Higher Education and Intergenerational Income Persistence in the United States

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Education perpetuates inequality

Educational Stratification

Parents' Income Quartile

Q1 Q2 Q3 Q4

(% of Children with BA+)

Educational Returns

Adult Educational Attainment

<HS HS Some Coll. AA BA+

(Mean Income Rank, Relative to <HS)
Education increasingly perpetuates inequality

Rising Educational Stratification
(% of Children with BA+)

Parents' Income Quartile
Q1 Q2 Q3 Q4

Rising Educational Returns
(Mean Income Rank, Relative to <HS)

Adult Educational Attainment
<HS HS Some Coll. AA BA+
... Yet intergenerational persistence has remained stable.
Education perpetuates inequality

AND

Education disrupts inequality

My step dad told me it was pointless to go to orientation, I wasn't going to graduate.....4 years later he in jail & I'm well.... 😂😂😂
An equalizing educational trend

College Degrees Became More Common...

...and Persistence Declines with Education

(% of Children by Education)

(Intergenerational Income Persistence by Education)
A puzzle

Has intergenerational income persistence remained stable in the United States because disequalizing educational trends have been counterbalanced by equalizing educational trends?
A puzzle

Has intergenerational income persistence remained stable in the United States because disequalizing educational trends have been counterbalanced by equalizing educational trends?

Answer: No.

→ Educational trends have been more disequalizing than equalizing.

→ Other changes combined with educational expansion to counterbalance rising educational inequalities
  \((changes \ in \ young \ adult \ life \ course, \ rising \ economic \ insecurity)\)
In the remaining time

- Details
- Implications
Data

Two cohorts from the National Longitudinal Surveys of Youth

- **1979 cohort**
  - Survey years 1979-2014
  - Born in early 1960, college-age in early 1980s, age 30 in 1990s

- **1997 cohort**
  - Survey years 1997-2015
  - Born in early 1980s, college-age in early 2000s, age 30 in 2010s
Measuring intergenerational income persistence

Parental Income

Rank
Slope

All

0
20
40
60
80
100
Measuring intergenerational income persistence
Measuring intergenerational income persistence

% Upwardly Mobile by Parental Income

Parental Income

Q1
Q2
Q3
Q4

All
All

Rank Slope
Measuring intergenerational income persistence

% Upwardly Mobile by Parental Income

% Remain in Quartile by Parental Income

Parental Income
Trends in intergenerational income persistence

% Upwardly Mobile by Parental Income

% Remain in Quartile by Parental Income

Parental Income
0
20
40
60
80
100
1979 cohort
1997 cohort

Rank
Slope
% Upwardly Mobile
% Remain in Quartile

1979 cohort
1997 cohort
Education’s multiple roles in persistence trends

1. Perpetuating inequality via education
   - Rising inequality between levels of education in parental income
   - ...and in adult income → higher persistence

2. Disrupting inequality via education
   - Educational expansion across the income distribution
   - More college graduates → lower persistence

3. Changing persistence within education groups
   - Changes in the life course
   - Changes in the labor market
Key takeaways

1. Scholars have been puzzled by the lack of change in intergenerational income persistence over a period of rising educational inequalities... We show that persistence was stabilized by offsetting trends

2. Educational expansion disrupted persistence (the “meritocratic power” of a college degree)... yet dramatic as this expansion was, it did little to offset the effect of rising educational inequality by parental income

3. To understand changes in persistence, we must consider changes in the (young) adult life course... not only changes in childhood circumstances
Implications

▶ Educational policy
▶ Beyond education
Educational policy

For intergenerational persistence, equalization of educational opportunities = more important than college expansion

- *Who* goes to college, rather than *how many*
- Class-conscious efforts required—in each step of the educational pipeline
- Adding *more seats* would help, but wouldn’t be enough
Beyond education

► **Education-linked** inequalities can outlast educational reform
  ► **advanced degrees** = increasingly important axis of stratification
  ► educational returns depend on labor market structures

► Many inequalities are **not** education-linked
  ► declining persistence within education groups:
    → insecurity or opportunity?
  ► fractal inequality at the top:
    → dream hoarders vs. occupy wall street

(Intergenerational Income Persistence by Education)
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