

Intergenerational Mobility and the Rise and Fall of Inequality: Lessons From Latin America

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Paper Abstract: Countries with high income inequality also show a strong association between parents' and children's economic well-being; i.e. low intergenerational mobility. This study is the first to test this relationship in a between and within country setup, using harmonized micro data from 18 Latin American countries spanning multiple cohorts. It is shown that experiencing higher inequality in childhood has a negative effect on intergenerational mobility as adults. Furthermore, the influence of economic growth and public education is evaluated: both have a positive, significant, and substantial effect on intergenerational mobility.