The Intergenerational Persistence of Poverty in High-Income Countries by Zachary Parolin, Rafael Pintro Schmitt, Gøsta Esping-Andersen, and Peter Fallesen

- Data
    - Panel data from the US, UK, Australia, Germany, Denmark from the Cross-National Equivalent File database
        - US data is supplemented with a restricted-access version of the PSID that provides geographic information on where the residents lived
        - UK data is supplemented with British Household Panel Survey and the UK Household Longitudinal Survey
        - For Denmark, administrative data harmonized to match the input variables of the CNEF files
    - Sample composed of the set of individuals whose income is observed for at least 5 years in childhood and at least once after turning 25
- Methodology
    - Decompose intergenerational persistence of poverty into four components:
        - Family background
            - Ex. the role of parental education / employment
        - Mediating benchmarks
            - The role of education, employment, and family structure in adulthood
            - Broken down into benchmark attainment and benchmark returns
                - Benchmark attainment
                    - How childhood poverty is associated with adult benchmarks (i.e. higher education)
                - Benchmark returns
                    - The pre-tax / transfer returns to those benchmarks
        - Taxes and transfers
            - The role of the state in reducing income disadvantages with certain education, employment, or family structure features
        - Residual term (persistent effect of childhood poverty on adult poverty not captured by F, M, or T)
    - OLS Regression was employed to find the effects and significance of these variables
- Results
    - The US has a much stronger intergenerational persistence of poverty than in the other tested countries
        - Spending the entirety of one's childhood in poverty in th eUS is associated with a 42 percentage point increase in the mean poverty rate during early adulthood
        - Cross-national variation in the intergenerational persistence of poverty is not systematically related to levels of child poverty exposure
            - Thus, "why poverty persists from childhood into adulthood" is not analogous to the study of "why certain levels of poverty exist"

- Family resources during childhood can have consequences for later-life opportunities
- For all countries, family background characteristics (parental education, employment, and family structure) also carried some weight in explaining poverty persistence
    - In Denmark, family background characteristics explain most of the positive relationship between childhood and adult poverty
        - In a context where the welfare state and labor market institutions more forcefully equalize economic opportunity, variations in family background characteristics are likely to carry more weight in explaining variation in later-life outcome
        - The converse is true in the US and UK where family background effects explain a smaller share of intergenerational poverty
- The combined effects of benchmark attainment and returns carried particularly strong weight in Germany and the UK
    - In all countries, the conditional mediating effect of educational attainment was relatively small
        - Though education plays a large role in intergenerational income mobility more broadly, its effects are smaller in an intergenerational poverty perspective, while employment tends to carry more relative weight
- Variation in tax/transfer insurance effect separated the US from the rest of the countries
    - This study explicitly measures the role of taxes and transfers in insuring against risks in adulthood
    - The comparatively weak welfare state of the US did relatively little to reduce poverty persistence as compared to the UK, Denmark, and Australia
- Residual poverty penalty is small except in the US where it is contributes more than other components in explaining intergenerational poverty
    - This suggests that the exposure to childhood poverty is more severe in the US and operates through more unobserved pathways in shaping adult poverty than in other high-income countries

Like Parents, Like Children? Intergenerational Poverty Transmission In China By Fan Yang, Krishna P. Paudel, Zhuo Wang

- Data
  - Data from the China Labor-force Dynamics Survey 2014 which covers education, work, migration, health, social participation, economic activities, and grass-roots organizations sampling over 29 provincial administrative units (except for Hong Kong, Macao, Taiwan, Tibet, and Hainan) with 11,445 observations
    - The multistage cluster, stratified, probability proportion to size sampling method is used
- Methodology
  - Model 1: Baseline regression model (OLS)
    - Dependent variable: Natural logarithm of child's income
    - Explanatory variables
      - Father's years of education
      - Household registration of the father
      - Mother's years of education
      - Household registration of the mother
      - Controlled variables
  - Model 2: Quantile regression model
    - $y_i = x_i\beta_\theta + \mu_{\theta_i}\ quant_\theta(y_i|x_i) = x_i\beta_\theta\ (i = 1,\ldots,n)$
      - B_θ and x_i are both Kx1 vectors and x_{i1}=1, $quant_\theta(y|x)$ represents the conditional quantile function of y with a quantile of θ under the condition of given x
    - Estimates the entire conditional distribution of y at a given x
      - Analyzes the effect of independent variables on progeny income at every five percentiles but only show for 0.1-0.9 percentiles
  - Variables
    - Dependent variable: Progeny income– personal income of child in 2013
    - Explanatory variable:
      - Parental capital
        - Human capital
          - Years of schooling
        - Social capital
          - Household registration at birth
    - Controlled variables
      - Human capital, social capital, demographic characteristics, employment environment, and location of the child
- Model 1 Results
  - The effect of each parent's education and household registration affect child income differently
    - Income of children is only related to their mothers' education– father's education does not play a significant role in it
    - Parental influence on child income is very small
- Model 2 Results

- The father’s household registration & education and the mother’s household registration do not have a significant effect on the income of the children at all points
    - The mother’s education has a significant effect on the income of the children at each quantile level

Intergenerational Mobility And Unequal School Opportunity By Andreu Arenas And Jean Hindriks

- Model
    - The study employed a regime switch model where the transition probabilities for having access to a high quality school depend on the parental income rank
        - Unequal school opportunity is the combination of
            - school inequality
                - Relates to school autonomy, funding, and other equalization policies
            - school segregation
                - Relates to school choice mechanisms, busing, and de-segregations policies
- Results
    - The effect of unequal school opportunity on parental investment can go either way due to the diminishing returns to parental investment
        - Unequal school opportunity produces a shifting of parental investment towards richer families, exacerbating the parenting gap
        - Because high income families can attend better schools, this increases average human capital, increasing income persistence within the top and decreasing it within the bottom
    - Unequal school opportunity reduces intergenerational mobility overall
        - School equalization and desegregation policies have larger effects on mobility than on efficiency
    - Independent increases in income inequality do not necessarily lead to more intergenerational persistence
        - Whereas increases in income inequality accompanied by increases in unequal school opportunity do lead to a positive correlation between inequality and persistence

Intergenerational Transmission of Poverty and Inequality: Parental Resources and Schooling Attainment and Children's Human Capital in Ethiopia, India, Peru, and Vietnam by Jere R. Behrmana, Whitney Schottb, Subha Manic, Benjamin T. Crookstond, Kirk Deardene, Le Thuc Ducf, Lia C. H. Fernaldg, Aryeh D. Steinh, and the Young Lives Determinants and Consequences of Child Growth Project Team

- Data
    - Data on children from Young Lives, (an international cohort panel study on poverty and child well-being conducted in Ethiopia, India, Peru, and Vietnam)
        - This study focuses on the younger cohort born in the 21st century, surveyed in 2002 aged 6-17.9 months (round 1) and followed through at around 5 years old (round 2)
    - Final sample size is 6,915 (1,669 in Ethiopia, 1,787 in India, 1,748 in Peru, and 1,711 in Vietnam)
- Variables
    - Dependent Variable: Measures of children's human capital
        - Nutritional status
            - Height
        - Cognitive scores (Peabody Picture Vocabulary Test & Math achievement test)
            - Designed to examine the language and mathematical understanding of the child
    - Explanatory Variable: Parents' per capita consumption expenditure
        - Per capita daily household consumption expenditure averaged over rounds 2 and 3 was used to characterize the parental household financial resource position
    - Controlled Variables: Community Characteristics
        - Whether communities in which children lived have hospitals / primary care facilities
        - Urban / rural region indicator
        - Presence of a secondary school facility in the community
        - Indicator for whether children have moved to different communities after round 1
- Model
    - Model 2 employs OLS regression to regress the child's human capital against parents' per capita consumption expenditure, mother's and father's schooling, individual demographic and family characteristics, and community characteristics
- Results
    - The lower end of the schooling distributions for both mothers and fathers and the lower tails of consumption per capita tend to be significantly associated with children's cognitive scores and their height
        - These predict 16% (India), 50% (Ethiopia) of the variance in PPVT; 23% (India) to 49% (Ethiopia) of the variance in math scores; and 17% (Ethiopia) to 37% (Peru) of the variance in child height

- Per capita consumption, mother's and father's schooling is significantly positively associated with every child human capital outcome in every country