

# Parent Characteristics and the Geography of Mobility

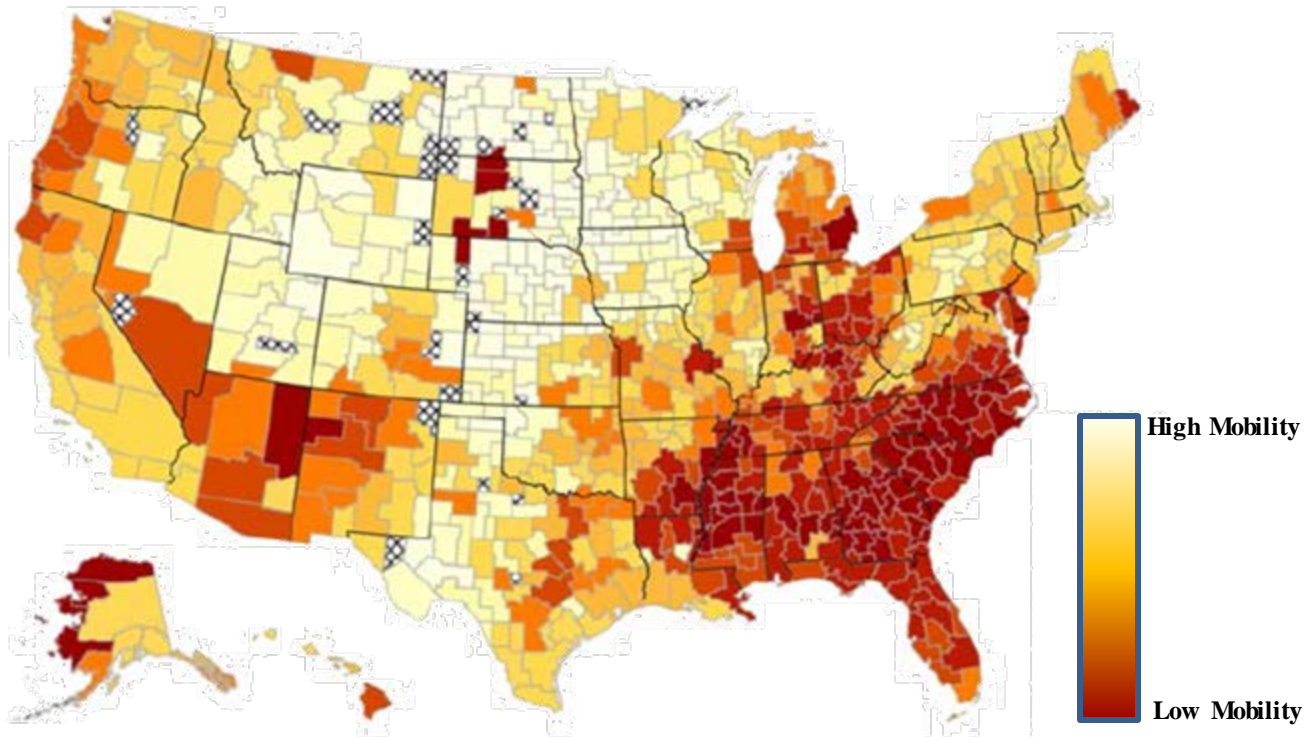
Jonathan Rothbaum

Social, Economic and Housing Statistics Division

US Census Bureau

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# Geography of Mobility



Source: Chetty et al., 2015 (Absolute Mobility)

# Motivation

- What characteristics of individuals or local areas are responsible for this variation?
  - Can geographic variation in parent characteristics explain geographic variation in child outcomes?
- Does this variation bias results for studies of child outcomes and parent characteristics?
- Explore heterogeneity of child outcomes and parent characteristics

# CPS-SIPP DER (CSD) Sample

- Survey Data
  - Current Population Survey Annual Social and Economic Supplement (CPS ASEC)
    - 91,94,96-09
  - Survey of Income and Program Participation (SIPP) Gold Standard File
    - 90-93, 96, 01, 04, and 08
  - Information on parent-child links, parent characteristics (education, age, single/married, etc.)
- Administrative Data - SSA and IRS Detailed Earnings Records
  - Extract from Master Earnings File linked to surveys
  - W-2 wage and self-employment earnings for all individuals from 1978-2011
- Baseline Sample – 41,990 children

# Spatial Heterogeneity

- Divide country into 741 “Commuting Zones” (CZ)



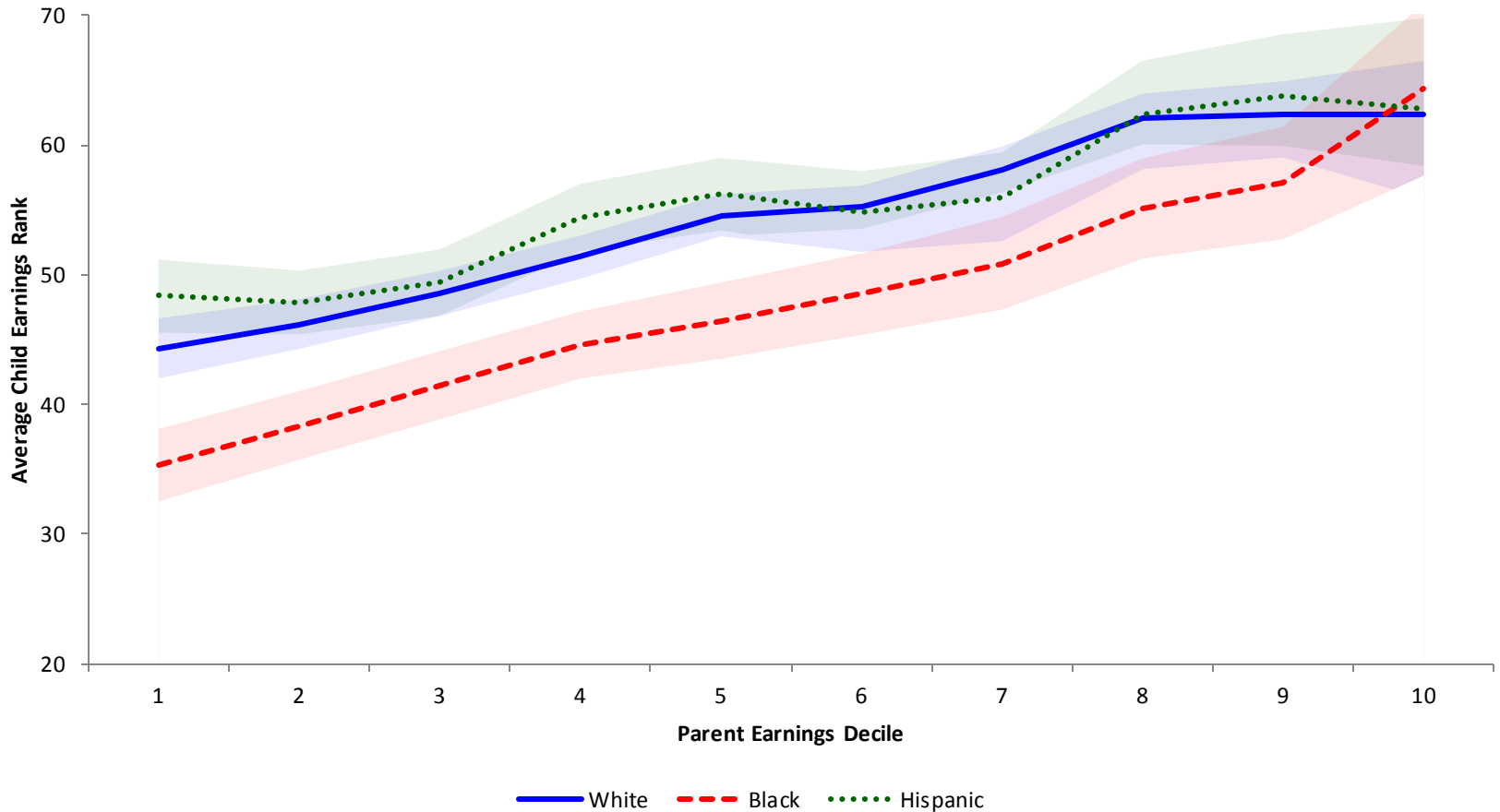
Source: USDA Economic Research Service

# Replicating CHKS Using Groups of Commuting Zones

## Correlation between CHKS and CSD

Quantile Groups	Intercept	Slope	Observations in Smallest Group	Average Observations
5	0.99	0.99	5,598	8,315
25	0.94	0.87	547	1,663
50	0.87	0.79	162	831

# Intergenerational Mobility and Race



Note: 95% confidence intervals shown.

# Family Characteristics

	Parent Rank Only	Family Characteristics
Parent Rank	0.245***	0.221***
Black		-8.83*** = 40 percentile decrease in parent rank
Highest Educated Parent		
< High School		-7.02*** = 32 percentile decrease in parent rank
Some College		1.78***
College+		7.80*** = 35 percentile increase in parent rank
Interacted With Parent Rank		
Black		0.062***
< High School		0.045
College+		-0.031*
Observations		41,990

Notes: \*, \*\*, \*\*\* Significant at 0.90, 0.95 and 0.99 levels respectively.

The family characteristics regression includes education of the most educated parent, family type (teen and single parents), child race (Black and Hispanic), and child gender. Each variable is included as an intercept term (alone) and as a slope term (interacted with parent rank).

- Family characteristics are also highly correlated with spatial variation in mobility
  - Low mobility – Black, high school education, teen and single parents
  - High mobility – Hispanic, some college education, and college degree and above



# Family Characteristics and Mobility

- Family characteristics matter a lot, even controlling for earnings
- Family characteristics are highly correlated with spatial variation in mobility
- This raises the possibility that:
  - My results are biased due to spatial variation in mobility
  - Estimates of spatial variation in mobility are partially biased due to variation in parent characteristics

# Family Characteristics and Mobility Controlling for Spatial Variation

- Controlling for spatial variation in mobility **does not** reduce estimates of relationship between family characteristics and mobility
- In other words, the relationship between black/parent education and mobility does not appear to be driven by the fact that these groups live in low/high mobility areas

# Do Family Characteristics Account for Spatial Variation?

1. Predict spatial variation (by CZ group) after controlling for family characteristics
  - If not correlated, evidence that family characteristics explain spatial variation in mobility
2. Does controlling for family characteristics reduce the variation in slope and intercept across CZ groups?
  - Even if correlated, variation could be reduced by controlling for family characteristics

**Answer:** 40-50% of variation in mobility can be accounted for by variation in parent characteristics. This leaves a lot of variation unexplained, which could be due to other family characteristics or local area characteristics

# Local Area Characteristics

- Test if relationships found between local characteristics found by CHKS hold after controlling for family characteristics
  - Spatial mismatch, inequality, high school dropout rate, social capital index, rate of single parenthood
- Results show that most are related to mobility in CSD data before controlling for family characteristics, but none are afterward
  - Could be due to smaller sample size in CSD than CHKS