



Intergenerational mobility in the UK

Jo Blanden

IFS: 12th December 2023

Overlaps and linkages: education and gender

Education and skills are an important driver of intergenerational persistence.

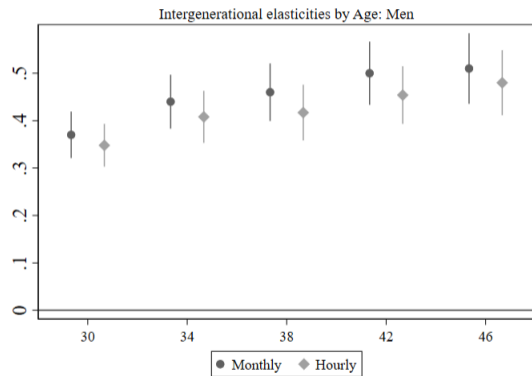
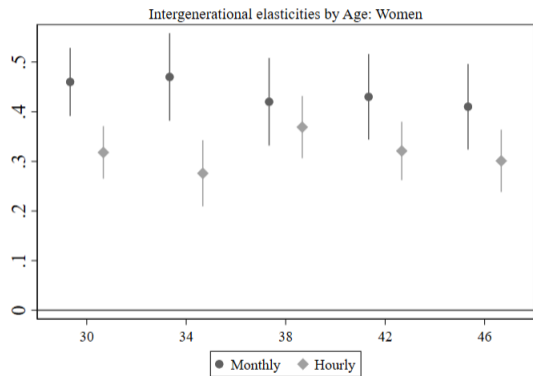
Blanden et al (2007) demonstrated that 85% of the fall in intergenerational mobility between 1958 and 1970 cohorts can be explained by a strengthening of the relationship between parental income and educational attainment, broadly defined.

Alarming implications from covid learning losses, a decade of progress was wiped out.

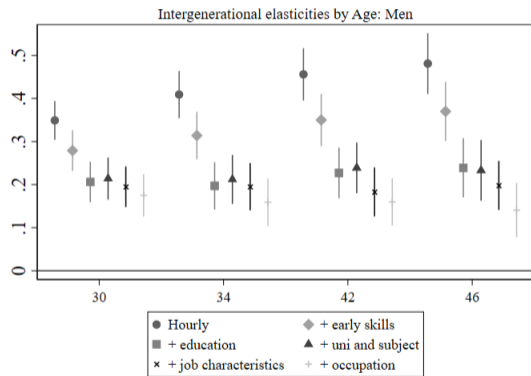
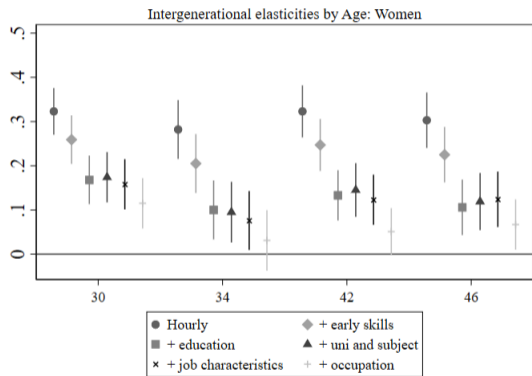
Ongoing work (Blanden et al, 2023) considers gender differences in intergenerational persistence, emphasising differences across the lifecycle for the 1970 cohort and in the mechanisms that lead to persistence.

Uta and colleagues' work points in the same direction on gender differences in mechanisms: education and skills matter more for women. There is a stronger 'direct' effect of parental income for men.

It is important to adjust for labour supply for women



Accounting for differences in trends



Overlaps and linkages: wealth and housing

David and colleagues have investigated wealth correlations and transfers in detail for those born from 1974.

Blanden, Eyles and Machin (2023) consider wealth mobility through the lens of home ownership and housing wealth.

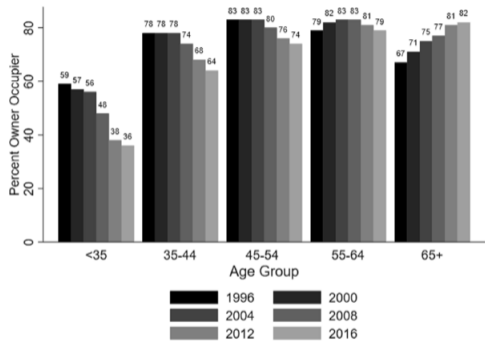
Our research shows a rise in the intergenerational persistence in home ownership for cohorts born from 1958, against a background of falling home ownership for younger cohorts.

Our estimates of the intergenerational correlation of wealth are entirely in line with David's, and perhaps unsurprisingly indicate that it has risen over time. The analysis presented here gives important insights about the mechanisms.

Our main measure of intergenerational persistence is an absolute one and is influenced by by important changes in the housing market.

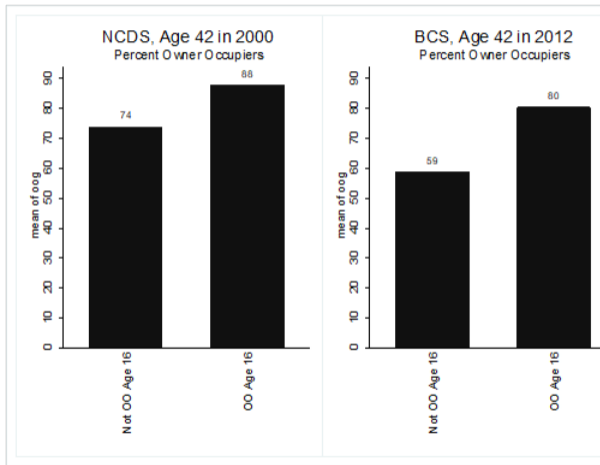
As young people have become increasingly disadvantaged, absolute measures of mobility become more important.

Home ownership



Notes: Labour Force Survey data from 1996 to 2016. The sample of observations is limited to household reference persons. Data are weighted using person weights provided by the LFS.

Fig. 2 Patterns of home ownership in the UK across time and age group



Absolute Income Mobility: Manduca et al 2023

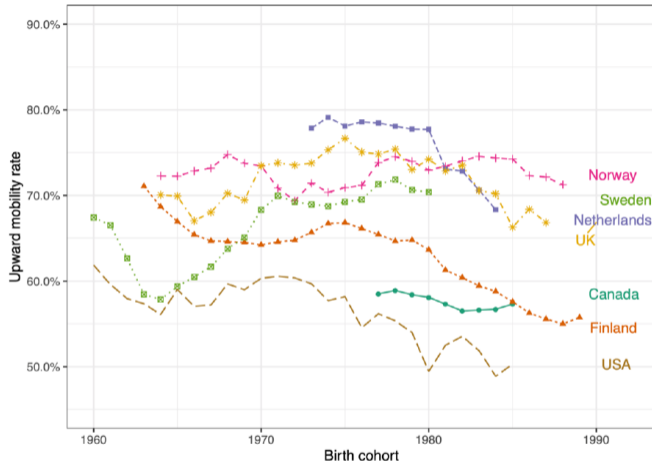


FIGURE 1. BASELINE ESTIMATES OF UPWARD ABSOLUTE INCOME MOBILITY BY COUNTRY AND BIRTH COHORT

Notes: The upward mobility rate is calculated as the percentage of children in each birth cohort whose family income at age 30, adjusted for inflation, was at least as high as their parents' family income at age 30. Incomes are measured using a combination of register and survey data in each country, as described in Appendix 2. Parent ages are defined using the methods described in the main text and Appendices 1 and 2. Results for Finland are provisional until corrected income data from Statistics Finland has been incorporated.