	2.9
Labor market attachment, ages twenty-two to twenty-five			-0.006	-1.7	-0.010	-2.6	-0.010	-2.5
Labor market attachment, ages twenty-six to twenty-nine					0.017	4.4	0.016	4.1
Marriage and health at thirty					0.004	1.0	0.005	1.4
Occupation at thirty					0.076	19.7	0.054	13.9
Occupation at thirty-four							0.044	11.6
Explained $\beta$	0.217	56.3	0.225	58.4	0.235	61.3	0.242	63.0
Unexplained $\beta$	0.168	43.7	0.160	41.6	0.149	38.7	0.142	37.0
Total $\beta$	0.385		0.385		0.385		0.385	

Source: Authors' calculations based on Panel Study of Income Dynamics (PSID) (2011).



**Table 2.5 Sequential Models: British Men**

	(1)		(2)		(3)		(4)	
	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$
Explained components of total $\beta$								
Education	0.093	34.7%	0.095	35.5%	0.053	19.8%	0.037	13.6%
Early marriage			-0.0007	-0.3	-0.0003	-0.1	-0.004	-0.1
Labor market attachment, ages twenty-two to twenty-five			0.013	4.7	0.007	2.7	0.008	2.9
Labor market attachment, ages twenty-six to twenty-nine					0.009	3.4	0.009	3.1
Marriage and health at thirty					0.004	1.5	0.0034	1.3
Occupation at thirty					0.065	24.2	0.044	16.5
Occupation at thirty-four							0.057	21.1
Explained $\beta$	0.094	34.7	0.107	39.9	0.137	51.0	0.155	57.7
Unexplained $\beta$	0.175	65.3	0.162	60.1	0.131	48.6	0.112	41.9
Total $\beta$	0.269		0.269		0.269		0.269	

*Source:* Authors' calculations based on British Cohort Study (BCS) (n.d.).

**Table 2.6 Sequential Models: United States Women**

	(1)		(2)		(3)		(4)	
	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$
Explained components of total $\beta$								
Education	0.194	55.7%	0.163	46.8%	0.094	27.0%	0.087	24.9%
Early marriage			0.019	5.5	-0.007	-1.9	-0.008	-2.2
Labor market attachment, ages twenty-two to twenty-five			0.078	22.4	0.032	9.1	0.031	9.0
Labor market attachment, ages twenty-six to twenty-nine					0.06	17.3	0.054	15.5
Marriage and health at thirty					-0.004	-1.0	-0.003	-0.8
Occupation at thirty					0.077	22.1	0.059	17.0
Occupation at thirty-four							0.050	14.4
Explained $\beta$	0.194	55.7	0.260	74.7	0.253	72.6	0.272	77.8
Unexplained $\beta$	0.155	44.3	0.088	25.3	0.096	27.4	0.077	22.2
Total $\beta$	0.349		0.349		0.349		0.349	

*Source:* Authors' calculations based on Panel Study of Income Dynamics (PSID) (2011).

**Table 2.7 Sequential Models: British Women**

	(1)		(2)		(3)		(4)	
	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$
Explained components of total $\beta$								
Education	0.175	51.5%	0.158	46.4%	0.075	22.0%	0.054	15.8%
Early marriage			0.003	0.7	-0.002	-0.6	-0.001	-0.4
Labor market attachment, ages twenty-two to twenty-five			0.054	15.7	0.007	2.0	0.007	2.0
Labor market attachment, ages twenty-six to twenty-nine					0.061	18.0	0.057	16.8
Marriage and health at thirty					-0.0003	-0.1	-0.001	-0.3
Occupation at thirty					0.097	28.6	0.070	20.6
Occupation at thirty-four							0.071	21.0
Explained $\beta$	0.175	51.5	0.214	62.8	0.203	70.0	0.257	75.5
Unexplained $\beta$	0.163	48.5	0.127	37.2	0.138	30.0	0.083	24.5
Total $\beta$	0.341				0.341		0.341	

*Source:* Authors' calculations based on British Cohort Study (BCS) (n.d.).

**Table 2.8 Double Decomposition Using Education Pathway—Men**

	Total Effect ( $\lambda\gamma$ )		Effect Through Education ( $\lambda_{ed}\phi\gamma$ )		Direct Effect ( $\delta\gamma$ )	
	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$
Explained components of total $\beta$ , United States						
Education	0.122	31.7%	0.122	31.7%		
Early marriage	0.011	2.9	0.006	1.5	0.005	1.4%
Labor market attachment, ages twenty-two to twenty-five	-0.010	-2.5	-0.008	-2.2	-0.001	-0.4
Labor market attachment, ages twenty-six to twenty-nine	0.016	4.1	0.008	2.0	0.008	2.1
Marriage and health at thirty	0.005	1.4	0.006	1.5	-0.001	-0.2
Occupation at thirty	0.054	13.9	0.037	9.6	0.016	4.3
Occupation at thirty-four	0.045	11.6	0.030	7.9	0.014	3.7
Explained $\beta$	0.242	63.0	0.201	52.2	0.041	10.6
Unexplained $\beta$	0.142	37.0				
Total $\beta$	0.385	100.0				

*(Table continues on p. 50.)*

**Table 2.8** *Continued*

	Total Effect ( $\lambda\gamma$ )		Effect Through Education ( $\lambda_{\text{edu}}\phi\gamma$ )		Direct Effect ( $\delta\gamma$ )	
	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$
Explained components of total $\beta$ , Great Britain						
Education	0.037	13.6%	0.037	13.6%		
Early marriage	-0.0004	-0.1	-0.0002	-0.1	-0.002	-0.1%
Labor market attachment, ages twenty-two to twenty-five	0.008	2.9	-0.0007	-0.2	0.008	3.1
Labor market attachment, ages twenty-six to twenty-nine	0.008	3.1	0.001	0.4	0.007	2.7
Marriage and health at thirty	0.0034	1.3	0.0021	0.5	0.001	0.8
Occupation at thirty	0.044	16.5	0.0241	9.0	0.020	7.5
Occupation at thirty-four	0.057	21.1	0.0272	10.1	0.029	11.0
Explained $\beta$	0.156	58.3	0.0893	33.2	0.067	25.0
Unexplained $\beta$	0.112	41.7				
Total $\beta$	0.269					

*Source:* Authors' calculations based on Panel Study of Income Dynamics (PSID) (2011) for the United States and British Cohort Study (BCS) (n.d.) for Great Britain.

**Table 2.9 Double Decomposition Using Education Pathway—Women**

	Total Effect		Effect Through Education		Direct Effect	
	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$
Explained components of total $\beta$ , United States						
Education	0.087	24.9%	0.087	24.9%		
Early marriage	-0.008	-2.2	-0.005	-1.3	-0.003	-0.9%
Labor market attachment, ages twenty-two to twenty-five	0.031	9.0	0.001	0.4	0.030	8.5
Labor market attachment, ages twenty-six to twenty-nine	0.054	15.5	0.041	11.8	0.013	3.7
Marriage and health at thirty	-0.003	-0.8	0.001	0.3	-0.004	-1.2
Occupation at thirty	0.059	17.0	0.027	7.7	0.032	9.3
Occupation at thirty-four	0.050	14.4	0.020	5.6	0.031	8.8
Explained $\beta$	0.271	77.8	0.172	49.3	0.099	28.4
Unexplained $\beta$	0.077	22.2				
Total $\beta$	0.349	100.0				

*(Table continues on p. 52.)*

**Table 2.9** *Continued*

	Total Effect		Effect Through Education		Direct Effect	
	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$
Explained components of total $\beta$ , Great Britain						
Education	0.054	15.8%	0.054	15.8%		
Early marriage	-0.001	-0.4	-0.0007	-0.2	-0.0006	-0.2%
Labor market attachment, ages twenty-two to twenty-five	0.007	2.0	0.0021	0.6	0.005	1.4
Labor market attachment, ages twenty-six to twenty-nine	0.057	16.8	0.039	11.4	0.018	5.4
Marriage and health at thirty	-0.001	-0.3	0.0015	0.4	-0.002	-0.7
Occupation at thirty	0.070	20.6	0.037	10.8	0.033	9.8
Occupation at thirty-four	0.071	21.0	0.037	10.7	0.035	10.3
Explained $\beta$	0.257	75.5	0.169	49.6	0.091	25.9
Unexplained $\beta$	0.083	24.5				
Total $\beta$	0.341					

*Source:* Authors' calculations based on data from Panel Study of Income Dynamics (PSID) (2011) for the United States and British Cohort Study (BCS) (n.d.) for Great Britain.

# Appendix

**Table 2A.1 United States and British Men, Detailed Decomposition Results**

Factors	Parent Income Influence on Factor ( $\lambda$ )		Return to Factor ( $\gamma$ )		Ratio ( $\lambda/\gamma$ )		Decomposition of Total $\beta$ : Percentage Variation Explained	
	United States	Great Britain	United States	Great Britain	United States	Great Britain	United States	Great Britain
	High school graduate/O levels Attend college/A levels	0.095 (.020)	0.148 (.013)	0.187 (.084)	0.040 (.018)	0.51	3.73	4.6%
College graduate/degree	0.304 (.030)	0.211 (.015)	0.061 (.070)	0.024 (.019)	4.95	8.61	4.9	1.9
Education total	0.239 (.027)	0.181 (.013)	0.357 (.073)	0.142 (.022)	0.67	1.27	22.2	9.5
							31.7	13.6
Ages twenty-two to twenty-five, no labor/education	-0.002 (.019)	-0.034 (.006)	0.079 (.124)	-0.193 (.067)	-0.03	0.17	0.0	2.4
Ages twenty-two to twenty-five, full-time work/education	-0.032 (.017)	0.019 (.007)	0.297 (.133)	0.063(.050)	-0.11	0.30	-2.5	0.5
Ages twenty-six to twenty-nine, no labor/education	-0.015 (.012)	-0.016 (.004)	-0.093 (.204)	-0.241 (.072)	0.17	0.07	0.4	1.4
Ages twenty-six to twenty-nine, full-time work/education	0.025 (.016)	0.011 (.004)	0.568 (.144)	0.416 (.059)	0.04	0.03	3.7	1.6
Labor market attachment total							4.5	6.0



Married at age twenty-two or younger	-0.156 (.026)	-0.022 (.007)	-0.072 (.063)	0.016 (.030)	2.17	-1.34	2.9	-0.1
Married at age thirty	-0.008 (.030)	0.016 (.015)	0.061 (.063)	0.074 (.014)	-0.13	0.21	-0.1	0.4
Health poor	-0.010 (.012)	-0.022 (.010)	-0.426 (.132)	-0.042 (.037)	0.02	0.53	1.1	0.4
Health excellent	0.068 (.030)	0.062 (.015)	0.022 (.055)	0.022 (.015)	3.06	0.10	0.4	0.5
Marriage and health total							4.3	1.2
Occupation 2 or better at thirty	0.089 (.022)	0.089 (.011)	0.086 (.099)	0.055 (.022)	1.04	1.62	2.0	1.8
Occupation 3 or higher at thirty	0.156 (.029)	0.204 (.015)	-0.063 (.106)	0.105 (.025)	-2.49	1.94	-2.6	8.0
Occupation 4 or higher at thirty	0.191 (.029)	0.211 (.015)	0.416 (.132)	-0.052 (.077)	0.46	-4.05	20.7	-4.1
Occupation 5 or higher at thirty	0.169 (.029)	0.208 (.015)	-0.374 (.117)	0.070 (.075)	-0.45	2.98	-16.4	5.3
Occupation 6 or higher at thirty	0.168 (.026)	0.148 (.012)	0.213 (.109)	0.114 (.026)	0.79	1.30	9.3	6.3
Occupation 7 or higher at thirty	0.085 (.020)	0.069 (.010)	0.040 (.107)	-0.040 (.029)	2.13	-1.74	0.9	-1.0
Occupation at age thirty total							13.9	16.5
Occupation 2 or better at thirty-four	0.116 (.023)	0.129 (.012)	0.217 (.094)	0.183 (.021)	0.53	0.71	6.5	8.8
Occupation 3 or higher at thirty-four	0.176 (.030)	0.182 (.014)	-0.047 (.101)	0.171 (.030)	-3.76	1.07	-2.1	11.5
Occupation 4 or higher at thirty-four	0.192 (.031)	0.172 (.014)	0.157 (.127)	-0.096 (.053)	1.22	-1.79	7.9	-6.0
Occupation 5 or higher at thirty-four	0.209 (.030)	0.173 (.014)	-0.062 (.115)	0.013 (.048)	-3.35	13.02	-3.4	1.0
Occupation 6 or higher at thirty-four	0.191 (.027)	0.114 (.011)	0.115 (.105)	0.170 (.030)	1.66	0.67	5.7	7.2
Occupation 7 or higher at thirty-four	0.094 (.020)	0.049 (.008)	-0.121 (.107)	-0.070 (.034)	-0.77	-0.70	-3.0	-1.3
Occupation at age thirty-four total							11.6	21.1
Total percentage variation explained							63.1	58.3

*Source:* Authors' calculations based on Panel Study of Income Dynamics (PSID) (2011) for the United States and British Cohort Study (BCS) (n.d.) for Great Britain.

*Note:* The omitted comparison factors for each categories are: high school dropout/no O levels, part-time worker, occupation = 7, and health "good" or "very good." The categorical variables are coded as "at least" high school, and so on. Standard errors are in parentheses.

**Table 2A.2 United States and British Women, Detailed Decomposition Results**

Factors	Parent Income Influence on Factor ( $\lambda$ )		Return to Factor ( $\gamma$ )		Ratio ( $\lambda/\gamma$ )		Decomposition of Total $\beta$ : Percentage Variation Explained	
	United States	Great Britain	United States	Great Britain	United States	Great Britain	United States	Great Britain
	High school graduate/O levels	0.095 (.020)	0.148 (.013)	0.187 (.084)	0.040 (.018)	0.51	3.73	4.6%
High school graduate/O levels	0.099 (.016)	0.143 (.014)	0.036 (.102)	0.029 (.022)	2.74	4.89	1.0%	1.2%
Attend college/A levels	0.250 (.026)	0.209 (.016)	-0.022 (.066)	0.113 (.023)	-11.44	1.85	-1.6	6.9
College graduate/degree	0.218 (.024)	0.195 (.013)	0.406 (.076)	0.134 (.026)	0.54	1.46	25.4	7.6
Education total							24.9	15.8
Ages twenty-two to twenty-five, no labor/education	-0.101 (.022)	0.082 (.012)	-0.139(.114)	-0.147 (.047)	0.73	0.54	4.0	-1.4
Ages twenty-two to twenty-five, full-time work/education	0.050 (.018)	0.031 (.007)	0.341 (.122)	-0.057 (.035)	0.15	-1.44	4.9	-0.7
Ages twenty-six to twenty-nine, no labor/education	-0.066 (.017)	-0.044 (.008)	-0.210 (.136)	-0.440 (.044)	0.31	0.10	4.0	5.7
Ages twenty-six to twenty-nine, full-time work/education	0.066 (.021)	0.046 (.010)	0.605 (.098)	0.820 (.036)	0.11	0.06	11.5	11.1
Labor market attachment total							24.5	18.8
Married at age twenty-two or younger	-0.148 (.025)	-0.079 (.009)	0.051 (.063)	0.025(.026)	-2.90	-1.98	-2.2	3.4

Married at age thirty	0.073 (.027)	0.010 (.016)	-0.198 (.069)	-0.084 (.018)	-0.37	-0.11	-4.1	-0.2
Health poor/fair	-0.030 (.010)	-0.034 (.010)	-0.223 (.141)	0.028 (.027)	0.14	-1.19	1.9	-0.3
Health excellent	0.049 (.024)	0.045 (.015)	0.095 (.061)	0.018 (.018)	0.51	2.52	1.3	0.2
Marriage and health total							-3.0	3.1
Occupation 2 or better at thirty	0.075 (.017)	0.068 (.008)	0.034 (.111)	0.155 (.037)	2.18	0.44	0.7	3.1
Occupation 3 or higher at thirty	0.195 (.025)	0.179 (.015)	0.311 (.084)	0.153 (.024)	0.63	1.17	17.4	8.1
Occupation 4 or higher at thirty	0.193 (.024)	0.161 (.014)	0.131 (.134)	0.221 (.110)	1.47	0.73	7.2	10.5
Occupation 5 or higher at thirty	0.181 (.023)	0.156 (.014)	-0.365 (.238)	-0.150 (.114)	-0.50	-1.05	-19.0	-6.9
Occupation 6 or higher at thirty	0.176 (.022)	0.116 (.013)	0.090 (.222)	0.132 (.041)	1.95	0.88	4.5	4.5
Occupation 7 or higher at thirty	0.098 (.098)	0.044 (.008)	0.220 (.114)	0.106 (.040)	0.45	0.41	6.2	1.4
Occupation at thirty total							17.0	21.6
Occupation 2 or better at thirty-four	0.087 (.016)	0.080 (.010)	0.283 (.117)	0.124 (.032)	0.31	0.64	7.0	2.9
Occupation 3 or higher at thirty-four	0.216 (.025)	0.150 (.014)	-0.087 (.080)	0.213 (.027)	-2.49	0.71	-5.4	9.4
Occupation 4 or higher at thirty-four	0.220 (.024)	0.142 (.013)	0.188 (.138)	0.074 (.079)	1.17	1.93	11.9	3.1
Occupation 5 or higher at thirty-four	0.189 (.024)	0.140 (.013)	0.013 (.295)	0.003 (.086)	14.97	47.45	0.7	0.1
Occupation 6 or higher at thirty-four	0.183 (.023)	0.114 (.012)	0.003 (.280)	0.115 (.047)	59.71	0.99	0.2	3.9
Occupation 7 or higher at thirty-four	0.120 (.018)	0.038 (.007)	0.002 (.104)	0.144 (.046)	75.94	0.26	0.1	1.6
Occupation at thirty-four total							14.4	21.0
Total percentage variation explained							70.3	75.5

*Source:* Authors' calculations based on Panel Study of Income Dynamics (PSID) (2011) for the United States and British Cohort Study (BCS) (n.d.) for Great Britain.

*Note:* The omitted comparison factors for each categories are: high school dropout/no O levels, part-time worker, occupation = 7, and health "good" or "very good." The categorical variables are coded as "at least" high school, and so on. Standard errors are in parentheses.

**Table 2A.3 Comparison of Family Income Persistence Across Countries**

	United States	Great Britain
$\beta$ s (elasticities)		
Men	.355 (.042)	.294 (.020)
Women	.472 (.035)	.280 (.018)
Partial correlations		
Men	.315 (.038)	.240 (.016)
Women	.437 (.033)	.240 (.015)

*Source:* Authors' calculations based on Panel Study of Income Dynamics (PSID) (2011) for the United States and British Cohort Study (BCS) (n.d.) for Great Britain.

*Note:* Standard errors in parentheses.

**Table 2A.4 Offspring Family Income**

	United States Men		British Men		United States Women		British Women	
	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$	Part of Total $\beta$	Percentage of Total $\beta$
Explained components of total $\beta$								
Education	0.116	30.4%	0.027	9.3%	0.101	20.8%	0.043	15.4%
Early marriage	0.024	6.4	0.001	0.3	-0.004	-0.8	-0.001	-0.5
Labor market attachment, ages twenty-two to twenty-five	-0.002	-0.5	0.012	4.1	0.019	4.0	0.021	7.4
Labor market attachment, ages twenty-six to twenty-nine	0.011	3.0	0.011	3.6	0.020	4.2	0.007	2.4
Marriage and health at thirty	0.003	0.7	0.077	2.6	0.033	6.8	0.021	7.3
Occupation at thirty	0.034	8.8	0.036	12.3	0.045	9.3	0.032	11.4
Occupation at thirty-four	0.043	11.3	0.042	14.1	0.036	7.4	0.023	8.1
Employment at thirty and thirty-four			0.033	11.3			0.026	9.1
Explained $\beta$	0.229	60.0	0.169	57.7	0.251	51.7	0.169	60.6
Unexplained $\beta$	0.153	40.0	0.124	42.3	0.234	48.3	0.111	39.6
Total $\beta$	0.381		0.294		0.485		0.280	

Source: Authors' calculations based on Panel Study of Income Dynamics (PSID) (2011) for the United States and British Cohort Study (BCS) (n.d.) for Great Britain.

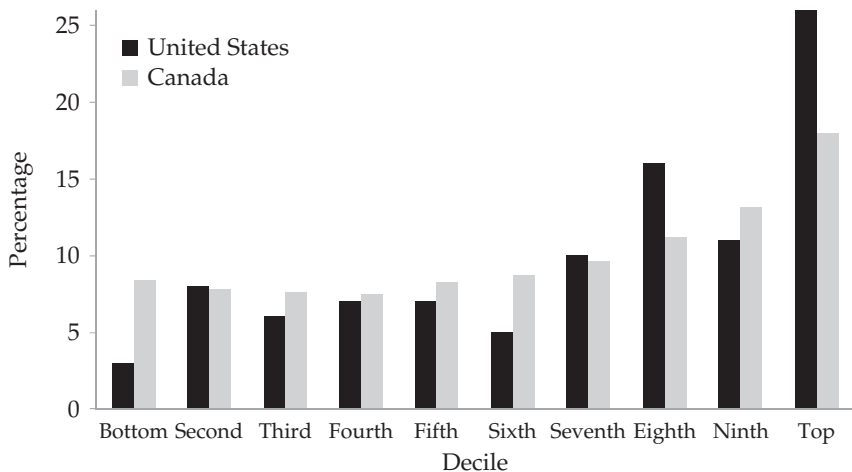
**Table 2A.5 Robustness Check on British Education Measures**

Alternative Education Measures	Parental Income Influence on Factor ( $\lambda$ )		Return to Factor ( $\gamma$ )		Ratio ( $\lambda/\gamma$ )		Percentage Variation Explained	
	Men	Women	Men	Women	Men	Women	Men	Women
Low academic qualifications (below O level)	.071 (.010)	.073 (.011)	-.001 (.052)	-.082 (.074)	-71.5	-0.90	-0.03%	-1.8%
Low vocational qualifications (below O level equivalent)	.094 (.011)	.090 (.011)	.125 (.057)	.183 (.080)	0.75	0.49	4.4	4.8
Vocational qualification (O level equivalent)	.108 (.012)	.113 (.013)	-.025 (.041)	-.162 (.062)	-4.3	-0.70	-1.02	-5.4
O level qualification	.142 (.014)	.143 (.014)	.084 (.029)	.242 (.048)	1.69	0.59	4.4	10.2
Post-school level vocational qualification	.193 (.015)	.206 (.016)	.056 (.028)	.171 (.048)	3.46	1.21	4.0	10.4
A level	.208 (.015)	.209 (.016)	.095 (.035)	.065 (.057)	2.18	3.30	7.4	4.02
Degree-level vocational qualification	.185 (.015)	.202 (.015)	-.020 (.034)	.137 (.048)	-9.40	1.48	-1.4	8.1
Degree	.179 (.013)	.195 (.013)	.268 (.025)	.380 (.037)	0.67	0.51	17.8	22.8
Education total							35.6	52.2

*Source:* Authors' calculations based on Panel Study of Income Dynamics (PSID) (2011) for the United States and British Cohort Study (BCS) (n.d.) for Great Britain.

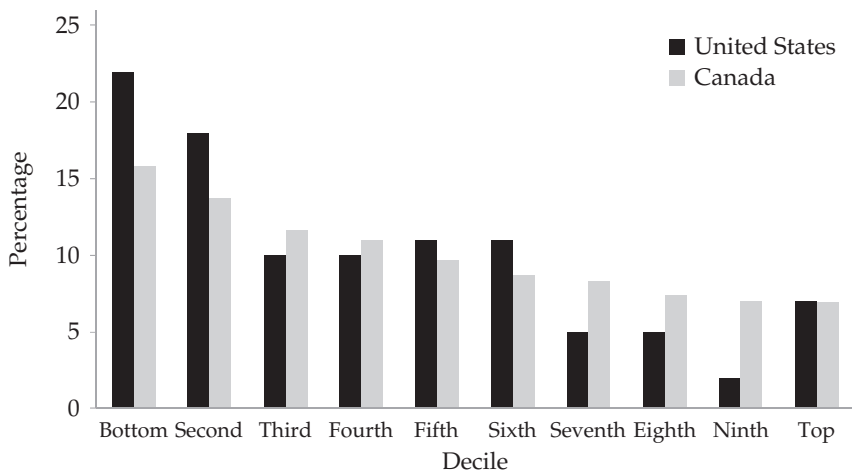
*Note:* Standard errors in parentheses.

**Figure 3.1 Earnings Deciles of Sons Born to Top-Decile Fathers:  
Canada and the United States**



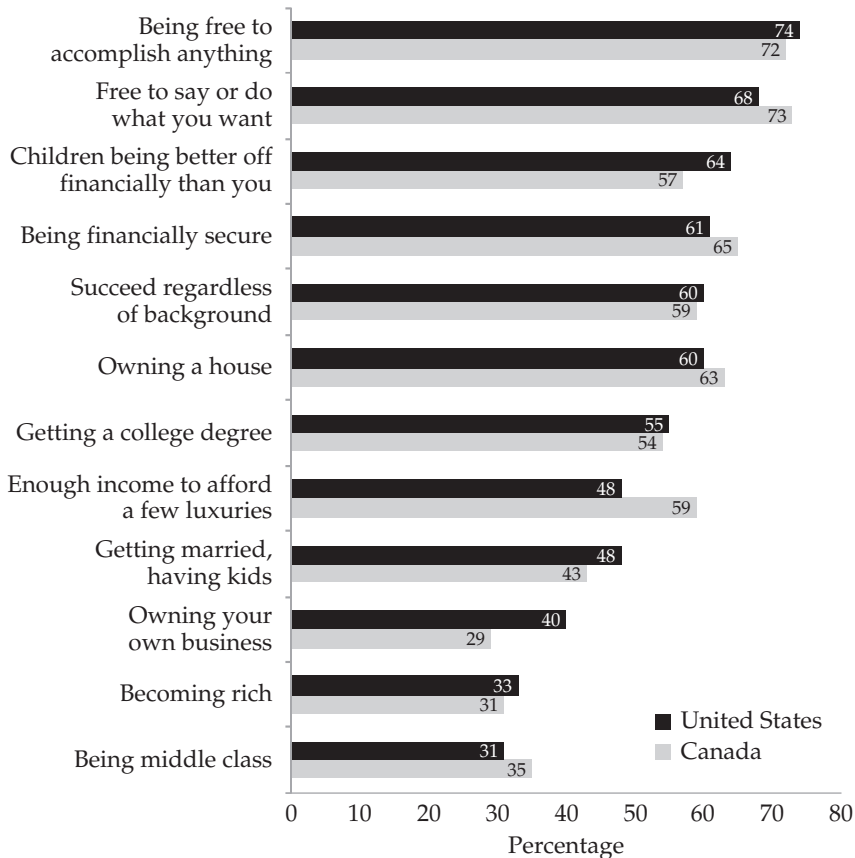
*Source:* Authors' calculations based on data from Corak and Heisz (1999, 520, table 6); Mazumder (2004, 93, table 2.2).

**Figure 3.2 Earnings Deciles of Sons Born to Bottom-Decile Fathers:  
Canada and the United States**



*Source:* Authors' calculations based on data from Corak and Heisz (1999, 520, table 6); Mazumder (2004, 93, table 2.2).

**Figure 3.3** Defining the American Dream in the United States and Canada: Percentage Responding Eight or Higher on a Ten-Point Scale



Source: Corak (2010, figure 5), reproduced with permission.



**Table 3.1 The Characteristics of Families and Parents in Canada and the United States for Children Thirteen Years of Age or Younger in the Late 1990s**

	Canada	United States
Proportion of children born to teenagers	2.1%	8.3%
Proportion of children born to black mothers	1.7	15.7
Proportion of children born to immigrants	17.2	14.3
Current marital status of mothers		
Married or common law	84.1	76.9
Single, divorced, or separated	8.9	13.0
Single, never married	6.0	9.1
Family size <sup>a</sup>		
No siblings	19.3	19.9
One sibling	46.0	40.0
Two siblings	24.5	24.6
Three or more siblings	10.2	15.6
Family size in single-parent families <sup>b</sup>		
No siblings	32.9	23.9
One sibling	41.8	33.9
Two siblings	18.7	24.5
Three or more siblings	6.6	17.7
Education attainment of mothers <sup>c</sup>		
Less than high school	12.1	12.9
High school diploma	17.6	31.3
Some postsecondary	27.5	16.3
Postsecondary certificate	25.0	14.5
University or college degree	17.7	25.1
Education attainment of single mothers <sup>d</sup>		
Less than high school	20.6	19.3
High school diploma	14.6	34.5
Some postsecondary	34.4	18.3
Postsecondary certificate	22.0	14.5
University or college degree	8.4	13.4

Source: Authors' calculations using weighted data from National Longitudinal Survey of Children and Youth (Statistics Canada n.d.) and the National Survey of American Families (Urban Institute n.d.).

<sup>a</sup>All children age thirteen or younger.

<sup>b</sup>All children age thirteen or younger living in single-mother families.

<sup>c</sup>All children age thirteen or younger with a mother present.

<sup>d</sup>All children age thirteen or younger living in single-mother families.

**Table 3.2**      **Distribution of Weekly Hours of Work for Mothers, Fathers, and Single Mothers of Children Age Thirteen and Younger in Canada and the United States**

	Mothers		Fathers		Single Mothers	
	Canada	United States	Canada	United States	Canada	United States
Not working	24.8	29.0	5.5	4.0	31.9	20.2
One to twenty-nine hours	24.8	16.9	2.9	2.2	18.6	13.7
Thirty to thirty-nine hours	25.1	13.8	11.6	4.8	23.6	17.6
Forty to forty-nine hours	20.3	32.8	51.7	50.4	21.0	39.3
Fifty or more hours	5.0	7.4	28.2	38.6	4.9	9.1

*Source:* Authors' calculations using weighted data from National Longitudinal Survey of Children and Youth (Statistics Canada n.d.) and the National Survey of American Families (Urban Institute n.d.).

*Note:* Expressed as column percentages of all children thirteen years or younger in each family type.

**Table 3.3 Child Care Arrangements in Canada and the United States**

	Canada	United States
Children zero to two years of age <sup>a</sup>		
Parental care	55.9%	40.7%
Child care center	6.4	13.3
Cared for by a relative	16.0	30.0
Cared for by a nonrelative	21.0	15.5
Children three to four years of age <sup>a</sup>		
Parental care	45.4	23.1
Child care center	12.4	34.3
Cared for by a relative	15.2	21.3
Cared for by a nonrelative	25.1	12.6
Children five to ten years of age <sup>a</sup>		
Parental care	54.6	40.7
Child care center	2.7	5.9
Before- or after-school program	5.2	13.6
Cared for by a relative	17.5	22.2
Cared for by a nonrelative	17.0	12.0
Children five to ten years of age in single-mother families <sup>b</sup>		
Parental care	48.1	27.7
Child care center	3.7	5.6
Before- or after-school program	7.7	17.7
Cared for by a relative	18.9	30.9
Cared for by a nonrelative	17.6	12.4

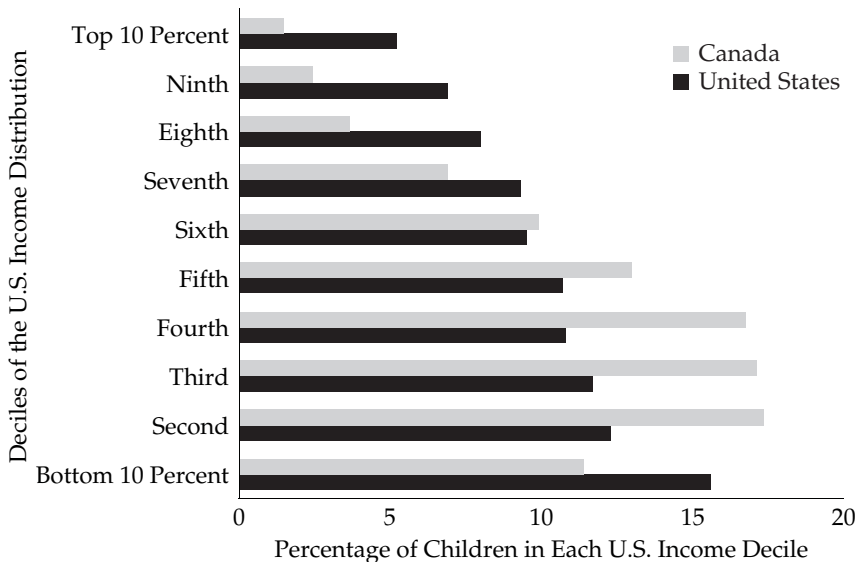
*Source:* Authors' calculations using weighted data from National Longitudinal Survey of Children and Youth (Statistics Canada n.d.) and the National Survey of American Families (Urban Institute n.d.).

*Note:* Totals do not add up to 100 as not all child care options are presented.

<sup>a</sup>Expressed as a percentage of children in the particular age category.

<sup>b</sup>Expressed as a percentage of children five to ten years of age in single-mother families.

**Figure 3.4**    **Distribution of Children in Canada and the United States  
in the U.S. Income Distribution**



*Source:* Authors' calculations using 1999 Current Population Survey for the United States (U.S. Bureau of the Census 1999) and 1998 Survey of Labour and Income Dynamics for Canada (Statistics Canada 2000).

**Table 3.4 Mental Health Indicators for Children Thirteen Years and Younger in Canada and the United States**

	Canada			United States		
	All Families	Single-Mother Families	Low-Income Families	All Families	Single-Mother Families	Low-Income Families
Nervous, high-strung, or tense						
Never or not true	71.2%	62.5%	67.2%	71.6%	66.7%	67.3%
Sometimes or somewhat true	25.7	31.7	28.8	25.1	28.2	27.4
Often or very true	3.0	5.8	4.0	3.2	5.1	5.3
Child cannot concentrate for long						
Never or not true	60.0	48.5	51.4	57.5	47.9	51.1
Sometimes or somewhat true	33.1	40.4	39.5	34.3	39.3	35.8
Often or very true	6.9	11.2	9.1	8.2	12.8	13.1
Miserable, unhappy, tearful, or distressed						
Never or not true	74.5	60.2	71.0	66.3	59.7	62.8
Sometimes or somewhat true	24.5	37.9	27.9	31.9	37.8	34.0
Often or very true	0.9	1.9	1.1	1.9	2.5	3.2

*Source:* Authors' calculations using weighted data from National Longitudinal Survey of Children and Youth (Statistics Canada n.d.) and the National Survey of American Families (Urban Institute n.d.).

*Notes:* Table entries are column percentages of all children thirteen years or younger, except for the middle panel, which refers to children between the ages of six and eleven. The responses to survey questions were "never," "sometimes," or "often" in Canada, and "not true," "somewhat true," or "very true" in the United States.

**Table 3.5 Indicators of Physical Health for Children in the United States and Canada**

	All Families		Single-Mother Families		Low-Income Families	
	Canada	United States	Canada	United States	Canada	United States
Child's health status <sup>a</sup>						
Excellent	58.1%	57.2%	52.4%	48.6%	52.4%	47.7%
Very good	29.2	26.4	31.5	27.8	29.7	25.8
Good	11.1	12.3	14.1	16.4	14.9	19.0
Fair	1.4	3.5	1.8	6.4	2.5	6.6
Poor	0.2	0.5	0.2	0.8	0.5	1.0
Physician visits during the year	83.6	77.4	86.5	77.9	84.0	69.9
Hospitalizations during the year	4.5	7.9	5.2	8.1	5.9	8.7

*Source:* Authors' calculations using weighted data from National Longitudinal Survey of Children and Youth (Statistics Canada n.d.) and the National Survey of American Families (Urban Institute n.d.).

*Note:* Expressed as a proportion of children thirteen years and younger in each family type.

<sup>a</sup>Health status as reported by the mother.

**Table 4.1**      **Summary of Hypotheses**

Theoretical Mechanism	United States	Germany
Homeownership and quality of neighborhood and schools	+	-
Direct monetary resource, specifically for higher education	+	-
Insurance function for educational decisionmaking and labor market entry and mobility	+	-
Unobserved parental characteristics	?	?

*Source:* Author's compilation.

*Note:* +/– denotes that the mechanism is hypothesized to be stronger, weaker, or similar when the two countries are compared.

**Table 4.2**      **Distribution of Wealth in the United States and Germany**

	NLSY (1989)	PSID (1989)	GSOEP (1988)
Gini coefficient	0.85	0.76	0.79
Wealth share of top 5 percent	56.9%	42.1%	33.0%
Wealth share of top 20 percent	83.1%	71.5%	73.2%

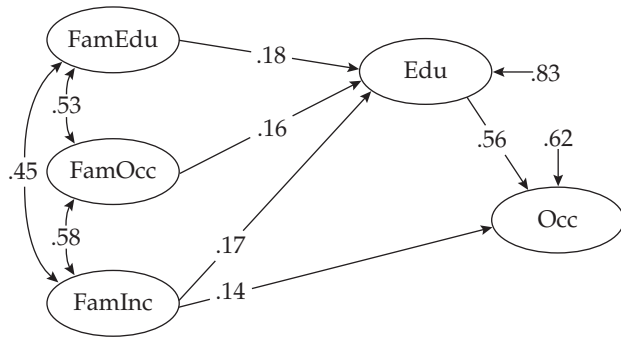
*Source:* Author's calculations based on data from National Longitudinal Survey of Youth (Center for Human Resource Research 2008), Panel Study of Income Dynamics (Brown and Schoeni 2007), and German Socio-Economic Panel (Wagner, Frick, and Schupp 2007).

*Note:* Based on analytic sample.

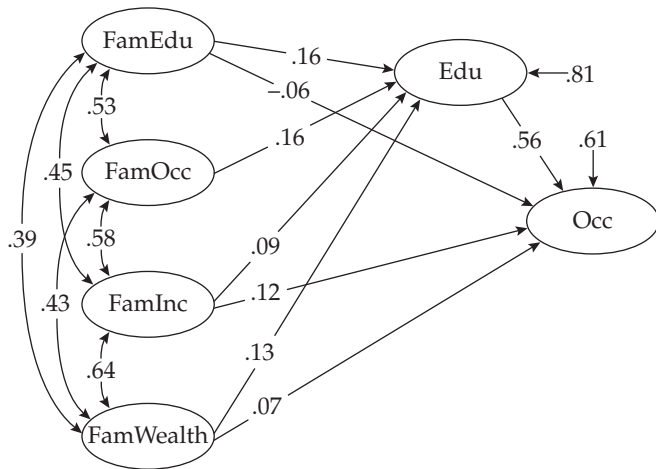


**Figure 4.1** Effect of Wealth on Standard Status Attainment Models:  
The United States (NLSY)

(a) Standard Model



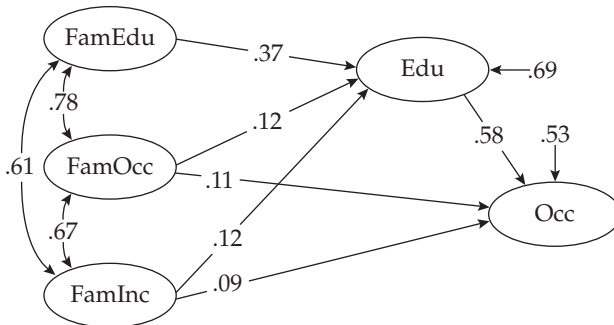
(b) Wealth Effects



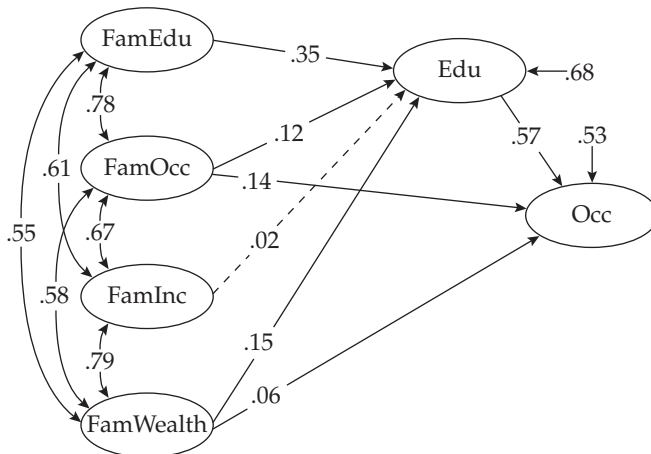
Source: Author's calculations based on National Longitudinal Survey of Youth (Center for Human Resource Research 2008).

**Figure 4.2** Effect of Wealth on Standard Status Attainment Models: The United States (PSID)

(a) Standard Model



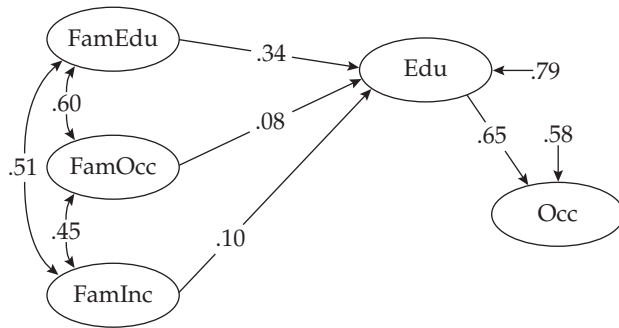
(b) Wealth Effects



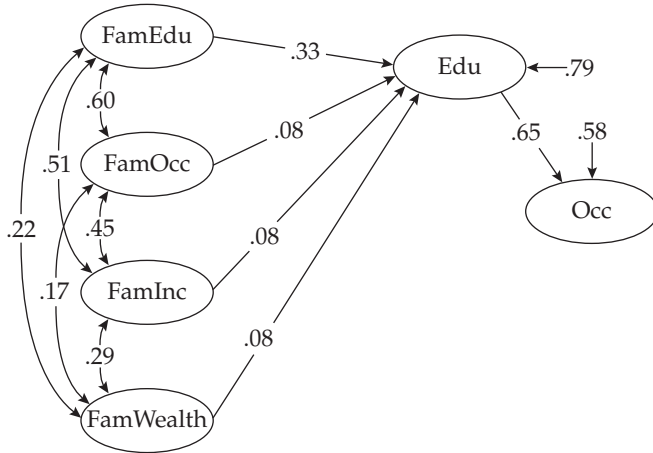
Source: Author's calculations based on Panel Study of Income Dynamics (Brown and Schoeni 2007).

**Figure 4.3** Effect of Wealth on Standard Status Attainment Models: Germany (GSOEP)

(a) Standard Model

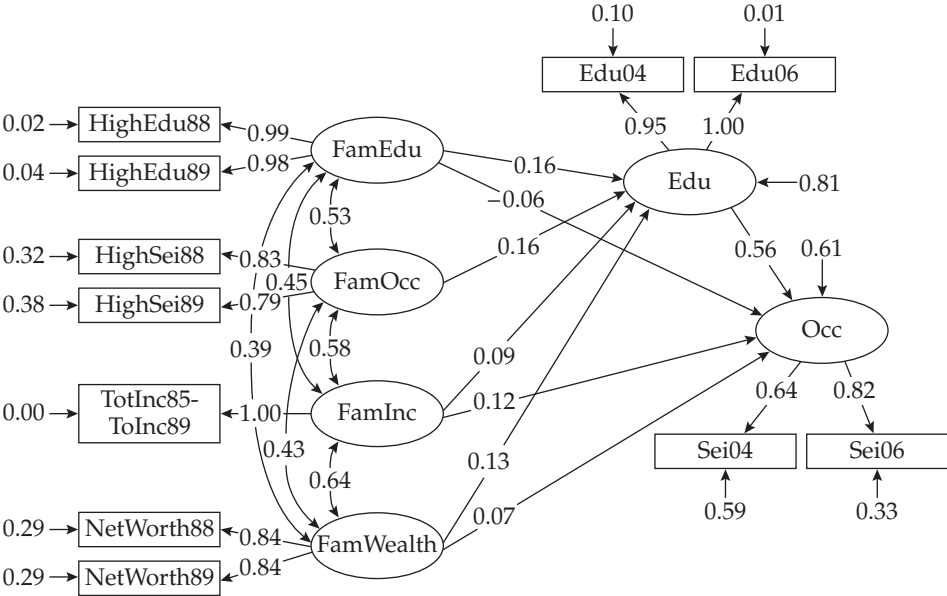


(b) Wealth Effects



Source: Author's calculations based on German Socio-Economic Panel (Wagner, Frick, and Schupp 2007).

Figure 4A.1 Full Status Attainment Model: NLSY



Fit statistics (N = 2,497):  $\chi^2 = 50.17$ ,  $df = 27$ ,  $p = .00435$ , RMSEA = .019, BIC = -161.0.

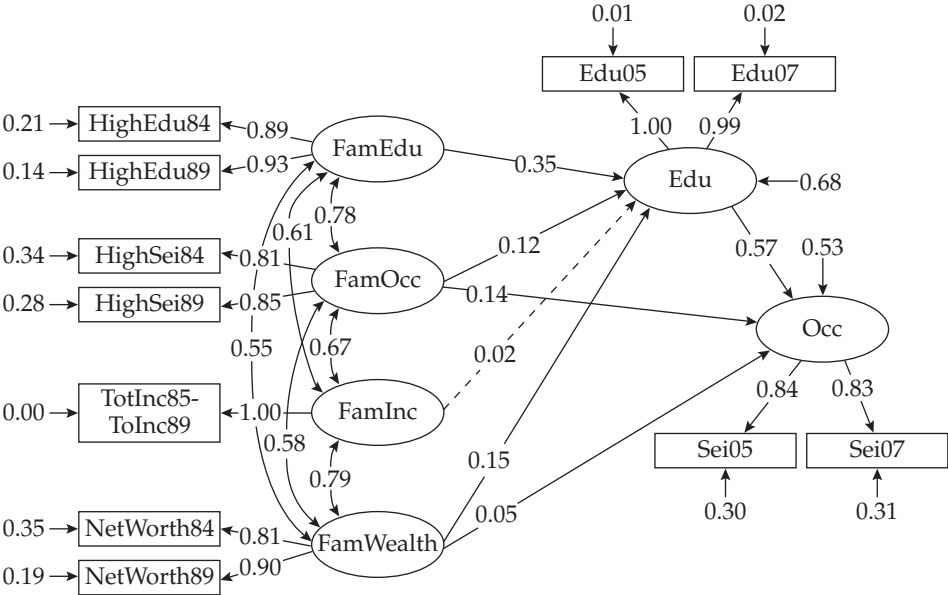
Correlations in measurement errors: HighSei89-NetWorth89, HighSei88-NetWorth88, HighSei88-TotInc, Edu04-Sei04.

## Correlation Table

	Edu04	Edu06	Sei04	Seei06	Edu88	Edu89	Sei88	Sei89	Ltincadjln	Wealth88	Wealth89
Edu04	1.000										
Edu06	0.946	1.000									
Sei04	0.407	0.385	1.000								
Sei06	0.484	0.506	0.546	1.000							
Edu88	0.315	0.332	0.109	0.185	1.000						
Edu89	0.315	0.329	0.108	0.176	0.970	1.000					
Sei88	0.284	0.305	0.161	0.226	0.423	0.420	1.000				
Sei89	0.254	0.267	0.126	0.207	0.413	0.414	0.643	1.000			
Ltincadjln	0.325	0.335	0.219	0.256	0.445	0.443	0.429	0.453	1.000		
Wealth88	0.305	0.310	0.172	0.224	0.365	0.356	0.318	0.320	0.567	1.000	
Wealth89	0.288	0.302	0.186	0.223	0.353	0.349	0.330	0.344	0.597	0.806	1.000

*Source:* Author's calculations based on National Longitudinal Survey of Youth (Center for Human Resource Research 2008).

Figure 4A.2 Full Status Attainment Model: PSID



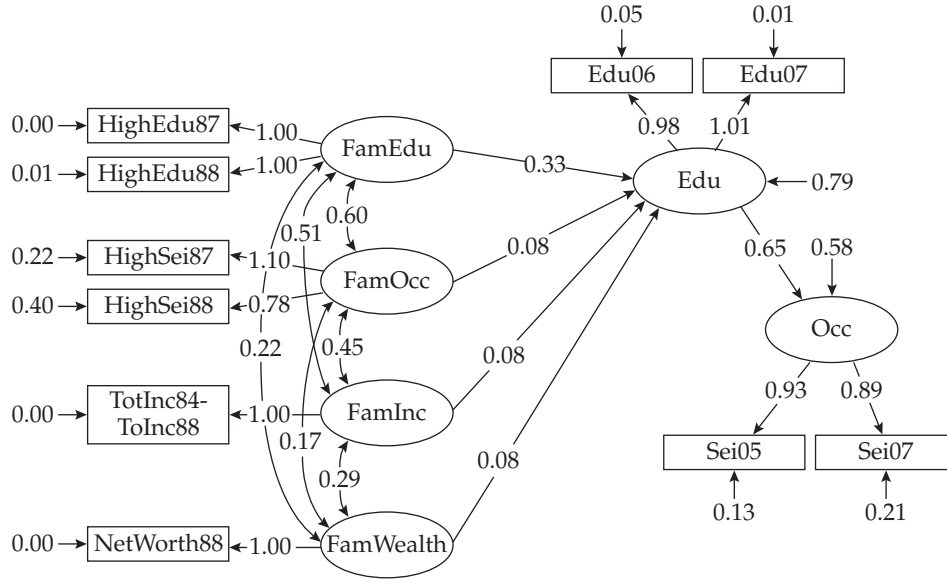
Fit statistics (N = 1,665):  $\chi^2 = 50.64$ ,  $df = 28$ ,  $p = .00584$ , RMSEA = .022, BIC = -157.1.  
 Correlations in measurement errors: HighEdu84-HighSei84, HighEdu84-Wealth84, Wealth84-HighSei84, Edu07-Occ07.

## Correlation Table

	Edu05	Edu07	Sei05	Seei07	Edu84	Edu89	Sei84	Sei89	Ltincadjln	Wealth84	Wealth89
Edu05	1.000										
Edu07	0.988	1.000									
Sei05	0.550	0.546	1.000								
Sei07	0.562	0.568	0.696	1.000							
Edu84	0.483	0.481	0.373	0.339	1.000						
Edu89	0.494	0.490	0.359	0.342	0.826	1.000					
Sei84	0.410	0.409	0.328	0.319	0.629	0.597	1.000				
Sei89	0.399	0.403	0.312	0.302	0.579	0.604	0.690	1.000			
Ltincadjln	0.423	0.421	0.343	0.333	0.538	0.564	0.551	0.569	1.000		
Wealth84	0.360	0.361	0.284	0.245	0.446	0.416	0.445	0.418	0.632	1.000	
Wealth89	0.372	0.376	0.311	0.270	0.451	0.453	0.426	0.442	0.708	0.726	1.000

*Source:* Author's calculations based on Panel Study of Income Dynamics (Brown and Schoeni 2007).

Figure 4A.3 Full Status Attainment Model: GSOEP



Fit statistics (N = 745):  $\chi^2 = 33.36$ ,  $df = 24$ ,  $p = .09679$ , RMSEA = .023, BIC = -125.4.

Correlations in measurement errors: HighEdu88-HighSei88, HighSei88-TotInc, Edu06-Occ06.



## Correlation Table

	Edu06	Edu07	Sei06	Sei07	Edu87	Edu88	Sei87	Sei88	Ltinc	Wealth88
Edu06	1.000									
Edu07	0.984	1.000								
Sei06	0.605	0.613	1.000							
Sei07	0.560	0.582	0.830	1.000						
Edu87	0.426	0.441	0.292	0.284	1.000					
Edu88	0.425	0.441	0.289	0.280	0.994	1.000				
Sei87	0.376	0.376	0.219	0.231	0.664	0.660	1.000			
Sei88	0.268	0.268	0.159	0.158	0.468	0.472	0.857	1.000		
Ltinc	0.309	0.315	0.193	0.181	0.505	0.506	0.493	0.308	1.000	
Wealth88	0.209	0.202	0.165	0.159	0.221	0.215	0.188	0.134	0.288	1.000

*Source:* Author's calculations based on German Socio-Economic Panel (Wagner, Frick, and Schupp 2007).

**Table 5.1 Data Sources for Intergenerational Mobility Analysis**

Survey	Period	Ages	Birth Cohorts	Occupational Scheme <sup>a</sup>	Sample Size
Occupational Changes in a Generation I (OCG-I)	1962	30 to 64	1898 to 1932	1960 SOC	17,544
Occupational Changes in a Generation II (OCG-II)	1973	30 to 64	1909 to 1943	1960 to 1970 SOC	18,856
General Social Survey (GSS)	1972 to 2006	30 to 64	1908 to 1973	1970 to 1980 SOC	9,986
Survey of Social Stratification and Mobility (SSM)	1955 to 2005	30 to 64	1891 to 1975	Japanese SCO	6,703
Japan General Social Survey (JGSS)	2000 to 2002	30 to 64	1936 to 1972	Japanese SCO	1,917
German Social Survey (ALLBUS)	1980 to 2008	30 to 64	1916 to 1978	ISCO-68, ISCO-88	6,656
German Socio-Economic Panel (GSOEP)	1986, 1999, 2000	30 to 64	1922 to 1970	ISCO-68, ISCO-88	2,887
German Life History Study LV I-III	1981 to 1989	30 to 64	1921 to 1959	ISCO-68	1,234
ZUMA-Standard Demographic Survey	1976 to 1982	30 to 64	1912 to 1952	ISCO-68	2,928
International Social Justice Project (ISJP)	1991, 1996, 2000	30 to 64	1927 to 1970	ISCO-88	888
1970, 1975, 1980, 1985, and 1990 Swedish census (linked to 1960 and 1970 censuses)	1970 to 1990	30 to 35	1936-1960	NYK	1,244,740

*Source* Authors' compilation.

**Table 5.2 Micro-Classes Nested in Manual-Nonmanual Classes, Macro-Classes, and Meso-Classes**

Nonmanual Class		Manual Class		
Professional-Managerial	Proprietors	Routine Nonmanual	Manual	Primary
Classic professions	Proprietors	Sales	Craft	Fishermen
Jurists		Real estate agents	Craftsmen, not elsewhere classified	Farmers
Health professionals		Agents, not elsewhere classified	Foremen	Farm laborers
Professors and instructors		Insurance agents	Electronics service and repair	
Natural scientists		Cashiers	Printers and related workers	
Statistical and social scientists		Sales workers	Locomotive operators	
Architects		Clerical	Electricians	
Accountants		Telephone operators	Tailors and related workers	
Authors and journalists		Bookkeepers	Vehicle mechanics	
Engineers		Office workers	Blacksmiths and machinists	
Managers and officials		Postal clerks	Jewelers	
Officials, government, and nonprofit organizations			Other mechanics	
Other managers			Plumbers and pipe-fitters	
Commercial managers			Cabinet-makers	
Building managers and proprietors			Bakers	
Other professions			Welders	
Systems analysts and programmers			Painters	
Aircraft pilots and navigators			Butchers	
Personnel and labor relations workers			Stationary engine operators	
			Bricklayers and carpenters	
			Heavy machine operators	
			Lower manual	
			Truck drivers	

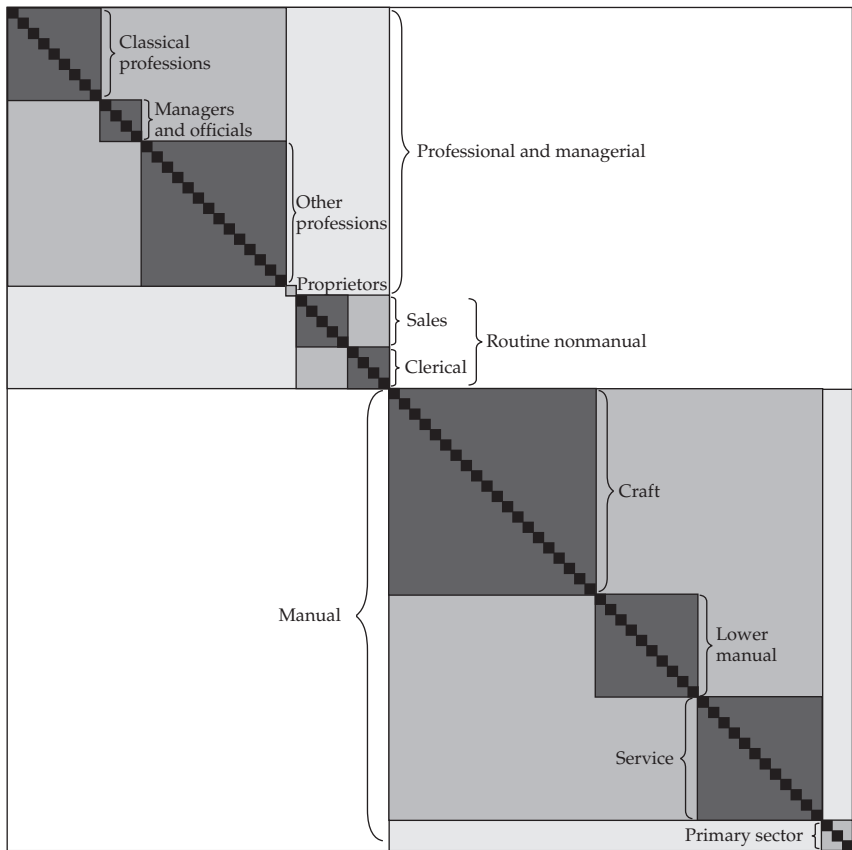
Elementary and  
secondary teachers  
Librarians  
Creative artists  
Ship officers  
Professional and technical,  
not elsewhere classified  
Social and welfare workers  
Workers in religion  
Nonmedical technicians  
Health semiprofessionals  
Hospital attendants  
Nursery school teachers  
and aides

Chemical processors  
Miners and related workers  
Longshoremen  
Food processing workers  
Textile workers  
Sawyers  
Metal processors  
Operatives and related workers,  
not elsewhere classified  
Forestry workers  
Service workers  
Protective service workers  
Transport conductors  
Guards and watchmen  
Food service workers  
Mass transportation operators  
Service workers, not elsewhere  
classified  
Hairdressers  
Newsboys and deliverymen  
Launderers  
Housekeeping workers  
Janitors and cleaners  
Gardeners

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*Source:* Authors' calculations based on original research. See appendix for data sources.

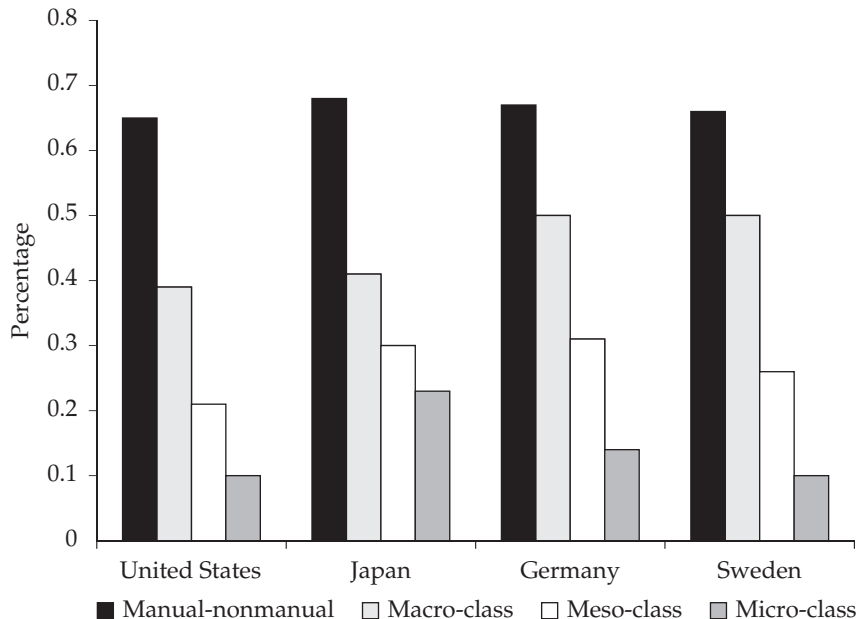
**Figure 5.1** Nested Forms of Manual-Nonmanual and Macro-Class, Meso-Class, and Micro-Class Inheritance



Source: Jonsson et al. (2009), reprinted with permission.

**Figure 5.2**      **Immobility by Country and Type of Immobility**

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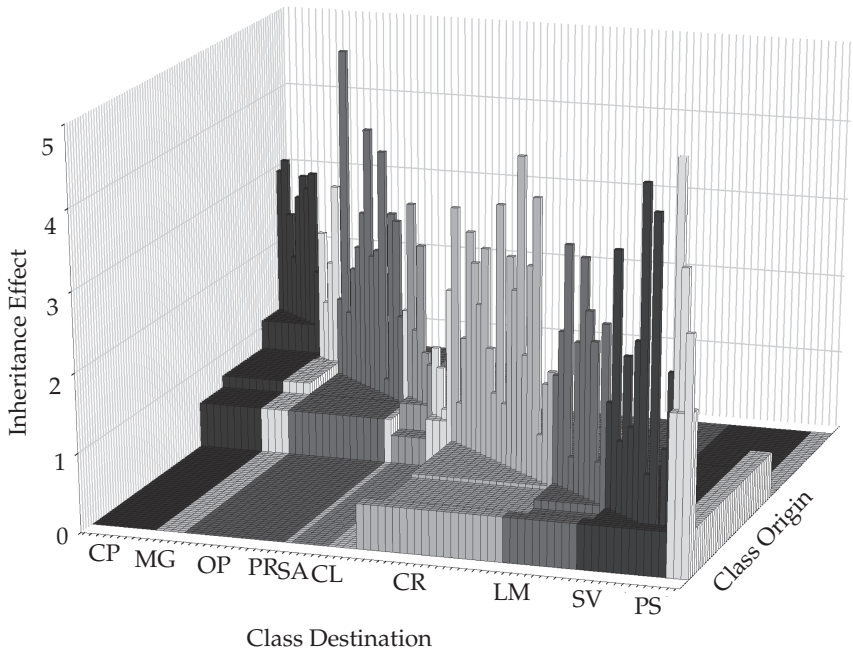


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*Source:* Authors' calculations based on original research. See appendix for data sources.

*Notes:* We have defined an exhaustive meso-class scheme by treating "proprietors" and the "primary sector" as meso-classes, and we have defined an exhaustive micro-class scheme by treating "proprietors" as a micro-class.

Figure 5.3 The Contours of Reproduction



Source: Authors' figure based on original research. See appendix for data sources.  
Note: Coefficients are drawn from model that standardizes sample size to ten-thousand cases in each country. CP = classical professions; MG = managers and officials; OP = other professions; PR = proprietors; SA = sales; CL = clerical; CR = craft; LM = lower manual; SV = service; PS = primary sector.

**Table 5.3**      **Immobility Parameters by Country and Type of Reproduction**

Coefficients	United States	Japan	Germany	Sweden
Meso-class <sup>a</sup>	0.18	0.24	0.07*	0.16
Macro-class <sup>a</sup>	0.39	0.48*	0.66*	0.63*
Manual-nonmanual	0.66	0.51*	0.66	0.54*
Micro-class <sup>a</sup>	1.29	1.76*	1.82*	1.45*
Gradational <sup>b</sup>	1.03	1.06	1.37*	1.33*

*Source:* Authors' calculations based on original research. See appendix for data sources.

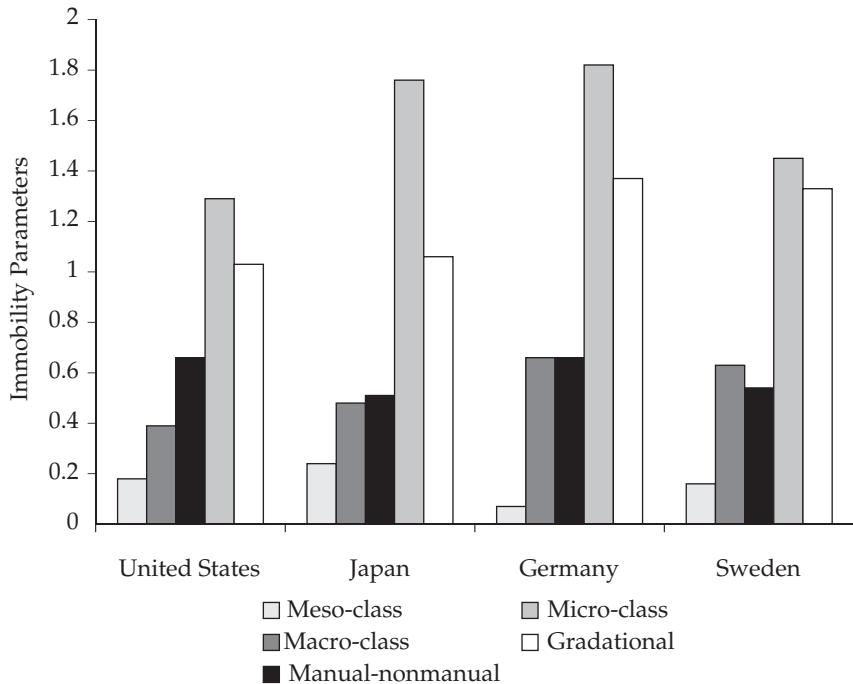
\*Significantly different from the U.S. coefficient (at  $\alpha = 0.05$ ).

<sup>a</sup>Parameter estimates averaged across all categories making up this type of class.

<sup>b</sup>Coefficients multiplied by 1,000.

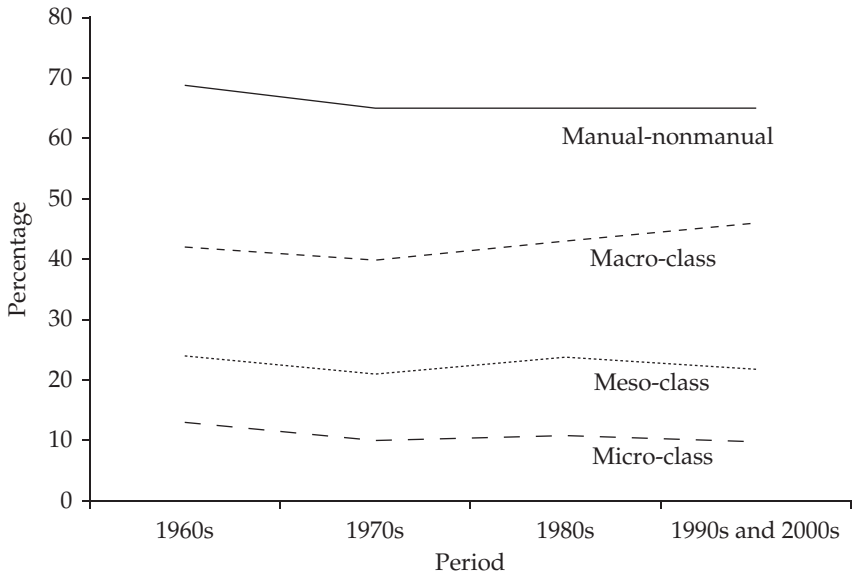


**Figure 5.4** Immobility Parameters by Country and Type of Reproduction



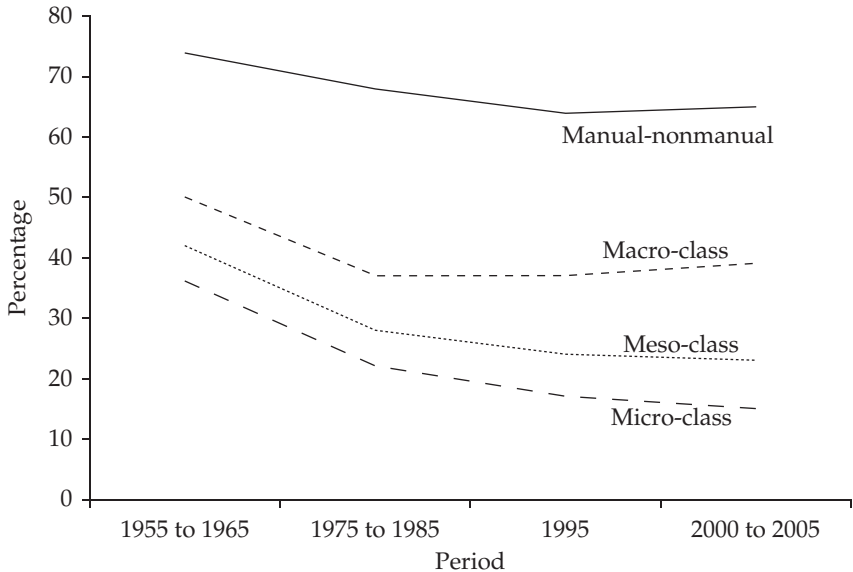
*Source:* Authors' compilation based on original research. See appendix for data sources.

**Figure 5.5** Immobility in the United States by Type of Immobility



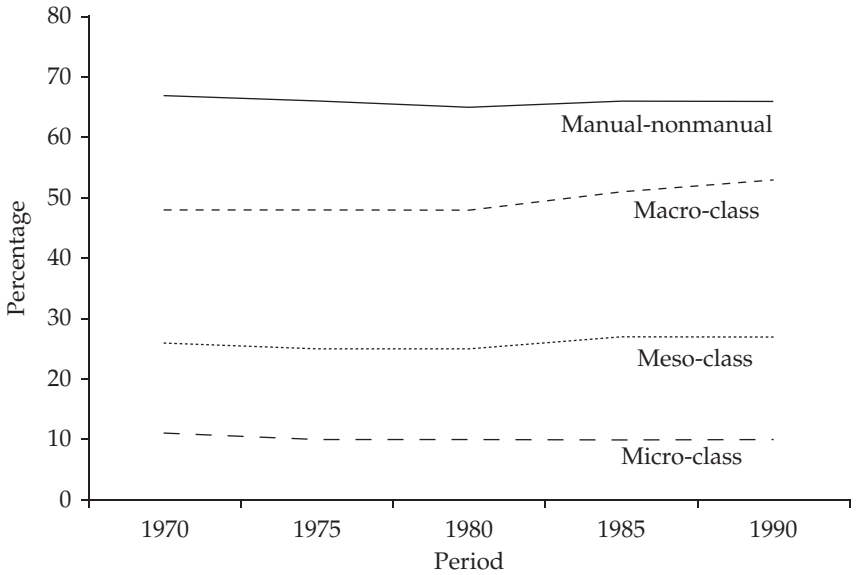
Source: Authors' calculations based on original research. See appendix for data sources.

**Figure 5.6** Immobility in Japan by Type of Immobility



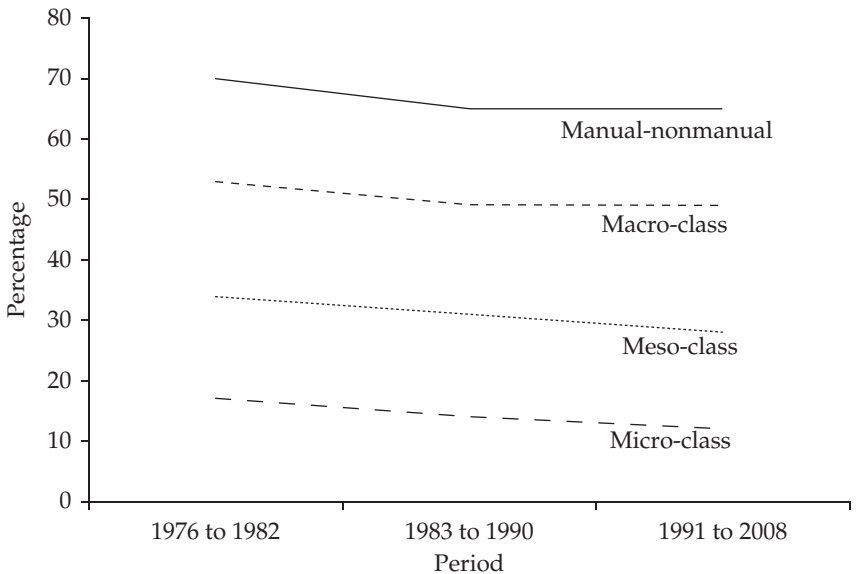
Source: Authors' calculations based on original research. See appendix for data sources.

**Figure 5.7** Immobility in Sweden by Type of Mobility



Source: Authors' calculations based on original research. See appendix for data sources.

**Figure 5.8** Immobility in Germany by Type of Immobility



Source: Authors' calculations based on original research. See appendix for data sources.

**Table 5.4 Trends in Social Reproduction**

Coefficients	United States		Japan		Germany		Sweden	
	Base	Change	Base	Change	Base	Change	Base	Change
Conventional change models								
Gradational	2.27	-0.15*	3.12	-0.31*	2.93	-0.18*	2.96	-0.15*
Meso-class	0.98	-0.09	1.41	-0.08*	1.51	-0.09*	1.13	-0.00*
Net change model								
Gradational	0.94	-0.05	0.29	0.12	1.38	0.02	1.61	-0.12*
Manual-nonmanual	0.73	-0.05*	0.50	0.00	0.73	-0.03	0.67	-0.06*
Macro-class	0.32	0.03	0.35	0.01	0.62	0.00	0.55	0.05*
Meso-class	0.21	-0.02	0.36	-0.11*	-0.02	-0.01	0.16	-0.00
Micro-class	1.48	0.01	2.18	0.02	2.02	-0.14*	1.61	-0.01*

Source: Authors' calculations based on original research. See appendix for data sources.

\*Significantly different from zero (at  $\alpha = .05$ ).

**Table 5A.1** Fit Statistics for Selected Models

Model	$L^2$	$df$	$\Delta$	BIC
1. Cross-nationally constant reproduction (figure 5.3)	137,234	24,880	11.18	-211,892
2. Cross-nationally variable reproduction (table 5.3 and figure 5.4)	136,520	24,865	11.13	-212,396
3. Linear trend in the United States (table 5.4)	20,816	25,026	20.61	-248,229
3. Linear trend in Japan (table 5.4)	8,385	19,592	26.71	-172,951
3. Linear trend in Germany (table 5.4)	11,579	17,403	29.29	-155,499
3. Linear trend in Sweden (table 5.4)	141,380	31,900	11.54	-306,328

*Source:* Authors' calculations based on original research. See appendix text for data sources.

**Table 6.1 Summary of Explanatory Variables**

Variable Grouping	ECLS-B (United States)	MCS (United Kingdom)
Maternal education	Less than high school; high school graduate; some college; degree (wave 1)	Less than GCSE <sup>b</sup> A–C; GCSE A–C; A level; degree (wave 1)
Number of children	Number of younger/ same-age children in household (zero, one, or two or more) (wave 3) Number of older children (younger than eighteen) in household (zero, one, two, or three or more) (wave 3)	As with ECLS-B
Race/ethnicity/ country of origin	White non-Hispanic (omitted); black non-Hispanic; Hispanic; Asian; mixed; other Mother born outside the United States Other language spoken in home (wave 1)	White; black/black British; Indian; Pakistani/ Bangladeshi; mixed; other Mother born outside the United Kingdom Other language spoken in home (wave 1) Country of residence (England, Scotland, Wales, Northern Ireland) (wave 1)
Family structure	Always co-resident married biological parents; always cohabiting biological parents; always single mother (no resident father); some single mother (resident father at waves 1 or 2); other (all waves)	As with ECLS-B
Mother's age at birth	Younger than twenty; twenty to twenty-four; twenty-five to twenty-nine; thirty to thirty-four; thirty-five and older	As with ECLS-B
Parenting Warmth and sensitivity	Interviewer observations of mother-child relationship (wave 2) Ratings of maternal responsiveness and sensitivity from videotaped interactions: NCATS (wave 1); Two Bags (waves 2 and 3) <sup>a</sup>	Interviewer observations of mother-child relationship (wave 2)

*(Table continues on p. 184.)*

**Table 6.1** *Continued*

Variable Grouping	ECLS-B (United States)	MCS (United Kingdom)
Reading	Frequency with which parent reads to child (waves 2 and 3)	Frequency with which mother reads to child (waves 2 and 3)
Out-of-home activities	Visited zoo or art gallery in last month (wave 2)	Number of places of interest visited in last year (wave 3)
	Visited library with child in last month (waves 2 and 3)	Frequency with which child is taken to library (waves 2 and 3)
	Number of lessons ever participated in (sports, drama, dance, music, art, performing arts, crafts) (wave 3)	Number days per week child attends sport or exercise class (wave 3)
Parenting style	Expresses affection with hugs and kisses; easy-going and relaxed with child (wave 3)	Family has lots of rules; rules strictly enforced (wave 2)
	Has trouble sticking to rules; lacks energy to make child behave (wave 3)	Proportion of times parent makes sure child obeys instruction or request (wave 3)
	Rules and routines about bedtime (waves 2 and 3)	Rules and routines about bedtime (waves 2 and 3)
Other	Spanked child or used time-out in last week (waves 2 and 3)	Spanks child or uses time-out at least once a month (waves 2 and 3)
	How far expect child to go in school—for example, less than high school diploma to complete a Ph.D. (wave 3)	Home is really disorganized; can't hear self think; has calm atmosphere (waves 2 and 3)
	Knowledge of Infant Development Inventory (wave 1)	Mother's beliefs about good parenting practices (wave 1)
Neighborhood and material possessions		
Material possessions	Computer (wave 3)	Computer (wave 1)
	Car (all waves)	Car (waves 1 and 2)
	Number of books (wave 3)	Working telephone (waves 1 and 2)
	Household food-insecure, with or without hunger (all waves)	

**Table 6.1** *Continued*

Variable Grouping	ECLS-B (United States)	MCS (United Kingdom)
Savings and wealth	Has savings account (all waves) Owns any stocks (all waves)	Saves regularly (waves 2 and 3) Number of bills behind with (waves 2 and 3)
Neighborhood conditions	Public housing–rent subsidy (all waves) Neighborhood good place to raise children; safe from crime; most families lived there long time (wave 2)	Home rented from council or housing association (all waves) Satisfaction with neighborhood; problems with noise; litter; vandalism (wave 1) Interviewer assessment of local area, for example, condition of buildings, vandalism, dog mess, feeling of safety (wave 2) Index of Multiple Deprivation rank decile (wave 1)
Housing conditions	House or building a good place to raise children (wave 2)	Average persons per room (all waves) Problem with dampness (all waves) Access to garden (all waves)
Family health and well-being		
Health at birth	Birth weight Gestation less than thirty-seven weeks Special care unit at birth	As with ECLS-B
Mother's physical health	General self-rated health (all waves) Mother's BMI overweight; obese (wave 3)	Limiting ill health index (wave 3) Mother's BMI overweight; obese (wave 3)
Mother's mental well-being	CES-D <sup>c</sup> depression scale (waves 1 and 3)	Malaise scale (wave 1) Kessler 6 depression scale (wave 3) Locus of control (wave 1) Social support scale (wave 1)
Smoking and breastfeeding	Breast-fed (never, less than three months, three to six months, more than six months) Mother smoked during pregnancy	As with ECLS-B

*(Table continues on p. 186.)*



**Table 6.1** *Continued*

Variable Grouping	ECLS-B (United States)	MCS (United Kingdom)
Care arrangements		
Pregnancy and first year	Mother worked in year before birth Mother worked in first three months Mother employed (not at all, less than thirty hours a week, thirty hours or more) (wave 1) Main child care arrangement (parent only, other relative, nonrelative, center) (wave 1, working mothers only)	As with ECLS-B
Two to three years	Mother employed (not at all, less than thirty hours a week, thirty hours or more) (wave 2) Main child care arrangement (parent only, other relative, nonrelative, center) (wave 2, working mothers only)	As with ECLS-B
Four to five years	Mother employed (not at all, less than thirty hours a week, thirty hours or more) (wave 3) Type of center-based care (preschool, pre-kindergarten, child care center, other center, none) (wave 3)	Mother employed (not at all, less than thirty hours a week, thirty hours or more) (wave 3) Type of center-based care (nursery class-school, day nursery, preschool, play group, none) (wave 3)

*Source:* Authors' compilation based on data from Early Childhood Longitudinal Study–Birth Cohort (National Center for Education Statistics 2007) and Millennium Cohort Study (University of London 2010a, 2010b, 2010c).

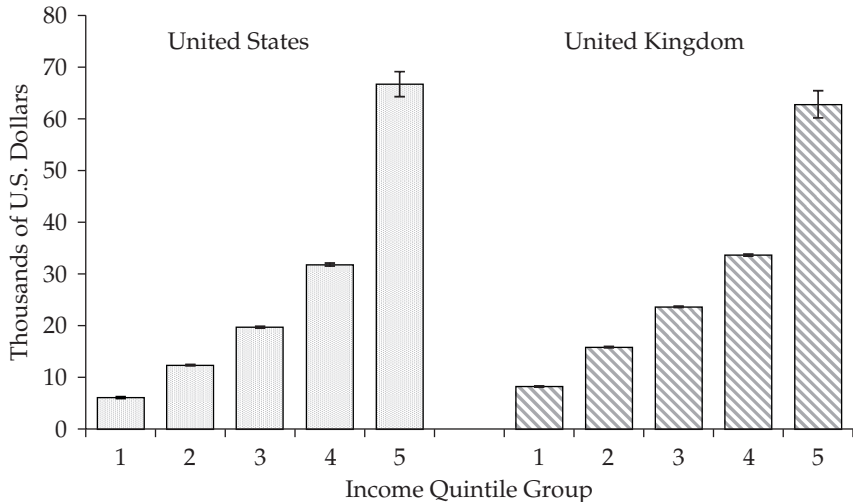
*Note:* All specifications also include a full set of indicators for missing items and a control for child gender.

<sup>a</sup>NCATS = Nursing Child Assessment Teaching Scale. The Two Bags task, like NCATS, is an instrument in which parent and child cue videotaped engaging in semi-structured activities, and is designed to assess the parent-child relationships. It is a modification of the Three Bags task, which was used in the Early Head Start Research and Evaluation Project and in the NICHD Study of Early Child Care.

<sup>b</sup>General Certificate of Secondary Education.

<sup>c</sup>Center for Epidemiological Studies Depression Scale.

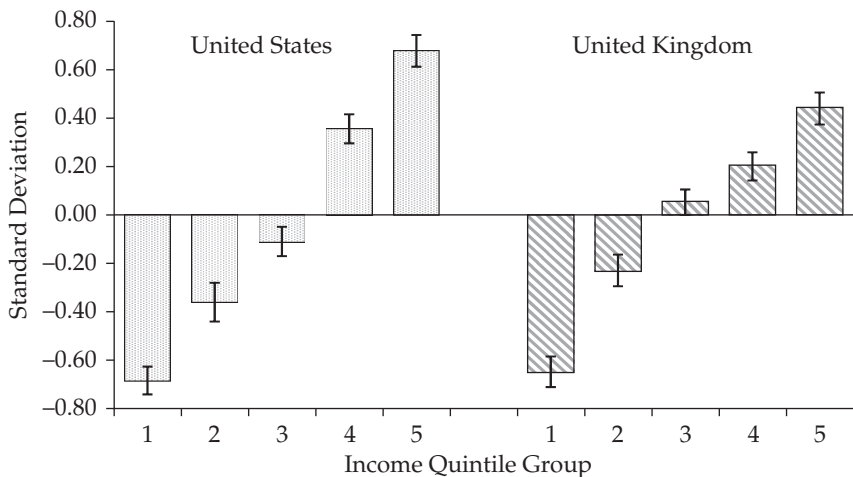
**Figure 6.1** Mean Gross Equivalized Annual Household Income by Income Quintile Group



*Source:* Authors' calculations based on data from Early Childhood Longitudinal Study–Birth Cohort (National Center for Education Statistics 2007) and Millennium Cohort Study (University of London 2010a, 2010b, 2010c).

*Notes:* Incomes are in March 2005 U.S. dollars. Incomes are averaged over three survey waves. Estimates and confidence intervals are weighted to adjust for complex survey design. U.S. sample: 7,250 observations; U.K. sample: 8,864 observations. Quintile 1 is the lowest-income quintile group, quintile 2 the second lowest, and so on. The vertical lines at the end of each bar represent 95 percent confidence intervals around the estimates.

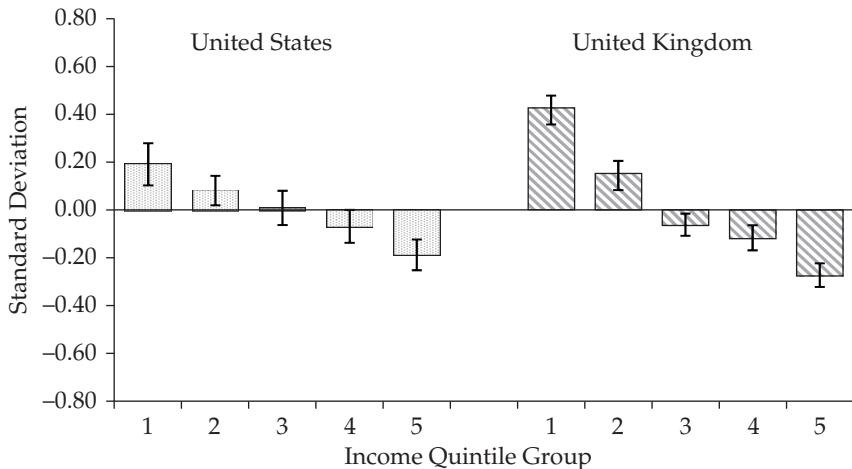
**Figure 6.2** Mean Cognitive Ability Standardized Score by Income Quintile Group



*Source:* Authors' calculations based on data from Early Childhood Longitudinal Study–Birth Cohort (National Center for Education Statistics 2007) and Millennium Cohort Study (University of London 2010a, 2010b, 2010c).

*Notes:* Composite score is constructed by principal components analysis (PCA) and standardized to mean zero, one standard deviation. Estimates and confidence intervals are weighted to adjust for complex survey design. U.S. sample: 7,250 observations; U.K. sample: 8,864 observations. The vertical lines at the end of each bar represent 95 percent confidence intervals around the estimates.

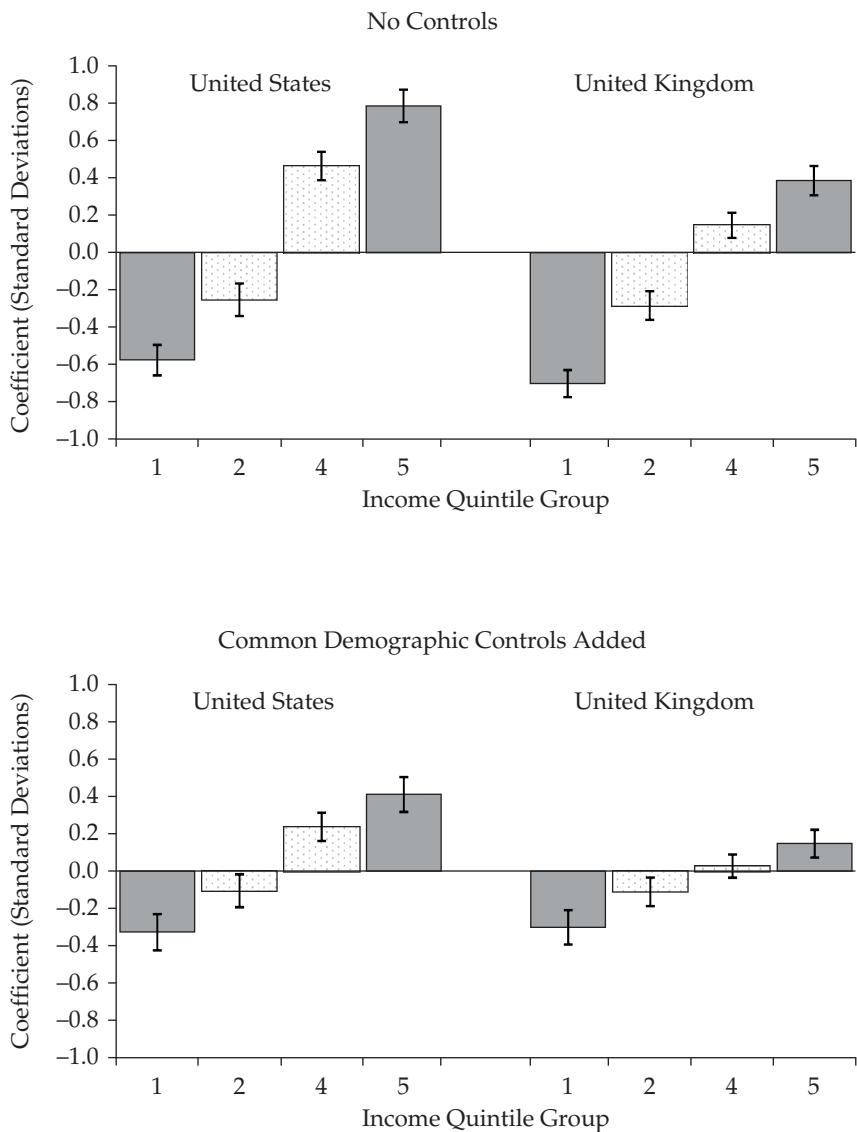
**Figure 6.3 Mean Behavior Problems Standardized Score by Income Quintile Group**



*Source:* Authors' calculations based on data from Early Childhood Longitudinal Study–Birth Cohort (National Center for Education Statistics 2007) and Millennium Cohort Study (University of London 2010a, 2010b, 2010c).

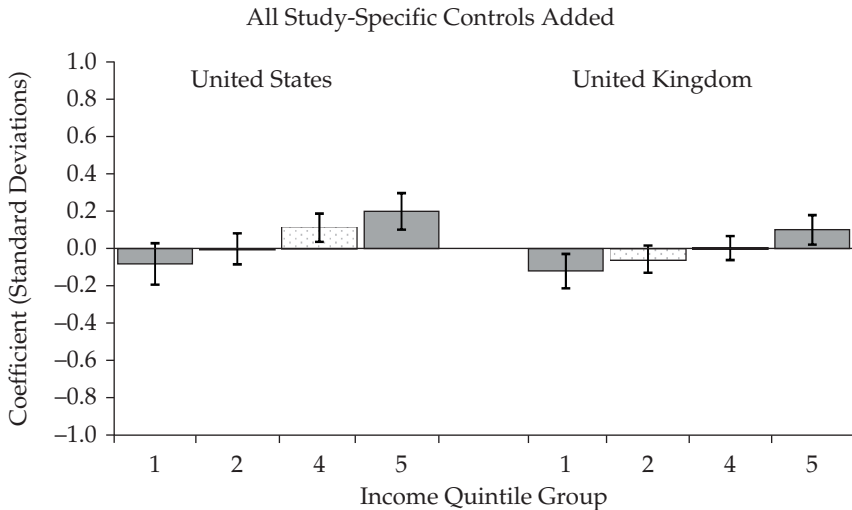
*Notes:* Higher scores indicate greater behavioral problems. Composite score is constructed by PCA and standardized to mean zero, one standard deviation. Estimates and confidence intervals are weighted to adjust for complex survey design. U.S. sample: 7,250 observations; U.K. sample: 8,864 observations. The vertical lines at the end of each bar represent 95 percent confidence intervals around the estimates.

**Figure 6.4 Cognitive Outcome Gaps: Alternative Specifications**



*(Figure continues on p. 192.)*

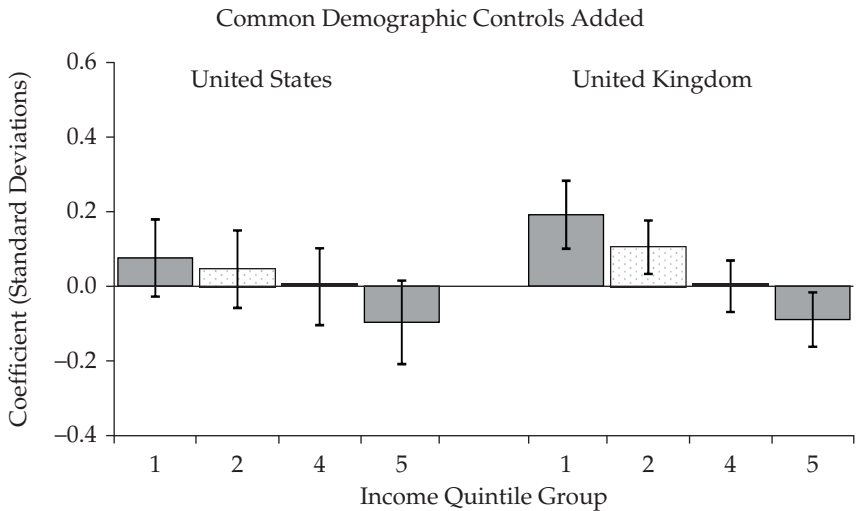
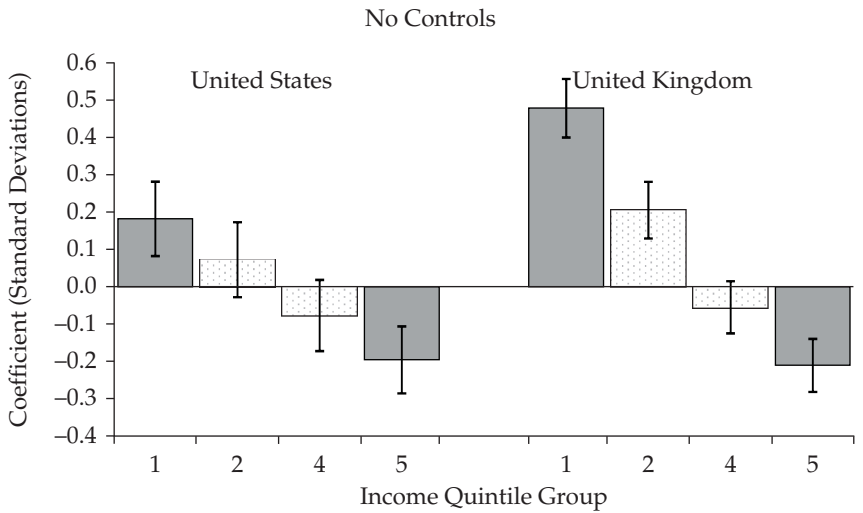
Figure 6.4 Continued



Source: Authors' calculations based on data from Early Childhood Longitudinal Study–Birth Cohort (National Center for Education Statistics 2007) and Millennium Cohort Study (University of London 2010a, 2010b, 2010c).

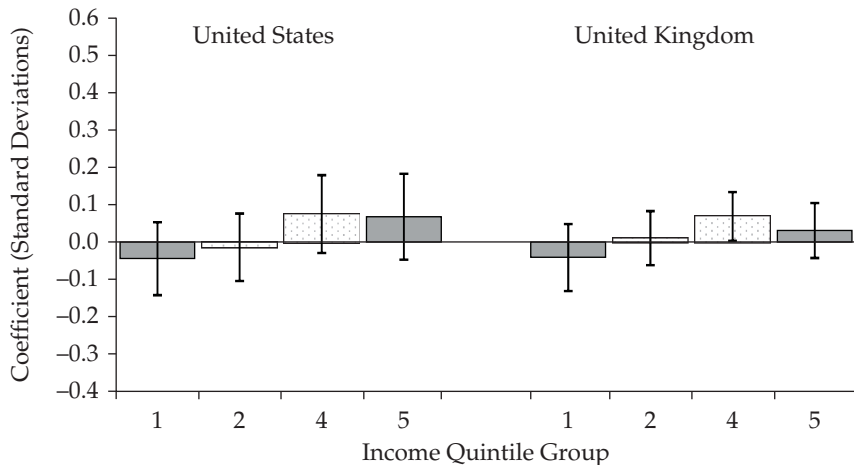
Notes: Graphs show coefficients on income quintile group dummies, relative to the omitted middle-income quintile group (quintile 3). Shaded bars highlight the “low-income penalty” and the “high-income advantage” (the coefficients on the lowest and highest quintile groups, respectively) that are the focus of the subsequent more detailed analyses. The vertical lines at the end of each bar represent 95 percent confidence intervals around the estimates.

**Figure 6.5 Behavioral Outcome Gaps: Alternative Specifications**



**Figure 6.5** *Continued*

All Study-Specific Controls Added

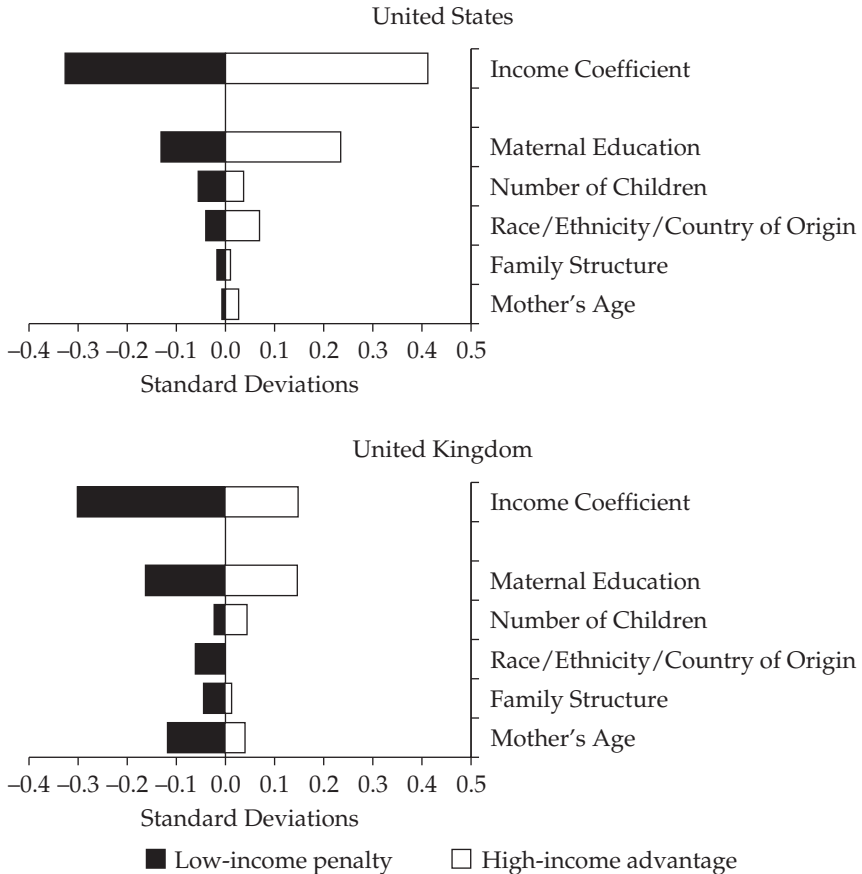


*Source:* Authors' calculations based on data from Early Childhood Longitudinal Study–Birth Cohort (National Center for Education Statistics 2007) and Millennium Cohort Study (University of London 2010a, 2010b, 2010c).

*Notes:* Graphs show coefficients on income quintile group dummies, relative to the omitted middle-income quintile group (quintile 3). Shaded bars highlight the “low-income penalty” and the “high-income advantage” (the coefficients on the lowest and highest quintile groups, respectively) that are the focus of the subsequent more detailed analyses. The vertical lines at the end of each bar represent 95 percent confidence intervals around the estimates.



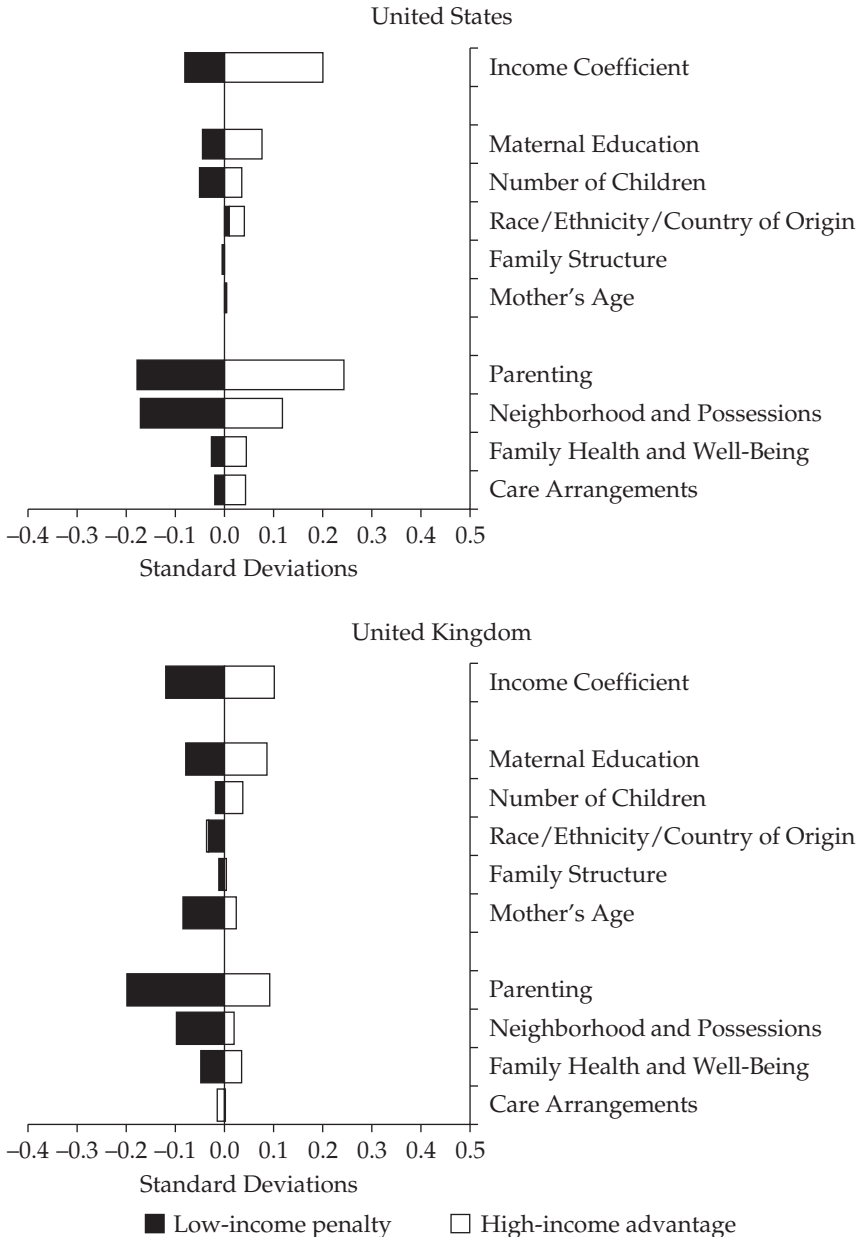
**Figure 6.6 Breakdown of Cognitive Outcome Gaps, Conditional on Basic Demographic Characteristics Only**



*Source:* Authors' calculations based on data from Early Childhood Longitudinal Study–Birth Cohort (National Center for Education Statistics 2007) and Millennium Cohort Study (University of London 2010a, 2010b, 2010c).

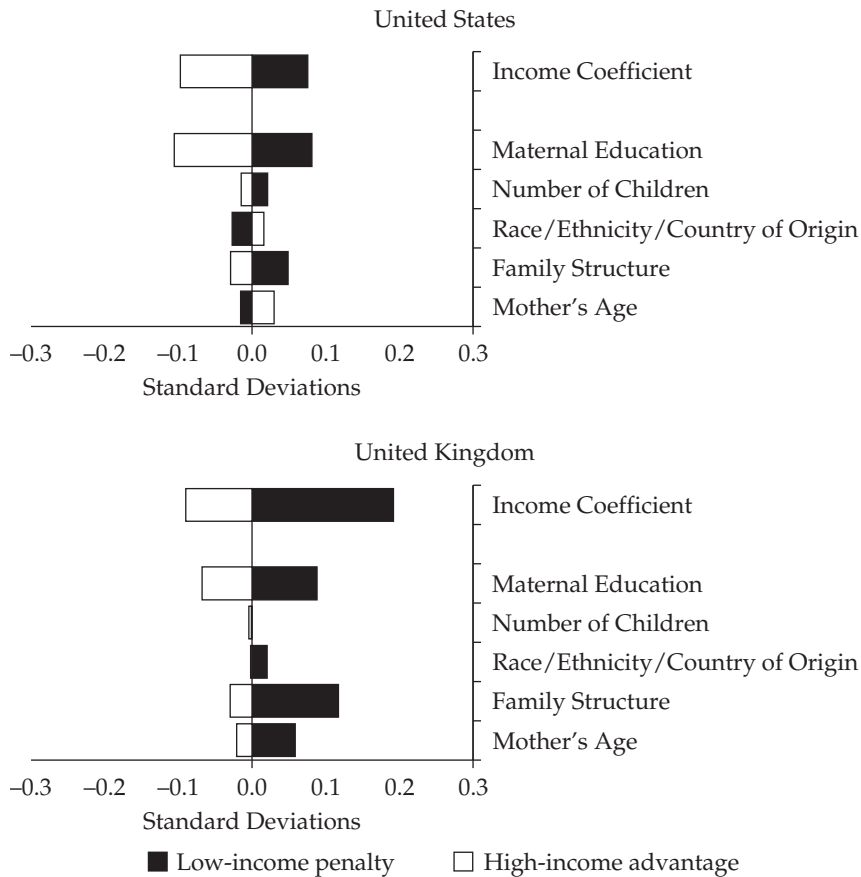
*Notes:* “Low-income penalty” refers to the gap in outcomes between quintile 1 (the lowest-income quintile group) and quintile 3 (the middle-income reference group). “High-income advantage” refers to the gap in outcomes between quintile 5 (the highest-income group) and quintile 3.

**Figure 6.7** Breakdown of Cognitive Outcome Gaps, Conditional on All Study-Specific Controls



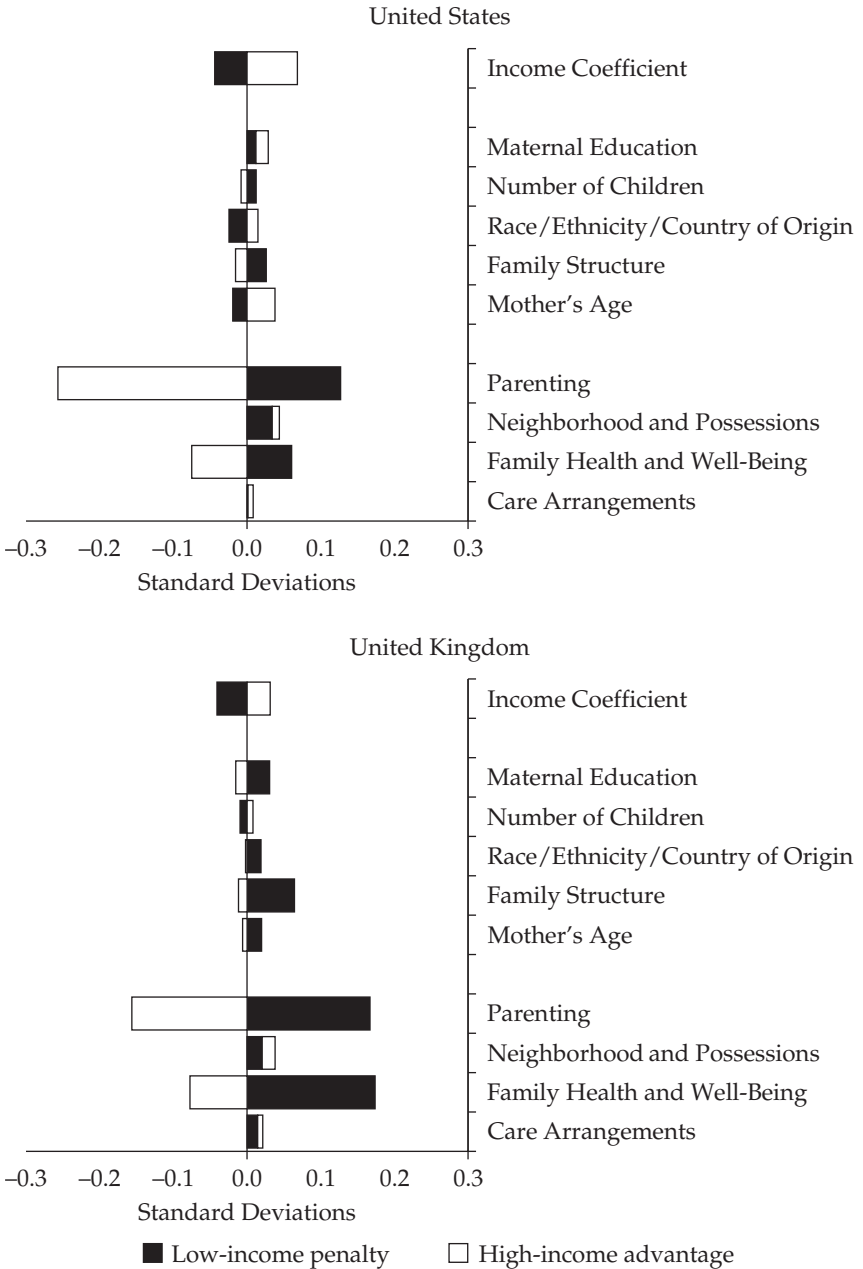
Source: Authors' calculations based on data from Early Childhood Longitudinal Study–Birth Cohort (National Center for Education Statistics 2007) and Millennium Cohort Study (University of London 2010a, 2010b, 2010c).

**Figure 6.8** Breakdown of Behavioral Outcome Gaps, Conditional on Basic Demographic Characteristics Only



Source: Authors' calculations based on data from Early Childhood Longitudinal Study–Birth Cohort (National Center for Education Statistics 2007) and Millennium Cohort Study (University of London 2010a, 2010b, 2010c).

**Figure 6.9** Breakdown of Behavioral Outcome Gaps, Conditional on All Study-Specific Controls



Source: Authors' calculations based on data from Early Childhood Longitudinal Study–Birth Cohort (National Center for Education Statistics 2007) and Millennium Cohort Study (University of London 2010a, 2010b, 2010c).

**Table 7.1 Descriptive Statistics: Norwegian Registry and U.S. Panel Study of Income Dynamics**

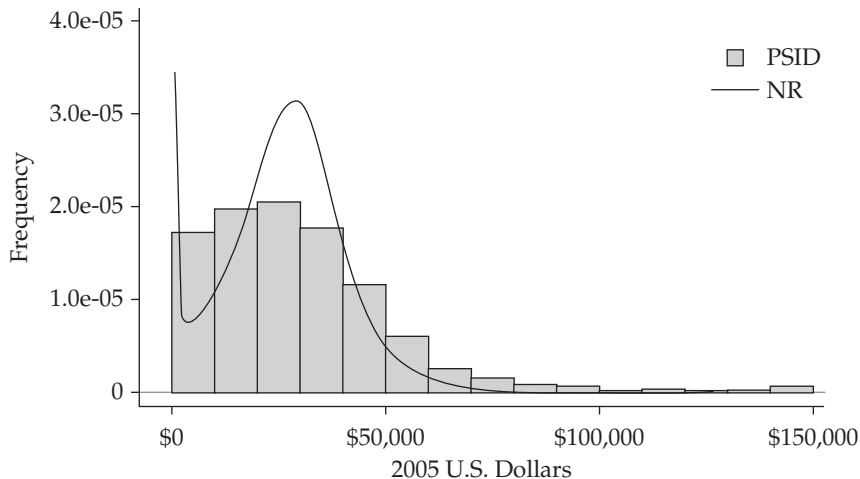
	NR		PSID	
	Mean or Proportion	Standard Deviation	Mean or Proportion	Standard Deviation
<b>Childhood income</b>				
Prenatal to age five	34,846 [26,722]	16,829	47,842	28,341
Age six to age ten	45,779 [33,538]	20,336	54,226	39,013
Age eleven to age fifteen	46,732 [37,007]	22,788	59,068	45,369
<b>Demographics</b>				
Female	49%	—	47%	—
Firstborn	42%	—	42%	—
Number of siblings	1.97	1.29	2.21	1.79
Mother's education	10.87	2.03	—	—
Father's education	11.46	2.7	12.09	2.94
Age of mother at birth	26.22	5.37	24.84	5.76
Mother married at birth	92%	—	84%	—
<b>Outcomes</b>				
Completed schooling (years)	12.89	2.21	13.39	2.14
Average annual earnings	30,245 [24,230]	18,593	34,564	30,932
Percentage of years spent any time unemployed	11.88	18.34	9.92	18.00
N	496,110		1,589	

*Source:* Authors' calculations based on the Panel Study of Income Dynamics (2010) and administrative data compiled by Statistics Norway (Akselsen, Lien, and Sivertstøl 2007).

*Note:* Norwegian childhood income is in kroner converted annually to U.S. dollars using exchange rates (PPP-adjusted income is shown in brackets), and then to fixed 2005 dollars using the U.S. CPI. PSID is weighted using the attrition-adjusted weights provided in the data set.

**Figure 7.1**     **Distribution of Median-Equated Adult Earnings**

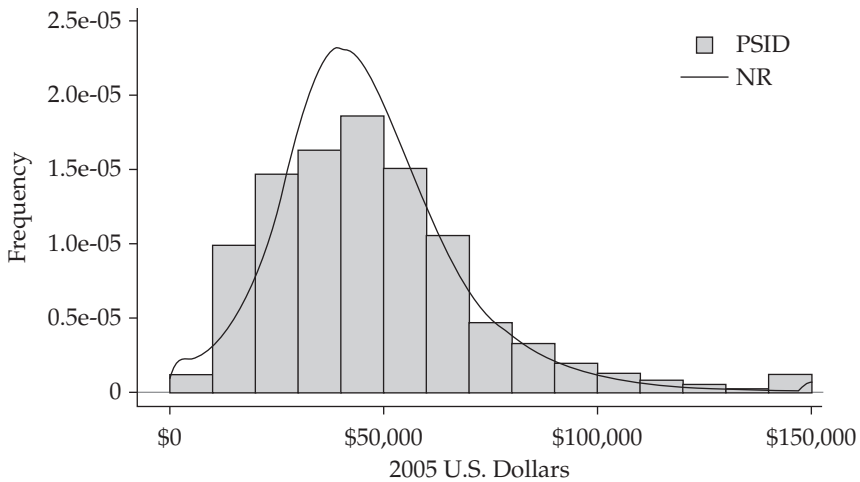
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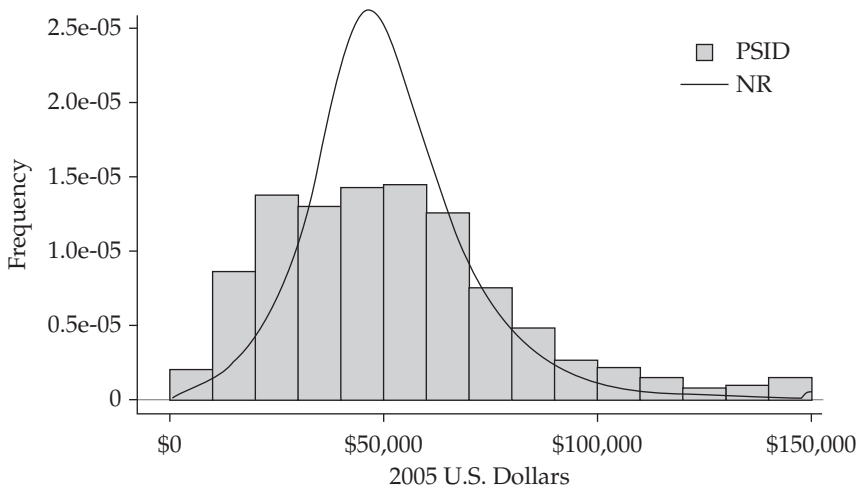
*Source:* Authors' calculations based on Panel Study of Income Dynamics (2010) and administrative data compiled by Statistics Norway (Akselsen, Lien, and Sivertstøl 2007).

**Figure 7.2** Distribution of Median-Equated Early Childhood Family Income



Source: Authors' calculations based on Panel Study of Income Dynamics (2010) and administrative data compiled by Statistics Norway (Akselsen, Lien, and Sivertstøl 2007).

**Figure 7.3** Distribution of Median-Equated Childhood Family Income



Source: Authors' calculations based on Panel Study of Income Dynamics (2010) and administrative data compiled by Statistics Norway (Akselsen, Lien, and Sivertstøl 2007).

**Table 7.2 Family Income Mobility Across Childhood**

Average Family Income Between the Prenatal Year and Age Five	Average Family Income Between Age Eleven and Fifteen					Ratio of Median Income (Prenatal to Age Five) to Quintile Break Point (Prenatal to Age Five)	
	(Lowest) Quintile 1	Quintile 2	Quintile 3	Quintile 4	(Highest) Quintile 5		
Norway (NR)							
Quintile 1	46%	26%	15%	9%	5%	100%	0.76
Quintile 2	22	30	25	16	6	100	
Quintile 3	15	23	27	24	11	100	
Quintile 4	11	14	22	30	24	100	
Quintile 5	7	7	11	21	54	100	
United States (PSID)							
Quintile 1	56	30	10	3	1	100	0.76
Quintile 2	29	32	22	12	5	100	
Quintile 3	9	21	33	25	12	100	
Quintile 4	4	11	23	38	24	100	
Quintile 5	1	6	12	23	58	100	

*Source:* Authors' calculations based on Panel Study of Income Dynamics (2010) and administrative data compiled by Statistics Norway (Akselsen, Lien, and Sivertstøl 2007).

*Note:* Table entries show proportion of the prenatal-to-age-five income group in the later-period income group. Rows add up to 100 percent.



**Table 7.3 Standardized Regression Coefficients from Various Models of Childhood Income and Adult Outcomes**

Model	Period	Years of Schooling Completed		Annual Earnings (ln)		Percentage of Years Spent Any Time Unemployed	
		NR	PSID	NR	PSID	NR	PSID
Model 1: No controls; seventeen-year average childhood income	Prenatal to age fifteen	.20**	.34**	.08**	.27**	-.13**	-.12**
Model 2: Background controls; seventeen-year average childhood income	Prenatal to age fifteen	.08**	.18**	.08**	.18**	-.07**	-.04
Model 3: Background controls; natural logarithm of seventeen-year average childhood income	Prenatal to age fifteen	.10**	.28**	.11**	.27**	-.07**	-.09*
Model 4: Background controls; natural logarithm of average stage-specific childhood income	Prenatal to age five	.01*	.15**	.09**	.21**	-.04**	-.04
	Age six to age ten	.01**	-.04	.00	.07	.00	.04
	Age eleven to age fifteen	.10**	.20**	.06**	.02	-.04**	-.10

*Source:* Authors' calculations based on Panel Study of Income Dynamics (2010) and administrative data compiled by Statistics Norway (Akselsen, Lien, and Sivertstøl 2007).

\* $p < .05$ ; \*\* $p < .01$

**Table 7.4 OLS Spline Regression Models of Childhood Income and Years of Completed Schooling, Adult Earnings, and Percentage of Years Spent Any Time Unemployed**

		Years of Completed Schooling			
		NR		PSID	
		Coefficient (SE)	Different Slopes	Coefficient (SE)	Different Slopes
Average annual income, prenatal to age five	Less than \$25,000	.17** (.01)	**	.30 (.33)	n.s.
	More than \$25,000	.00 (.00)		.05 (.04)	
Average annual income, age six to age ten	Less than \$25,000	.13** (.02)	**	.78** (.25)	**
	More than \$25,000	-.01** (.00)		-.06 (.04)	
Average annual income, age eleven to age fifteen	Less than \$25,000	.29** (.02)	**	-.26 (.20)	*
	More than \$25,000	.08** (.00)		.10** (.03)	
Test of equality of three "less than \$25,000" coefficients			**	*	

*Source:* Authors' calculations based on Panel Study of Income Dynamics (2010) and administrative data compiled by Statistics Norway (Akselsen, Lien, and Sivertstøl 2007). *Notes:* Regressions include controls for birth year fixed effects, child sex (female = 1), whether the child was the firstborn of his or her mother, the total number of siblings, the age of the mother at the time of the birth, and whether the child's mother was married at the time of the birth (and whether the child's mother was cohabiting at the time of the birth in NR). To account for parental schooling, both mother's and father's education at birth were included in the NR regressions, and head-of-household schooling was included in the PSID regressions. Finally, about 430 fixed effects for mother's municipality of residence around the time of birth were included in the NR regressions, and PSID regressions included controls for region of residence in the year of the child's birth. PSID regressions are weighted. In both sets of analyses standard errors (SE) are corrected to account for the presence of siblings by clustering on the mother's ID. The columns labelled "Different Slopes" provide the significance of the test that the low-income (less than \$25,000) and higher-income (more than \$25,000) slopes are different.

\* $p < .10$ ; \*\* $p < .05$ ; \*\*\* $p < .01$

Annual Earnings (ln)				Percentage of Years Spent Any Time Unemployed			
NR		PSID		NR		PSID	
Coefficient (SE)	Different Slopes	Coefficient (SE)	Different Slopes	Coefficient (SE)	Different Slopes	Coefficient (SE)	Different Slopes
.23** (.01)	**	.56* (.24)	*	-.62** (.11)	**	-4.89 (4.31)	n.s.
.02** (.01)		.04* (.02)		-.07 (.05)		-.08 (.27)	
.06** (.01)	**	.13 (.17)	n.s.	-.41** (.11)	**	1.78 (3.54)	n.s.
-.01** (.01)		.01 (.02)		-.10+ (.05)		.31 (.28)	
.16** (.01)	**	-.09 (.13)	n.s.	-.14 (.16)		.83 (2.36)	n.s.
.02** (.01)		.00 (.02)		-.31** (.10)		-.32 (.26)	
**		*		**		n.s.	

**Table 8.1 Average Parent-Child Years of Education Correlation**

Country	Correlation
Italy	0.54
United States	0.46
Switzerland	0.46
Ireland	0.46
Poland	0.43
Belgium (Flanders)	0.40
Sweden	0.40
Czech Republic	0.37
Netherlands	0.36
Norway	0.35
New Zealand	0.33
Finland	0.33
United Kingdom	0.31
Denmark	0.30

*Source:* Authors' adaptation of Hertz et al. (2007).

*Note:* Average of mother's and father's education, ages twenty to sixty-nine, surveyed 1994 to 2004.

**Table 8.2 Sibling Correlations in Years of Education: Norway, 2001**

	Correlation	N
Twins		
All	0.53	2,807
Pair of brothers	0.59	932
Pair of sisters	0.62	1,027
One brother, one sister	0.35	848
Siblings with at most five years' difference in age		
All	0.37	68,957
Pair of brothers	0.38	18,225
Pair of sisters	0.41	16,256
One brother, one sister	0.32	34,476
Siblings with nine to thirteen months' difference in age		
All	0.42	2,798
Pair of brothers	0.46	714
Pair of sisters	0.42	656
One brother, one sister	0.39	1,428

*Source:* Authors' calculations based on data from the Norwegian Registry (not publicly available).

**Table 8.3**      **Decomposition of Family Variance**

	Age Only	Age and Parents' Education Only	All Covariates
Sisters <sup>a</sup>			
Sibling correlation	0.397	0.286	0.256
Between-family variance	2.226	1.355	1.160
Percentage reduction in family variance relative to first column		39.1%	47.9%
Brothers <sup>b</sup>			
Sibling correlation	0.373	0.261	0.240
Between-family variance	1.871	1.111	0.996
Percentage reduction in variance relative to first column		40.6%	46.7%

*Source:* Authors' calculations based on data from the Norwegian Registry (not publicly available).

*Notes:* In addition to age, mother's and father's education, parental covariates are father's earnings, mother's earnings, mother's years of work, father's years of work, mother's transfer income, father's transfer income, number of children, and whether separated or not, all measured as of 1993 (that is, history variables are as of 1993).

<sup>a</sup> N of families = 27,736; N of children = 13,655.

<sup>b</sup> N of families = 31,166; N of children = 15,349.

**Table 8.4**      **Twins Estimates of Parents' Education on Child's Education**

Method	Twin-Mothers		Twin-Fathers	
	No Endowment Control	Endowment Control	No Endowment Control	Endowment Control
Norwegian data <sup>a</sup>				
Mother's education	0.104 (0.040)	0.101 (0.040)	0.157 (0.030)	0.156 (0.030)
Father's education	0.118 (0.025)	0.119 (0.025)	0.159 (0.033)	0.157 (0.033)
U.S. data <sup>b</sup>				
Mother's education	-0.274 (0.145)	-0.263 (0.145)	0.043 (0.139)	0.016 (0.145)
Father's education	0.133 (0.071)	0.141 (0.072)	0.344 (0.162)	0.350 (0.162)

*Source:* For Norwegian data, Pronzato (2010); for U.S. data, Behrman and Rosenzweig (2002, tables 4 and 5).

*Notes:* All specifications include the gender and age of the child and an indicator of parents' not living together in 1993. Standard errors in parentheses.

<sup>a</sup> N = 1,575 twin-mothers, 1,582 twin-fathers.

<sup>b</sup> N = 424 twin-mothers, 244 twin-fathers.

**Table 8.5 Fixed-Effects (by Cluster) Estimates of Impacts of Parents' Employment Experience on the Average Years of Children's Education**

	Parameter Estimate	Standard Error
Percentage daughters	0.349	0.007
Parents separated	-0.537	0.008
Mother's pension years	0.014	0.001
Mother's average pension points	0.043	0.004
Father's pension years	0.011	0.001
Father's average pension points	0.143	0.003
Constant	11.812	0.023

*Source:* Authors' calculations based on data from the Norwegian Registry (not publicly available).

*Note:* Cluster is defined so that all mothers in the cluster have the same level of education and age, the same number of children, the same age of oldest child, and the same level of education for the father.

N observations = 454,943; N clusters = 34,365



**Table 8.6 Fixed-Effects (by Cluster) Estimates of Impacts of Parents' Employment Experience on the Math Grade of Their Children at Age Sixteen**

	Parameter Estimate	Standard Error
Female	0.138	0.011
Parents separated	-0.255	0.016
Mother's pension years, up to age four of child	0.003	0.002
Mother's average pension points, up to age four of child	0.044	0.008
Father's pension years, up to age four of child	-0.001	0.002
Father's average pension points, up to age four of child	0.021	0.006
Mother's pension years, ages four to seven of child	0.018	0.007
Mother's average pension points, ages four to seven of child	-0.007	0.006
Father's pension years, ages four to seven of child	0.000	0.012
Father's average pension points, ages four to seven of child	0.023	0.005
Constant	3.151	0.035

*Source:* Authors' calculations based on data from the Norwegian Registry (not publicly available).

*Note:* Cluster is defined so that all children in the cluster have the same mother's level of education and age, the same number of siblings, the same age of oldest sibling, and the same level of education for the father.

N observations = 1, 057; N clusters = 5,886

**Table 8.7** Twins' Estimates of Effects of Parents' Education on Child's Education, Norwegian Data, by Parents' Education Level

Method	Twin-Mothers		Twin-Fathers	
	Eleven or Fewer Years of Education	More Than Eleven Years of Education	Eleven or Fewer Years of Education	More Than Eleven Years of Education
Mother's education	0.121 (0.083)	0.102 (0.118)	0.192 (0.048)	0.180 (0.056)
Father's education	0.124 (0.031)	0.064 (0.076)	0.096 (0.099)	0.287 (0.079)
N children	2,187	270	1,529	602
N families	573	79	389	173

*Source:* Authors' adaptation of Pronzato (2010).

*Notes:* All specifications include the gender and age of the child and an indicator of parents not living together in 1993. Standard errors in parentheses.

**Table 8.8 Siblings' Estimates of Effects of Parents' Education on Child's Education, Norwegian Data**

	Overall	Eleven or Fewer Years of Education	More Than Eleven Years of Education
Sisters born thirteen to sixty months apart			
Mother's education	0.096 (0.007)	0.113 (0.015)	0.046 (0.025)
Mother's education $\times$ daughter	0.063 (0.008)	0.115 (0.017)	0.045 (0.030)
Father's education	0.162 (0.006)	0.162 (0.007)	0.170 (0.016)
Father's education $\times$ daughter	-0.005 (0.007)	0.016 (0.009)	-0.055 (0.019)
N families	29,029	18,679	2,677
N children	101,396	72,753	8,922
Brothers born thirteen to sixty months apart			
Mother's education	0.162 (0.006)	0.173 (0.009)	0.157 (0.012)
Mother's education $\times$ daughter	0.064 (0.007)	0.094 (0.012)	0.030 (0.015)
Father's education	0.133 (0.006)	0.159 (0.016)	0.121 (0.014)
Father's education $\times$ daughter	-0.007 (0.006)	0.029 (0.018)	-0.025 (0.016)
N families	30,491,	14,566	5,840
N children	121,413	62,025	20,728

*Source:* Authors' calculations based on data from the Norwegian Registry (not publicly available).

*Notes:* All specifications include the gender and age of the child, an indicator of parents' not living together in 1993 and the earnings endowment of partner. Standard errors in parentheses.

**Table 8A.1** Descriptive Statistics on Norwegian Parents and Children  
(Twins and Overall Population)

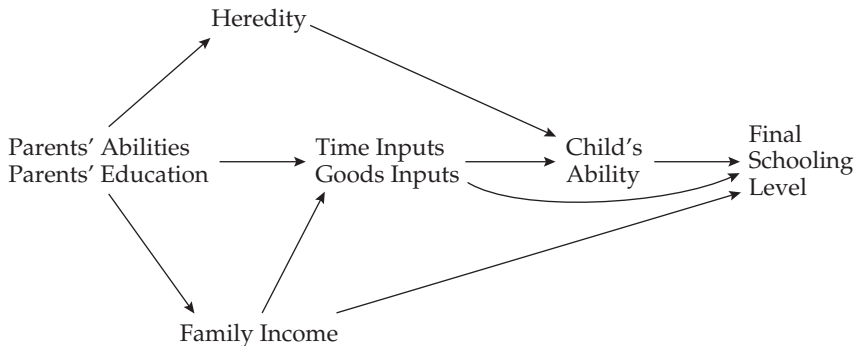
	Mothers		Fathers	
	Twins	Population	Twins	Population
<b>Parent's level</b>				
Age (1993)	44.3 (6.1)	47.1 (8.6)	47.5 (6.9)	50.8 (9.4)
Number of siblings (1993)	3.45 (3.42)	3.72 (4.99)	3.42 (3.87)	3.89 (5.37)
Years of schooling (1993)	10.9 (2.1)	11.2 (2.2)	11.5 (2.6)	11.6 (2.6)
Earnings (1993) (in euros)	13,342 (10,287)	12,382 (10,312)	23,216 (17,750)	20,423 (19,381)
Transfers (1993) (in euros)	3,067 (4,329)	3,210 (4,275)	2,281 (4,900)	3,437 (6,025)
Self-employed (1993)	0.103	0.097	0.224	0.260
Number of children (1993)	2.45 (0.94)	2.42 (1.02)	2.44 (0.94)	2.51 (1.07)
N parents	1,575	278,390	1,582	303,703
<b>Child's level</b>				
Age (2001)	27.0 (7.0)	29.4 (8.8)	27.8 (7.2)	29.7 (9.3)
Years of schooling (2001)	12.9 (2.4)	12.9 (2.4)	12.9 (2.4)	12.9 (2.4)
Other parent's schooling (1993)	11.6 (2.6)	11.5 (2.6)	11.1 (2.2)	11.0 (2.2)
Divorce (1993)	0.205	0.176	0.187	0.159
Earnings (2001) (in euros)	25,111 (17,999)	25,540 (19,289)	25,488 (17,571)	25,740 (19,360)
Transfers (2001) (in euros)	3,235 (5,520)	3,393 (5,673)	3,177 (5,339)	3,365 (5,655)
Self-employed (2001)	0.076	0.097	0.083	0.105
N children	3,857	674,507	3,853	764,256
N children over twenty-two	2,914	545,523	3,020	618,550

Source: Authors' adaptation of Pronzato (2010).

Notes: Average values with standard deviations in parentheses; "self-employed" is a dummy variable indicating whether part of the income is from self-employment work; "number of children" comprises children of any age; "age" at the child's level is measured for all children, whereas the other variables at the child's level are summarized only for children over age twenty-two.

**Figure 9.1**      **The Determination of Children's Ability and Final Schooling Levels**

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*Source:* Authors' adaptation of Haveman and Wolfe (1995, figure 1).

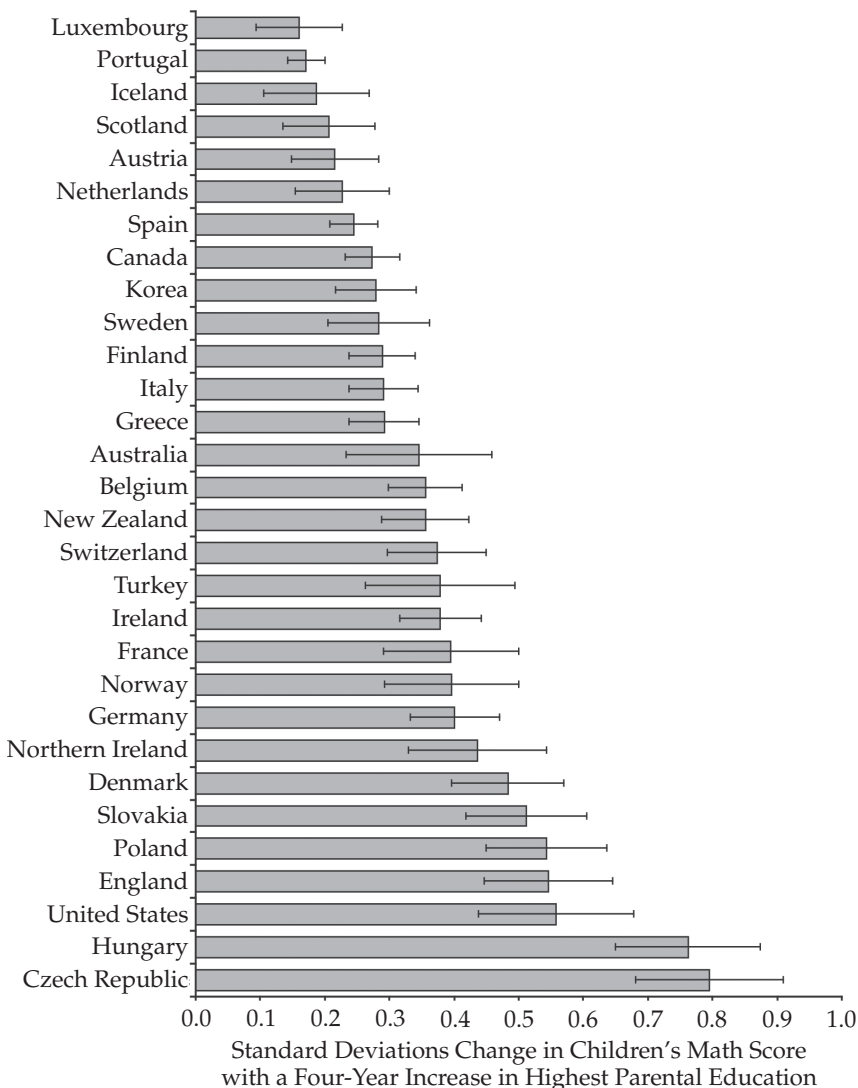
**Table 9.1 Mother's and Father's Years of Education**

Country	Label	Sample Size	Correlation Between Mother's and Father's		
			Father's Values	Mother's Education = Father's Education	One Parent's Education Is Missing
Iceland	ISL	2,108	0.36	42%	1%
England	ENG	1,891	0.40	43	5
Australia	AUS	4,745	0.41	46	2
Norway	NOR	2,116	0.41	51	2
New Zealand	NZL	1,540	0.41	43	7
Northern Ireland	NI	1,745	0.41	42	4
Finland	FIN	3,789	0.42	52	1
France	FRA	2,086	0.42	51	3
Sweden	SWE	2,345	0.43	53	2
Belgium	BEL	4,656	0.44	53	3
United States	USA	2,158	0.44	64	0
Canada	CAN	14,418	0.45	51	1
Scotland	SCOT	1,219	0.45	42	4
Austria	AUT	2,801	0.46	50	1
Germany	DEU	2,365	0.46	51	3
Netherlands	NLD	2,484	0.47	52	3
Denmark	DNK	2,276	0.48	46	2
Ireland	IRL	2,522	0.48	46	1
Switzerland	CHE	3,612	0.50	54	2
Luxembourg	LUX	1,226	0.51	54	9
Czech Republic	CZE	4,243	0.53	54	1
Greece	GRC	2,506	0.53	48	0
Italy	ITA	8,329	0.53	49	1
Slovakia	SVK	5,473	0.54	78	1
Spain	ESP	7,885	0.57	51	3
Poland	POL	3,682	0.58	59	0
Turkey	TUR	2,752	0.58	43	1
Hungary	HUN	3,135	0.62	53	2
Korea	KOR	3,861	0.68	61	1
Portugal	PRT	2,905	0.76	60	1
Total		106,873	0.61	54	2

*Source:* Authors' calculations based on data from Programme for International Student Assessment 2003 (see OECD 2004).

*Notes:* Based on data after sample selection rules have been applied (no migrants, children living with natural parents only, at least one parent's education coded).

**Figure 9.2 Children's Math Score and Highest Parental Education**

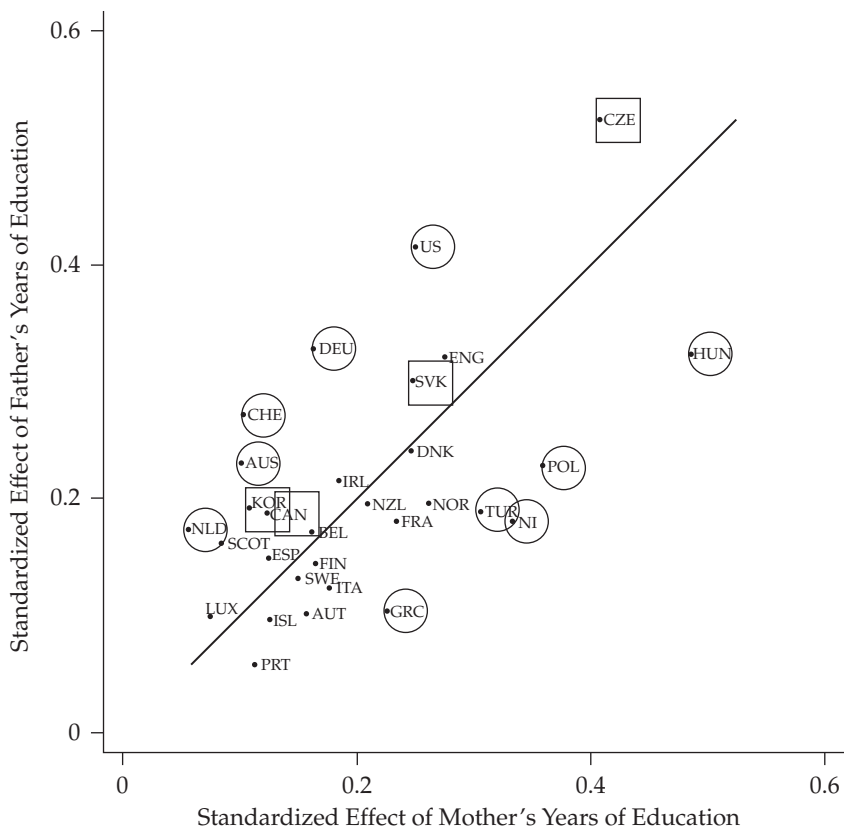


*Source:* Authors' calculations based on data from Programme for International Student Assessment 2003 (OECD 2004).

*Note:* The horizontal lines at the end of each bar represent 95 percent confidence intervals around the estimates.

Figure 9.3

## H1: Mother's and Father's Education and Child's Math Score



Source: Authors' calculations based on data from Programme for International Student Assessment 2003 (OECD 2004).

Notes: The forty-five-degree line represents where mother's and father's education have equal influence on their children's math score. Circles (squares) indicate countries where the effect of mother's and father's education is statistically different at the 5 percent (10 percent) significance level. The x and y axes show the standardized effect of mother's and father's education—that is, by how many (international) standard deviations a child's test score changes with a four-year increase in the parent's education.



**Table 9.2 Tests of Hypotheses for the Three PISA Domains, Pooled Sample of Thirty Countries (*p*-values)**

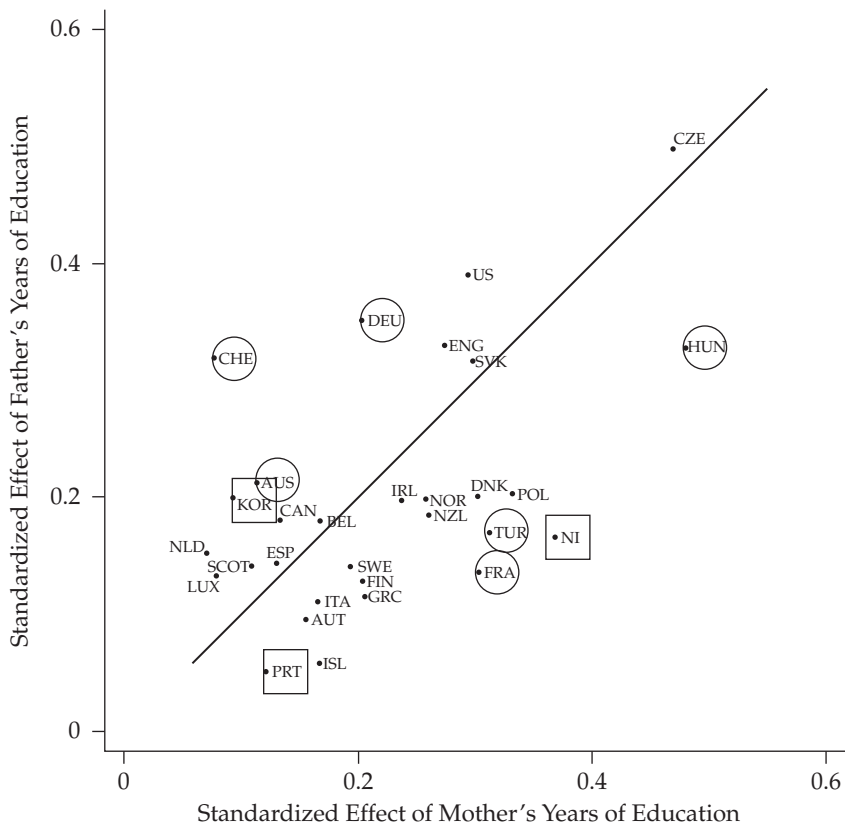
Hypothesis		Math	Reading	Science
H1	Mother $\rightarrow$ Child = Father $\rightarrow$ Child	0.04	0.03	0.02
H2	Mother $\rightarrow$ Daughter = Father $\rightarrow$ Daughter	0.24	0.42	0.31
H3	Mother $\rightarrow$ Son = Father $\rightarrow$ Son	0.00	0.02	0.02
H4	Father $\rightarrow$ Son = Father $\rightarrow$ Daughter	0.04	0.13	0.21
H5	Mother $\rightarrow$ Son = Mother $\rightarrow$ Daughter	0.03	0.31	0.25
H6	Mother $\leftrightarrow$ Father Interaction = 0	0.00	0.00	0.00

*Source:* Authors' calculations based on data from Programme for International Student Assessment 2003 (OECD 2004).

*Notes:* Figures in the table refer to *p*-values; estimation of standard errors allows for clustering of children within schools.

Figure 9.4

## H2: Mother's and Father's Education and Daughter's Math Score

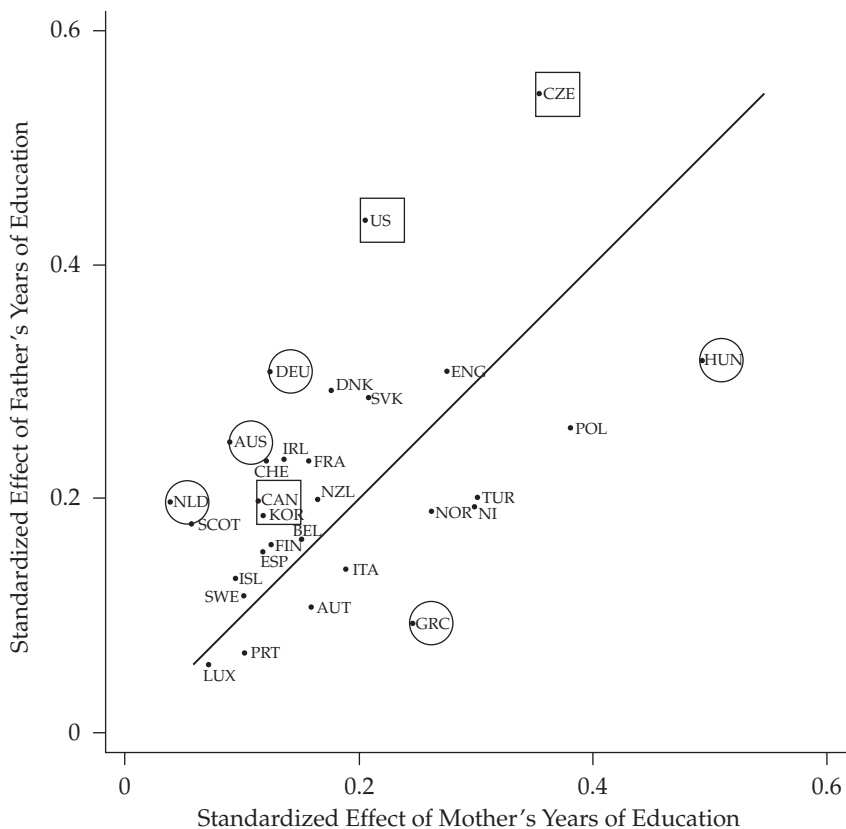


Source: Authors' calculations based on data from Programme for International Student Assessment 2003 (OECD 2004).

Notes: The forty-five-degree line represents where mother's and father's education have equal influence on their children's math score. Circles (squares) indicate countries where the effect of mother's and father's education is statistically different at the 5 percent (10 percent) significance level. The x and y axes show the standardized effect of mother's and father's education—that is, by how many (international) standard deviations a child's test score changes with a four-year increase in the parent's education.

Figure 9.5

## H3: Mother's and Father's Education and Son's Math Score



Source: Authors' calculations based on data from Programme for International Student Assessment 2003 (OECD 2004).

Notes: The forty-five-degree line represents where mother's and father's education have equal influence on their children's math score. Circles (squares) indicate countries where the effect of mother's and father's education is statistically different at the 5 percent (10 percent) significance level. The x and y axes show the standardized effect of mother's and father's education—that is, by how many (international) standard deviations a child's test score changes with a four-year increase in the parent's education.

**Table 9.3 Standardized Regression Coefficients for the Three PISA Domains, Pooled Sample of Thirty Countries**

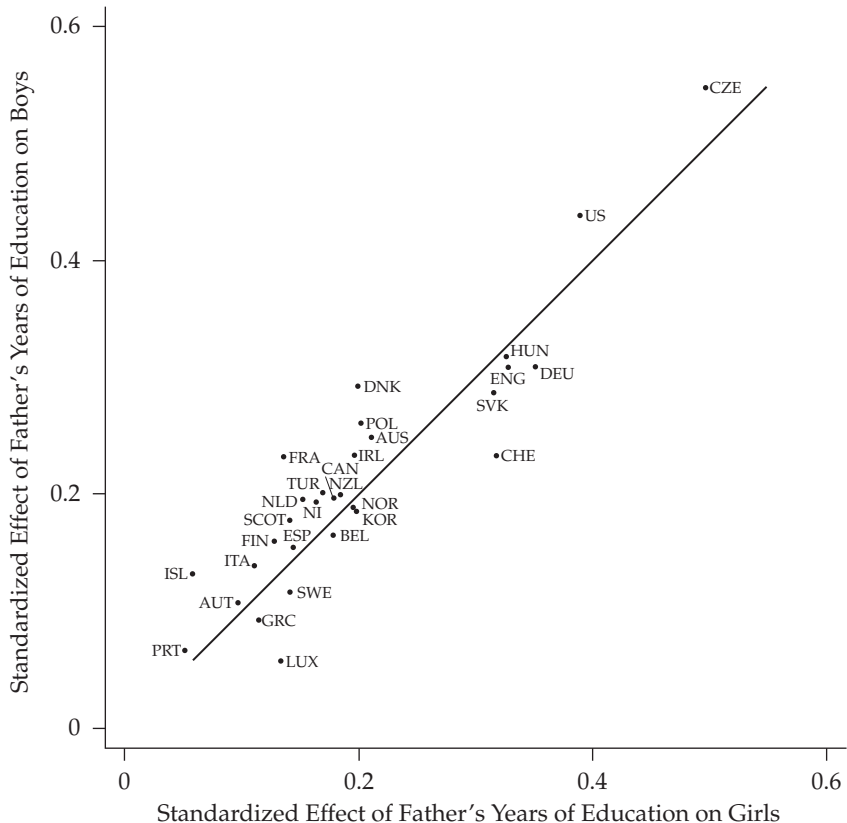
	Math	Reading	Science
Boy ( $\gamma$ )	0.114 (0.046)	-0.372 (0.046)	0.039 (0.048)
Father's years of education ( $\beta_1$ )	0.198 (0.011)	0.186 (0.011)	0.218 (0.012)
Boy $\times$ father's years of education ( $\beta_3$ )	0.034 (0.016)	0.025 (0.017)	0.022 (0.018)
Mother's years of education ( $\beta_2$ )	0.202 (0.013)	0.173 (0.012)	0.198 (0.014)
Boy $\times$ mother's years of education ( $\beta_4$ )	-0.039 (0.016)	-0.015 (0.016)	-0.018 (0.017)

*Source:* Authors' calculations based on data from Programme for International Student Assessment 2003 (OECD 2004).

*Notes:* Standard errors in parentheses. Their estimation allows for clustering of children within schools. The models include a dummy variable for each country, although the coefficients are not reported. The  $\beta$  coefficients represent the standardized effect of that variable: by how many (international) standard deviations a child's test score changes with a four-year increase in mother's or father's education. The  $\gamma$  coefficient shows the difference between boys and girls using the same metric; for example, boys are estimated to have reading scores that on average are 0.372 of an international standard deviation lower than those of girls, holding other factors constant.

Figure 9.6

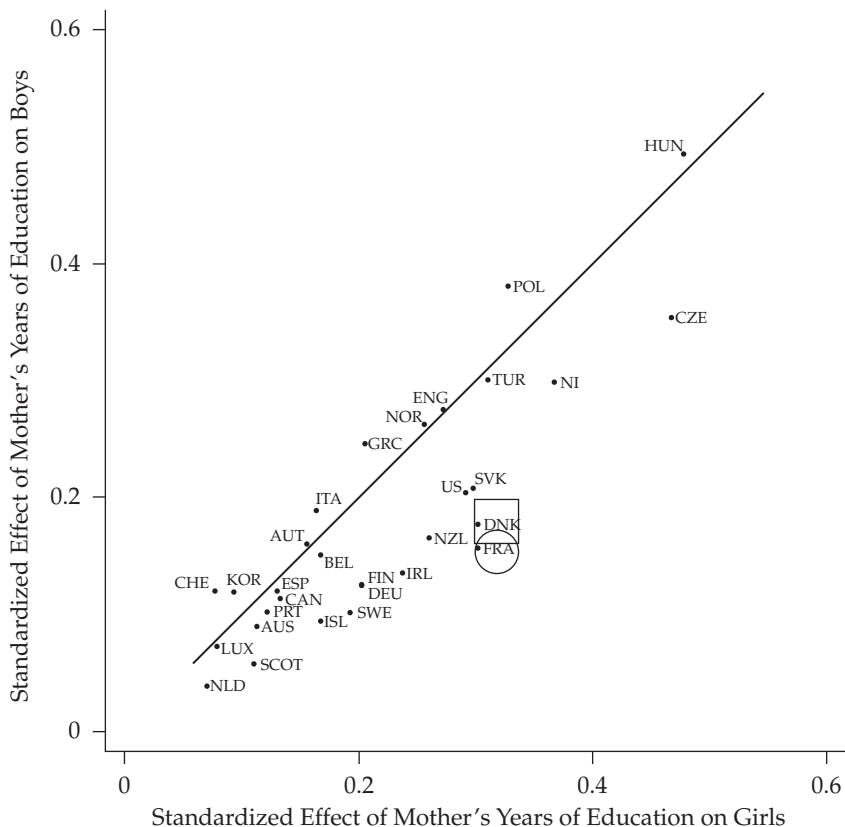
## H4: Father's Education and Son's and Daughter's Math Scores



Source: Authors' calculations based on data from Programme for International Student Assessment 2003 (OECD 2004).

Notes: The forty-five-degree line represents where father's education has equal influence on boys' and girls' math scores. See also figure 9.3.

Figure 9.7 H5: Mother's Education and Son's and Daughter's Math Scores



Source: Authors' calculations based on data from Programme for International Student Assessment 2003 (OECD 2004).

Notes: The forty-five-degree line represents where mother's education has equal influence on boys' and girls' math scores. See also figure 9.3. There is a statistically significant difference at the 10 percent level in Finland, though this is not clearly illustrated in the graph owing to the overlapping country labels.

**Table 10.1 Money Given by Parents to All Their Children in 2004, by Country (in 2004 Euros)**

	N	Trimmed at 98th Percentile									
		Unconditional				Conditional		Unconditional			Conditional
		Percentage	Mean	90th	95th	Mean	Median	Mean	90th	95th	Mean
Austria	1,161	26.4	€1,062	€2,000	€4,057	€4,021	€1,500	€476	€2,000	€3,000	€1,941
Belgium	2,186	19.1	2,688	3,000	7,500	14,109	3,114	723	2,000	5,000	4,237
Denmark	1,027	25.2	1,219	3,125	7,125	4,838	2,561	708	2,689	4,033	3,037
France	1,801	18.7	1,439	2,400	6,000	7,716	2,602	577	1,587	4,000	3,429
Germany	1,676	26.9	968	2,600	5,000	3,603	2,000	603	2,000	4,000	2,380
Greece	1,712	24.8	1,174	3,000	6,000	4,738	2,000	636	2,000	4,000	2,740
Italy	1,530	16.1	841	1,038	4,000	5,233	1,695	307	1,000	2,000	2,169
Netherlands	1,708	19.1	1,037	2,000	5,000	5,427	2,500	507	1,545	3,840	2,897
Spain	1,492	8.4	467	0	1,803	5,549	3,000	139	0	744	2,256
Sweden	1,936	27.4	660	2,179	3,268	2,410	1,307	450	1,634	2,723	1,737
U.S.	11,861	38.9 <sup>a</sup>	1,862	4,484	8,969	4,795	1,794	1,098	4,077	6,523	2,939
All SHARE countries	16,229	19.7	1,012	2,000	5,000	5,127	2,000	463	1,500	3,000	2,579

Source: Authors' calculations based on data from SHARE Project (2004) and 2004 HRS (University of Michigan 2004).

Note: Weighted results.

<sup>a</sup>U.S. percentage giving based on average over two years. Estimated one-year giving is 25.2 percent.

**Table 10.2 Characteristics of Parents by Country, 2004**

Country	N	Percentage Married	Percentage College	Mean Children	Mean (Euros)		
					2004		2006
					Wealth <sup>a</sup>	Income <sup>b</sup>	Income <sup>c</sup>
Austria	1,161	56%	21%	2.26	€167,037	€26,356	€31,306
Belgium	2,186	65	25	2.43	305,576	28,193	36,051
Denmark	1,027	56	30	2.45	279,279	43,714	55,695
France	1,801	59	18	2.53	299,710	36,284	29,337
Germany	1,676	59	24	2.22	165,006	28,816	26,920
Greece	1,712	62	12	2.16	191,152	14,222	36,444
Italy	1,530	66	6	2.35	220,543	16,332	24,741
Netherlands	1,708	65	17	2.71	221,017	31,507	35,718
Spain	1,492	66	9	2.75	307,708	32,451	31,879
Sweden	1,936	58	20	2.50	245,206	33,025	43,842
United States	11,861	54	22	3.22	330,404	48,589	n.a.
All SHARE countries	16,229	62	16	2.42	234,242	28,007	30,115

*Source:* Authors' calculations based on data from SHARE Project (2004) and 2004 HRS (University of Michigan 2004).

*Note:* Weighted results.

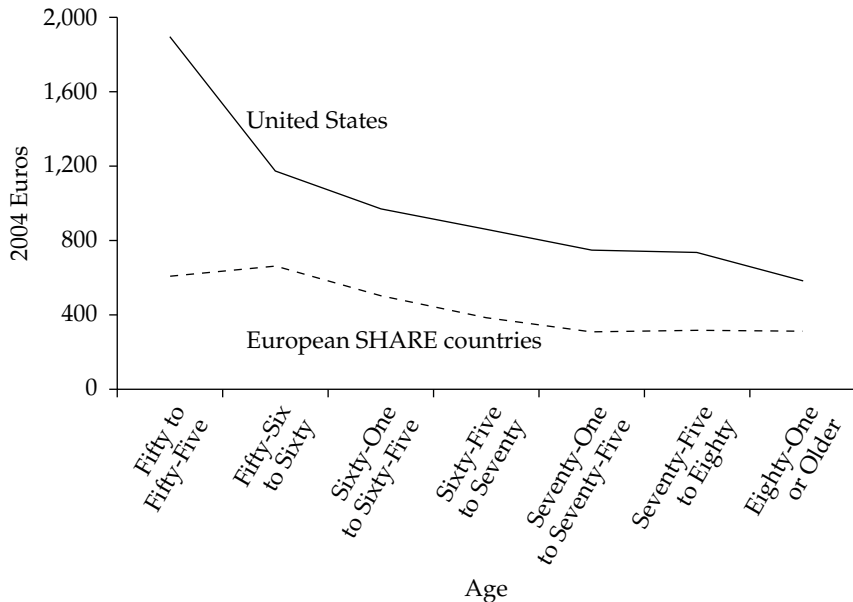
<sup>a</sup>Net wealth is sum of stocks, bonds, IRAs, checking and savings accounts, business, house, and "other," less debt and mortgage.

<sup>b</sup>Income is sum of household income from earnings, pensions, transfers, assets, and "other"; it includes only regular payments (for example, no lump sums or support by family members). Income in SHARE wave 1 had substantial nonresponse. Although imputations were computed with a conditional hot deck for responses bracketed into income categories, there was also substantial nonresponse to the brackets; thus, the mean values reported for wave 1 should be interpreted with caution.

<sup>c</sup>Because of income nonresponse in wave 1, we also report 2006 *net* income for 81 percent of the SHARE sample for which it is available in wave 2 release 2.3.0 (weighted).



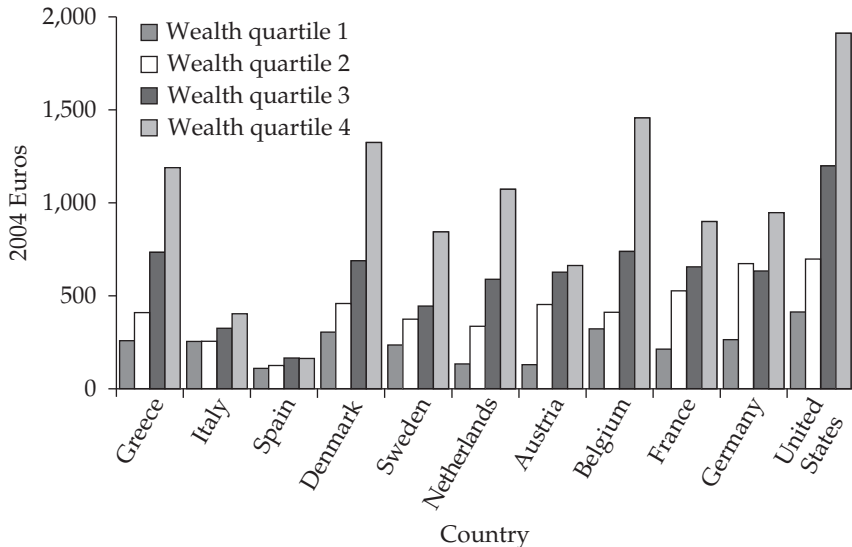
**Figure 10.1** Amount of Money Given to Children, by Parent Age for the United States and the European SHARE Countries, in 2004



Source: Authors' calculations based on data from SHARE Project (2004) and 2004 HRS (University of Michigan 2004).

Notes: Amounts in 2004 euros trimmed above the ninety-eighth percentile. Weighted results.

**Figure 10.2** Amount of Money Given to Children, by Parent Wealth Quartile for Twelve Countries, in 2004



*Source:* Authors' calculations based on data from SHARE Project (2004) and 2004 HRS (University of Michigan 2004).

*Notes:* Amounts in 2004 euros trimmed above the ninety-eighth percentile. Weighted results.

**Table 10.3 Country-Level Social Expenditure and Population-Level Statistics, 2004**

Country	As a Percentage of GDP						For Population Ages Twenty-Five to Thirty-Four		
	Old Age	Health	Unemployment	Tertiary Education <sup>a</sup>	Family	Mortgage Debt <sup>b</sup>	Unemployed	Attained Tertiary Education	Fertility Rate
	Austria	12.7%	6.7%	1.2%	3.6%	2.9%	19.0%	5.5%	20.3%
Belgium	7.1	7.5	3.4	1.3	2.6	27.9	10.0	40.7	1.72
Denmark	7.1	5.9	3.3	2.4	3.5	74.3	5.8	37.6	1.78
France	10.7	7.8	1.8	1.2	3.0	22.8	9.7	38.4	1.90
Germany	11.2	7.6	1.7	1.1	1.9	54.0	11.5	22.9	1.36
Greece	10.4	5.1	0.4	1.4	1.2	13.9	12.4	25.3	1.31
Italy	11.5	6.6	0.5	0.8	1.3	11.4	10.3	14.8	1.33
Netherlands	5.6	5.8	1.6	1.4	1.6	78.8	4.6	34.5	1.73
Spain	7.9	5.8	2.2	0.9	2.1	32.3	9.6	38.1	1.33
Sweden	9.8	6.8	1.3	1.9	3.2	40.4	8.7	42.3	1.75
United States	5.4	6.9	0.4	1.3	0.7	58.0	5.1	39.0	2.05
All SHARE countries	10.2	6.9	1.5	1.2	2.1	34.5	10.0	28.3	1.50

*Sources:* Authors' calculations based on data from OECD Social Expenditure Database—social and welfare statistics, Employment, Labour, and Social Affairs pensions, labor force statistics, and general statistics (OECD 2008b); *OECD Education at a Glance 2008* (OECD 2008a); residential mortgage debt from *OECD Economic Outlook 2004* (OECD 2004); Austria data from *IMF World Economic Outlook* (IMF 2008).

*Notes:* The OECD Social Expenditure Database groups benefits with a social purpose into the following areas: "old age"—pensions, early retirement pensions, and home help and residential services for the elderly; "health"—spending on in- and outpatient care, medical goods, and prevention; "family"—child allowances and credits, child care support, income support during leave, and single-parent payments; "unemployment"—unemployment compensation, severance pay, and early retirement for labor market reasons; and "housing"—housing allowances and rent subsidies. "Tertiary education" is defined here as direct public expenditure on educational institutions plus public subsidies to households (which include subsidies for living costs) and other private entities. The fertility rate is the number of children born to women ages fifteen to forty-nine.

<sup>a</sup>For 2005.

<sup>b</sup>For 2002.

**Table 10.4 Linear Regression Model of Amount of Money That Parents Give to All Children (2004 Euros)**

Model	Mean (1)	Mean (2)	Ninetieth Percentile (3)
Constant	2,630.4**	91.4	3,398.6**
Male	27.2	27.8	63.3*
Age	-57.8**	-57.9**	-146.0**
Age-squared	0.337**	0.338**	0.889**
Married	-83.1**	-82.4**	-116.9**
College	491.9**	491.9**	1,565.5**
[One child]			
Two children	106.9**	106.9**	135.3**
Three or more children	120.5**	120.0**	54.6
[Income quartile 1]			
Income quartile 2	88.5**	88.4**	183.5**
Income quartile 3	180.1**	179.7**	564.7**
Income quartile 4	580.3**	579.7**	1,886.1**
[Wealth quartile 1]			
Wealth quartile 2	130.9**	130.8**	189.3**
Wealth quartile 3	310.4**	310.2**	743.2**
Wealth quartile 4	635.2**	634.9**	1,985.9**
[United States]			
Austria	-475.3**		
Belgium	-226.2**		
Denmark	-319.9**		
France	-330.9**		
Germany	-308.7**		
Greece	-211.1**		
Italy	-520.7**		
Netherlands	-365.5**		
Spain	-726.1**		
Sweden	-458.2**		
Social expenditures (as percentage of GDP)			
Old age		-13.7	15.1
Health		-10.5	-2.1
Tertiary education		261.7**	358.5**
Family		-217.3*	-358.3**
Unemployment		71.4	41.7
Population ages twenty-five to thirty-four			
Percentage unemployed		94.9**	105.9**
Percentage attained tertiary education		-10.2	3.4
Fertility rate		1,086.4**	925.4**
Mortgage debt (as percentage of GDP)		2.6*	4.4**

(Table continues on p. 302.)

**Table 10.4** *Continued*

Model	Mean (1)	Mean (2)	Ninetieth Percentile (3)
N	27,472	27,472	27,472
R-squared	0.086	0.086	0.15
Value of dependent variable	690.78	690.78	2178.65

*Source:* Authors' calculations based on data from SHARE Project (2004) and 2004 HRS (University of Michigan 2004).

*Notes:* Dependent variable "amount of money" trimmed at the ninety-eighth percentile. See table 10.3 note for definitions of social expenditures.

\*significant at 5 percent; \*\*significant at 1 percent.

**Table 10.5** Amount of Money That Parents Give to All Children over Time in the United States (2006 Dollars)

Percentile	Two Years	Four Years	Six Years	Eight Years	Ten Years	Twelve Years	Fourteen Years	Sixteen Years
Tenth	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Twenty-fifth	0	0	0	0	0	0	560	1,575
Fiftieth	0	0	1,437	2,874	4,482	6,184	8,908	12,368
Seventy-fifth	2,474	6,614	11,266	16,337	22,187	27,426	33,635	40,630
Ninetieth	11,707	24,075	35,403	47,358	58,853	68,534	80,551	92,164
Ninety-fifth	23,869	45,091	62,119	80,817	96,367	110,385	126,097	141,636
Ninety-ninth	70,244	122,134	172,595	221,010	265,333	295,793	326,740	367,318
Mean	5,102	9,885	14,623	19,450	24,413	28,770	33,595	37,765
N	88,168	68,206	51,450	38,257	26,816	16,868	9,926	3,903

Source: Authors' calculations based on data from HRS waves 1992 to 2006 (University of Michigan 2006).

**Table 10.6** Amount of Money That Parents Give to One Child over Time in the United States (2006 Dollars)

Percentile	Two Years	Four Years	Six Years	Eight Years	Ten Years	Twelve Years	Fourteen Years	Sixteen Years
Tenth	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Twenty-fifth	0	0	0	0	0	0	0	0
Fiftieth	0	0	0	0	0	0	0	500
Seventy-fifth	0	585	1,437	2,597	3,927	5,215	6,614	8,622
Ninetieth	2,561	6,376	10,471	13,976	18,387	21,879	25,865	29,905
Ninety-fifth	7,421	15,019	22,454	29,134	35,379	40,863	47,411	54,602
Ninety-ninth	28,738	49,472	66,523	83,799	100,732	110,599	125,376	137,641
Mean	1,559	3,025	4,444	5,907	7,376	8,577	9,981	11,122
N	300,669	229,373	171,771	126,807	88,571	55,612	32,661	12,830

*Source:* Authors' calculations based on data from HRS waves 1992 to 2006 (University of Michigan 2006).

**Table 10.7 Amount of Money That Parents Give to a Seventeen- or Eighteen-Year-Old Child in School over the Next Six Years (2006 Dollars)**

Percentile	Two Years	Four Years	Six Years
Tenth	\$0	\$0	\$0
Twenty-fifth	0	1,360	2,341
Fiftieth	2,474	8,392	11,336
Seventy-fifth	11,206	24,736	29,776
Ninetieth	27,206	48,681	54,973
Ninety-fifth	39,488	74,440	82,397
Ninety-ninth	84,047	136,841	140,439
Mean	9,216	18,374	21,651
N	2,000	1,523	1,144

*Source:* Authors' calculations based on data from HRS waves 1992 to 2006 (University of Michigan 2006).



**Table 10.8 Average Income and Wealth of Parents Who Make Positive Transfers, Based on Position in Transfer Distribution (2006 Dollars)**

Transfer Percentile	Two Years	Four Years	Six Years	Eight Years	Ten Years	Twelve Years	Fourteen Years	Sixteen Years
Average income								
Tenth								
Twenty-fifth							\$53,918	\$57,742
Fiftieth			\$63,456	\$65,371	\$65,783	\$66,352	69,351	73,930
Seventy-fifth	\$79,963	\$85,833	84,920	88,082	89,861	91,159	91,088	93,228
Ninetieth	129,328	103,399	107,299	109,144	107,403	97,645	106,830	115,898
Ninety-fifth	134,160	149,612	144,170	153,037	142,747	149,762	148,081	146,638
Ninety-ninth	207,954	203,318	244,447	263,879	266,910	249,607	269,637	245,059
N	88,168	68,206	51,450	38,257	26,816	16,868	9,926	3,903
Average wealth								
Tenth								
Twenty-fifth							230,276	239,125
Fiftieth			323,373	323,120	322,224	314,206	302,363	310,426
Seventy-fifth	483,665	508,441	500,075	524,088	501,630	492,904	497,107	468,133
Ninetieth	738,121	679,024	694,924	668,382	663,007	640,974	585,190	590,030
Ninety-fifth	968,004	1,023,683	1,070,261	1,051,883	982,176	935,639	867,894	856,740
Ninety-ninth	2,349,257	2,339,929	1,930,942	2,110,465	2,114,367	1,980,913	1,963,744	2,071,066
N	88,168	68,206	51,450	38,257	26,816	16,868	9,926	3,903

Source: Authors' calculations based on data from HRS waves 1992 to 2006 (University of Michigan 2006).

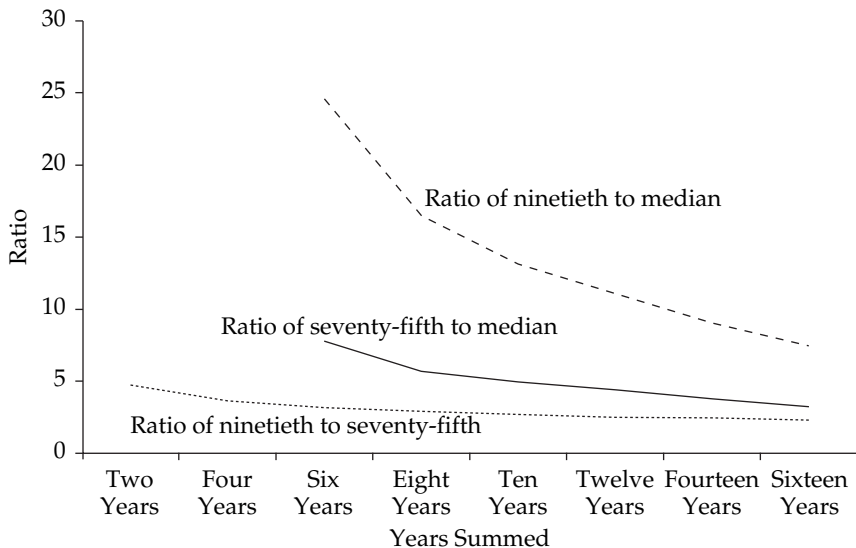
Notes: Income and wealth of parents that make positive transfers. See table 10.5.

**Table 10.9 Persistence of Monetary Giving by High-Giving Households**

Parents Who Gave in at Least:	Sixteen-Year Transfers at Seventy-Fifth Percentile and Above	Sixteen-Year Transfers at Ninetieth Percentile and Above
Eight waves	14.8%	24.2%
Seven waves	33.3	49.6
Six waves	54.3	73.2
Five waves	73.5	87.5
Four waves	85.1	93.9
Three waves	94.4	99.0
Two waves	98.3	99.7
One wave	100.0	100.0
N	937	351

*Source:* Authors' calculations based on data from HRS waves 1992 to 2006 (University of Michigan 2006).

**Figure 10.3** Money Given to All Children in the United States: Ratio of Nineteenth and Seventy-Fifth Percentiles to Median and Nineteenth to Seventy-Fifth



*Source:* Authors' calculations based on data from SHARE Project (2004) and 2004 HRS (University of Michigan 2004).

*Note:* Unconditional transfer amounts based on table 10.5.

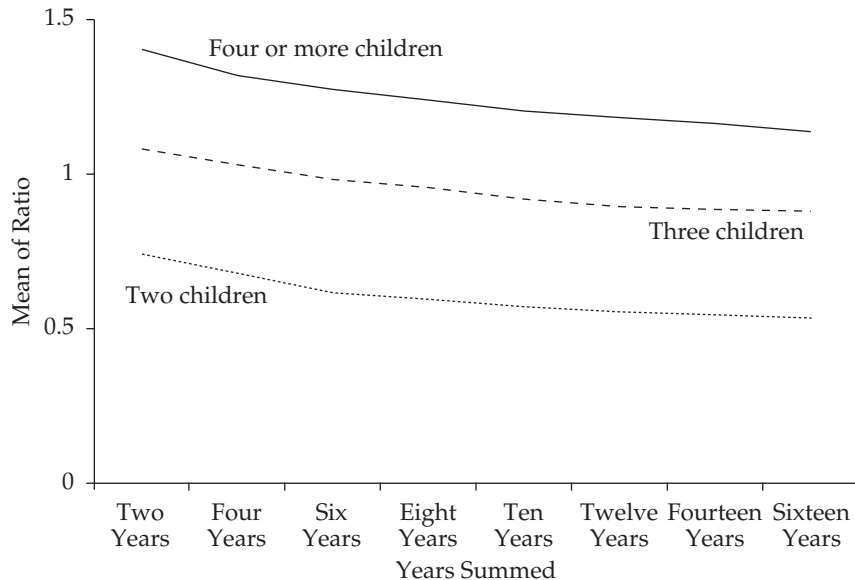
**Table 10.10 Multi-Child Households Giving Money to All Children in the Household**

Time	All Households			Two-Child Households			Three-Child Households			Households with Four or More Children		
	All Children	No Children	Some Children	All Children	No Children	Some Children	All Children	No Children	Some Children	All Children	No Children	Some Children
Two years	11.6%	51.4%	37.0%	22.5%	48.3%	29.1%	9.6%	52.7%	37.7%	3.6%	53.0%	43.3%
Four years	19.3	33.6	47.1	36.1	30.9	33.0	16.7	35.0	48.3	6.6	35.0	58.3
Six years	25.4	23.1	51.5	46.2	20.6	33.2	22.6	24.4	53.0	9.7	24.3	66.1
Eight years	30.1	16.1	53.8	53.6	14.2	32.2	27.1	17.2	55.7	12.3	16.8	70.8
Ten years	33.8	11.0	55.2	59.1	9.8	31.1	30.9	11.7	57.4	14.6	11.5	73.9
Twelve years	37.2	6.6	56.2	63.9	5.8	30.3	34.4	7.1	58.5	16.8	7.0	76.2
Fourteen years	39.8	3.0	57.3	67.3	2.1	30.6	36.9	3.4	59.7	18.9	3.4	77.8
Sixteen years	42.8	0.0	57.2	70.6	0.0	29.4	40.3	0.0	59.7	21.5	0.0	78.5

*Source:* Authors' calculation based on data from HRS waves 1992 to 2006 (University of Michigan 2006).

*Note:* The sample comprises those born in the years from 1931 to 1941 who entered the HRS in 1992 and had given money to children at some time over the eight waves. The pattern is the same for other cohorts.

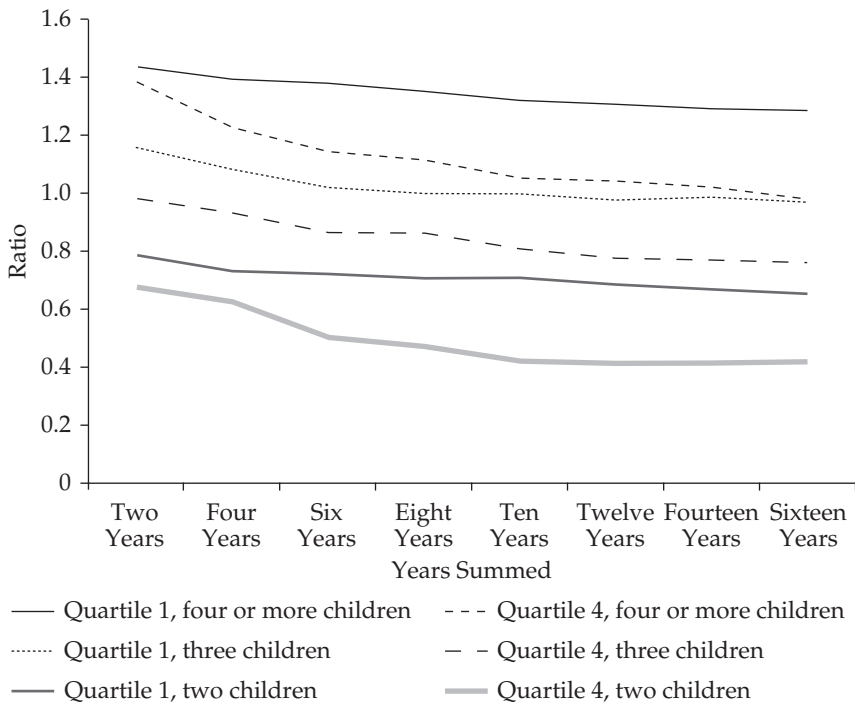
**Figure 10.4** Within-Household Equality of Money Given to Children over Time in the United States



*Source:* Authors' calculations based on data from 2004 HRS (University of Michigan 2004).

*Note:* Mean of ratio: absolute value of difference in amount of money given to child  $i$  in family  $j$  and average amount given to all children in family  $j$ , divided by average amount given to all children.

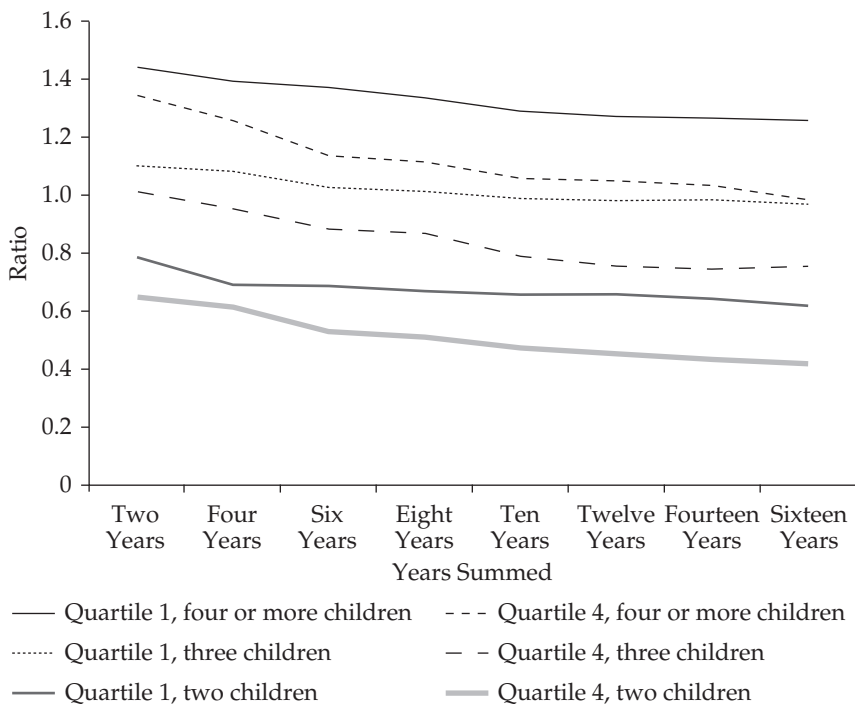
**Figure 10.5** Within-Household Equality of Money Given to Children over Time in the United States, by Household Wealth



Source: Authors' calculations based on data from 2004 HRS (University of Michigan 2004).

Note: Mean of ratio: absolute value of difference in amount of money given to child  $i$  in family  $j$  and average amount given to all children in family  $j$ , divided by average amount given to all children.

**Figure 10.6** Within-Household Equality of Money Given to Children over Time in the United States, by Household Income



Source: Authors' calculations based on data from 2004 HRS (University of Michigan 2004).

Note: Mean of ratio: absolute value of difference in amount of money given to child  $i$  in family  $j$  and average amount given to all children in family  $j$ , divided by average amount given to all children.

**Table 10.11** Linear Regression Model Results for Money That Parents Give a Child over Two, Eight, and Fourteen Years

	Probability Child Receives Money			Amount of Money		
	Two Years	Eight Years	Fourteen Years	Two Years	Eight Years	Fourteen Years
Parent covariate						
Parent wealth quartiles						
1	-0.052**	-0.127**	-0.138**	-2,196**	-2,925**	-3,367*
2	-0.023**	-0.049**	-0.051**	-1,445*	-1,411*	-1,381
[3 omitted]						
4	0.037**	0.081**	0.097**	2,171**	7,879**	14,600**
Parent income quartiles						
1	-0.079**	-0.129**	-0.147**	-165	-3,201**	-6,488**
2	-0.041**	-0.062**	-0.060**	-998	-1,373*	-3,073*
[3 omitted]						
4	0.055**	0.059**	0.054**	2,578**	5,687**	11,657**
Child covariate						
In school	0.069**	0.058**	0.058**	-1,744	4,200*	2,980
Education at baseline						
Less than high school	-0.012	-0.014	-0.022*	-1,462	-453	455
Some college	0.008	0.021**	0.024**	139	531	-386
College	0.010	0.003	-0.000	1,583*	1,463*	3,005*
In school × high education						
In school × less than high school	-0.034	0.006	-0.006	3,253	-2,799	-3,190
In school × some college	0.123**	0.070**	0.026	6,176**	4,033*	8,307*
In school × college	0.077**	0.037	0.003	3,729*	-657	1,367



Homeownership							
Own home	-0.021**	-0.060**	-0.055**	2,331**	1,367	1,360	
New home	0.018	0.041*	0.023	157	-894	-2,408	
Same home	-0.029**	-0.020	-0.027*	-1,105	43	-2,540	
Lose home	0.005	0.022	0.025	4,362*	1,373	2,765	
Number of children							
One to three	0.022**	0.055**	0.067**	-862	468	2,616	
Four or more	0.049**	0.072**	0.075**	318	501	2,267	
Coresides with parent	0.006	0.068**	0.085**	1,405*	2,192**	3,180	
Lives close to parent	0.017**	0.035**	0.048**	539	1,613**	1,455	
Earnings quartiles [1 omitted]							
2	-0.024**	-0.016*	-0.002	-343	-957	-526	
3	-0.079**	-0.064**	-0.037**	-256	-2,378**	-2,849	
4	-0.101**	-0.099**	-0.073**	-189	-1,619	-1,168	
N	32,661	32,661	32,661	5,300	11,768	14,409	
R-squared	0.152	0.213	0.234	0.087	0.124	0.069	
Mean dependent variable	0.162	0.36	0.441	9,368	14,455	19,858	

*Source:* Authors' calculations based on data from HRS 1992 to 2006, sample of respondents present in seven waves (University of Michigan 2006).

*Notes:* All covariates measured at baseline. Model also includes other parent and child characteristics; see appendix table 10A.1. All amounts CPI-adjusted (transfers, income, wealth, earnings).

\*significant at 5 percent; \*\*significant at 1 percent

**Table 10A.1 Model Results for Money That Parents Give a Child over Two, Eight, and Fourteen Years in the United States**

	Probability Child Receives Money			Amount of Money		
	Two Years	Eight Years	Fourteen Years	Two Years	Eight Years	Fourteen Years
Intercept	0.720**	0.909**	1.201**	23,337	19,533	-36,675
Parent Characteristic						
Married	0.254**	0.267*	0.315**	-9,390	-4,034	59,592**
Male	-0.000	0.013*	0.015**	-1,208**	-444	-1,474
Respondent age	-0.004	-0.008*	-0.010**	77	351	2,606**
Respondent age-squared	0.000	0.000**	0.000**	0	-2	-24**
Spouse age	-0.009**	-0.010**	-0.011**	321	-21	-2,536**
Spouse age-squared	0.000**	0.000**	0.000**	-3	1	25**
Respondent less than high school	-0.017**	-0.045**	-0.066**	-508	-1,377	-1,996
Respondent some college	0.020**	0.053**	0.052**	-149	-1,576*	-4,000**
Respondent college	0.044**	0.064**	0.050**	394	2,050**	690
Spouse less than high school	-0.013*	-0.039**	-0.047**	2,049**	717	320
Spouse some college	-0.007	0.002	0.003	148	59	273
Spouse college	0.027**	0.026**	0.022*	1,522*	3,523**	9,534**
Two to four children	-0.159**	-0.197**	-0.196**	-1,381	-8,773**	-9,823**
Five or more children	-0.226**	-0.321**	-0.338**	-2,327**	-11,767**	-14,879**
Wealth lowest quartile	-0.052**	-0.127**	-0.138**	-2,196**	-2,925**	-3,367*
Wealth second quartile	-0.023**	-0.049**	-0.051**	-1,445*	-1,411*	-1,381
Wealth top quartile	0.037**	0.081**	0.097**	2,171**	7,879**	14,600**
Income lowest quartile	-0.079**	-0.129**	-0.147**	-165	-3,201**	-6,488**
Income second quartile	-0.041**	-0.062**	-0.060**	-998	-1,373*	-3,073*
Income top quartile	0.055**	0.059**	0.054**	2,578**	5,687**	11,657**

*(Table continues on p. 322.)*

**Table 10A.1** *Continued*

	Probability Child Receives Money			Amount of Money		
	Two Years	Eight Years	Fourteen Years	Two Years	Eight Years	Fourteen Years
Child characteristic						
Child is stepchild	-0.060**	-0.131**	-0.146**	-1,528	-3,146**	-8,544**
Child age	-0.004	0.011*	-0.002	-1,455*	-688	570
Child age-squared	-0.000	-0.001**	-0.000	36	10	-53
Male	0.001	-0.005	-0.006	-65	5	-772
Coupled	-0.016**	-0.040**	-0.045**	529	-189	-426
Work part-time	0.042**	0.049**	0.038**	-93	509	979
Work full-time	-0.006	-0.002	-0.003	-1,890**	-1,549*	-1,384
In school	0.069**	0.058**	0.058**	-1,744	4,200*	2,980
Less than high school	-0.012	-0.014	-0.022*	-1,462	-453	455
Some college	0.008	0.021**	0.024**	139	531	-386
College	0.010	0.003	-0.000	1,583*	1,463*	3,005*
In school × less than high school	-0.034	0.006	-0.006	3,253	-2,799	-3,190

In school × some college	0.123**	0.070**	0.026	6,176**	4,033*	8,307*
In school × college	0.077**	0.037	0.003	3,729*	-657	1,367
Own home	-0.021**	-0.060**	-0.055**	2,331**	1,367	1,360
New home	0.018	0.041*	0.023	157	-894	-2,408
Same home	-0.029**	-0.020	-0.027*	-1,105	43	-2,540
Lose home	0.005	0.022	0.025	4,362*	1,373	2,765
One to three children	0.022**	0.055**	0.067**	-862	468	2,616
Four or more children	0.049**	0.072**	0.075**	318	501	2,267
Coresides with parent	0.006	0.068**	0.085**	1,405*	2,192**	3,180
Lives close to parent	0.017**	0.035**	0.048**	539	1,613**	1,455
Income second quartile	-0.024**	-0.016*	-0.002	-343	-957	-526
Income third quartile	-0.079**	-0.064**	-0.037**	-256	-2,378**	-2,849
Income top quartile	-0.101**	-0.099**	-0.073**	-189	-1,619	-1,168

*Source:* Authors' calculations based on data from HRS 1992 to 2006, sample of respondents present in seven waves (University of Michigan 2006).

*Notes:* All covariates measured at baseline. Model includes missing and cohort indicators. All amounts CPI-adjusted (transfers, income, wealth, earnings).

\*significant at 5 percent; \*\*significant at 1 percent.

**Table 10A.2 Descriptive Statistics of U.S. Sample for Regression Model**

Variable	Mean
Parent covariates	
Married	0.75
Male	0.41
Respondent age	59.33
Spouse age	44.00
Respondent less than high school	0.34
Respondent some college	0.18
Respondent college	0.14
Spouse less than high school	0.22
Spouse some college	0.13
Spouse college	0.12
Two to four children	0.55
Five or more children	0.42
Household income (mean)	\$61,169
Household wealth(mean)	\$284,124
Child covariates	
Child is stepchild	0.11
Child age	32.28
Male	0.51
Married	0.55
Work part-time	0.10
Work full-time	0.68
In school	0.09
Less than high school	0.12
Some college	0.21
College	0.24
In school $\times$ less than high school	0.005
In school $\times$ some college	0.04
In school $\times$ college	0.02
Own home	0.44
New home	0.03
Same home	0.14
Lose home	0.01
One to three children	0.53
Four or more children	0.06
Coresides with parent	0.15
Lives close to parent	0.27
Earnings or income	\$44,287

Source: Authors' calculations based on data from HRS waves 1992 to 2006 (University of Michigan 2006).

**Table 10A.3 College Costs in 2005**

	Private	Public	Both
Percentage of enrolled population <sup>a</sup>	0.232	0.768	1.00
Tuition	\$21,235	\$5,491	\$9,144
Tuition plus room and board	29,026	12,127	16,048
Financial aid	9,600	3,300	4,762
Tuition plus room and board, less aid	19,426	8,827	11,286
Parental annual transfer			4,608

*Source:* Authors' compilation based on data from College Board (2005) and U.S. Bureau of the Census (2007).

<sup>a</sup>U.S. Bureau of the Census (2007).