Intergenerational Mobility: Earnings and Education in Israel

By

Michael Beenstock
Department of Economics
Hebrew University of Jerusalem

Abstract

Matched census data for 1983 and 1995 are used to estimate the intergenerational correlation and mobility coefficients between the earnings and educational attainments of parents and their adult children. I also calculate changes in intergenerational inequality in these variables. Intergenerational $β$-convergence is decomposed into mobility, Gini-convergence, and leveling (up and down) effects. Sibling earnings and educational attainments are compared to estimate family background effects. In addition to standard measures of all the estimated parameters, I report permanent measures, which net out transitory components in earnings mobility. Current earnings in Israel are more intergenerationally mobile than in other countries. However, the intergenerational mobility of permanent earnings is similar to abroad. Finally, intergenerational earnings mobility is greater among Sephardim and Non-Jews, and it varies inversely with parents’ education and “Israeliness”, as measured by the number of generations that the family has been in Israel.