



Research Question



Topic: Family background and parent's investment and occupational choice

Research question: How parent's investment in cognitive and non-cognitive skills affect the occupational choice

Potential practical significance: when to invest and what skills are most productive in the context of increasing parent's investment

Variables in SOEP: childcare and school in topic **education and qualification/family and social network [Individual set]**

Hypothesis:

- Families play an important role in shaping capabilities.
- Schools matter, but what schools do depends on what parents send them and how parents support children in school
- Parental investments are generally more effective in raising noncognitive skills. **Noncognitive skills** promote the formation of cognitive skills but, in most specifications of our model, cognitive skills do not promote the formation of noncognitive skills. Parental inputs have different effects at different stages of the child's life cycle with cognitive skills affected more at early ages and noncognitive skills affected more at later ages

Reference:

1. Eberharter, V.V. (2006). Family Background , Occupational Choice and Intergenerational Income Mobility-Germany and the United States compared.
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3. Cunha, F. and J. J. Heckman (2007, May). The technology of skill formation. *Amer.Econ. Rev.* 97(2), 31–47.
4. Cunha, F., J. J. Heckman, and S. M. Schennach (2010, May). Estimating the technology of cognitive and noncognitive skill formation. *Econometrica* 78(3), 883–931.
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