

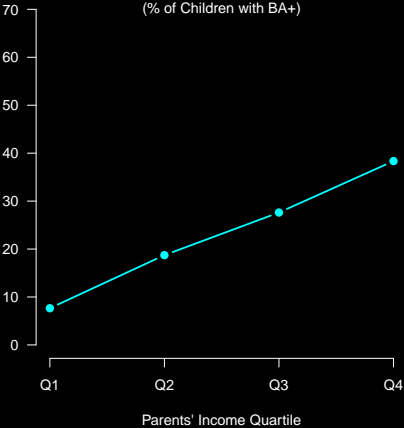
**Higher Education and  
Intergenerational Income Persistence  
in the United States**

Deirdre Bloome  
University of Michigan

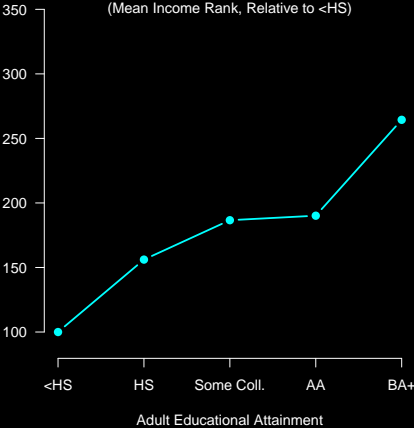
May 3, 2019

# Education perpetuates inequality

## Educational Stratification

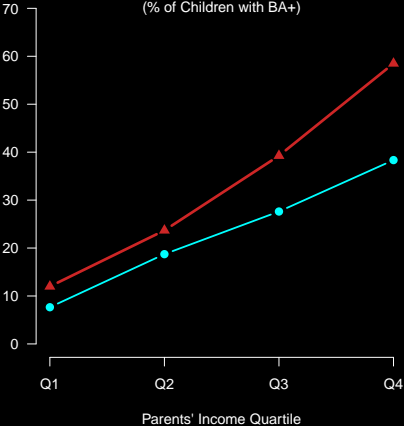


## Educational Returns

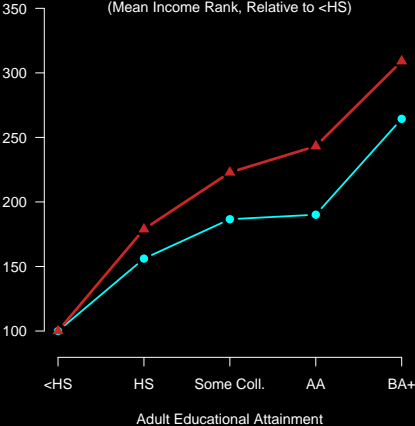


# Education increasingly perpetuates inequality

## Rising Educational Stratification

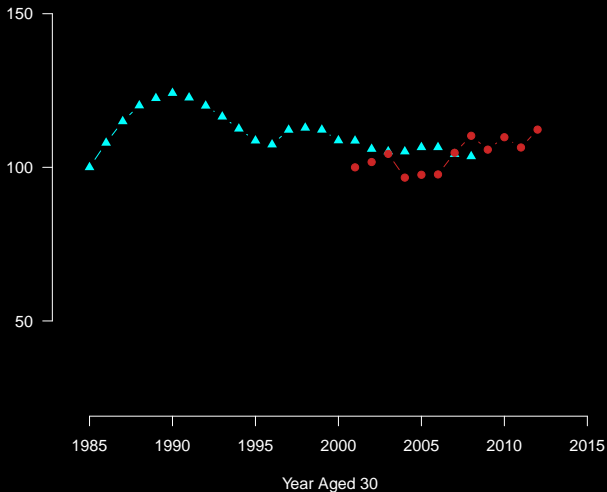


## Rising Educational Returns



# ... Yet intergenerational persistence has remained stable

(Change in Intergenerational Income Persistence)



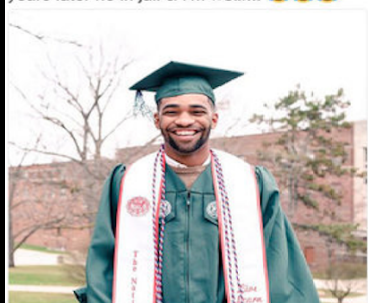
## Education perpetuates inequality



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.... 🤔🤔🤔

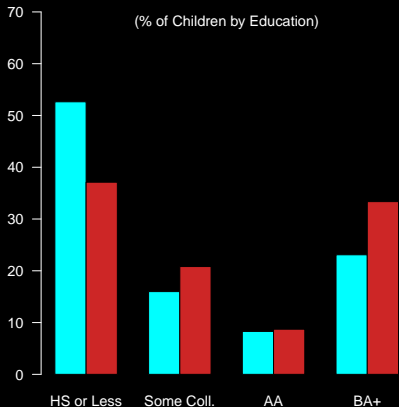


RETWEETS 130,059 LIKES 527,742

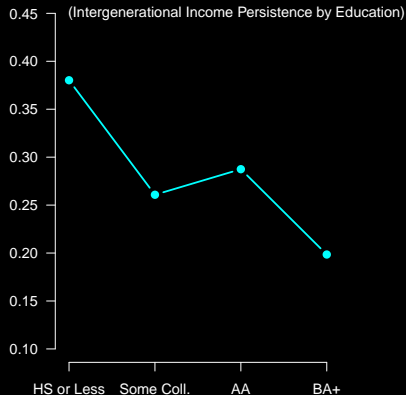
4:07 PM - 20 Apr 2017

# An equalizing educational trend

## College Degrees Became More Common...



## ...and Persistence Declines with 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

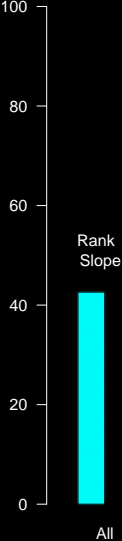
- ▶ Details
- ▶ Implications

# Data

## Two cohorts from the National Longitudinal Surveys of Youth

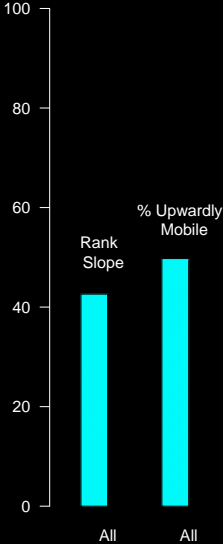
- ▶ 1979 cohort
  - ▶ Survey years 1979-2014
  - ▶ Born in early 1960, college-age in early 1980s, age 30 in 1990s
- ▶ 1997 cohort
  - ▶ Survey years 1997-2015
  - ▶ Born in early 1980s, college-age in early 2000s, age 30 in 2010s

# Measuring intergenerational income persistence



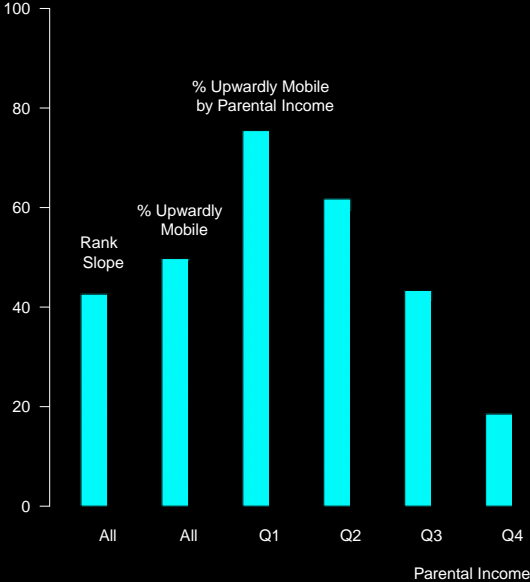
Parental Income

# Measuring intergenerational income persistence

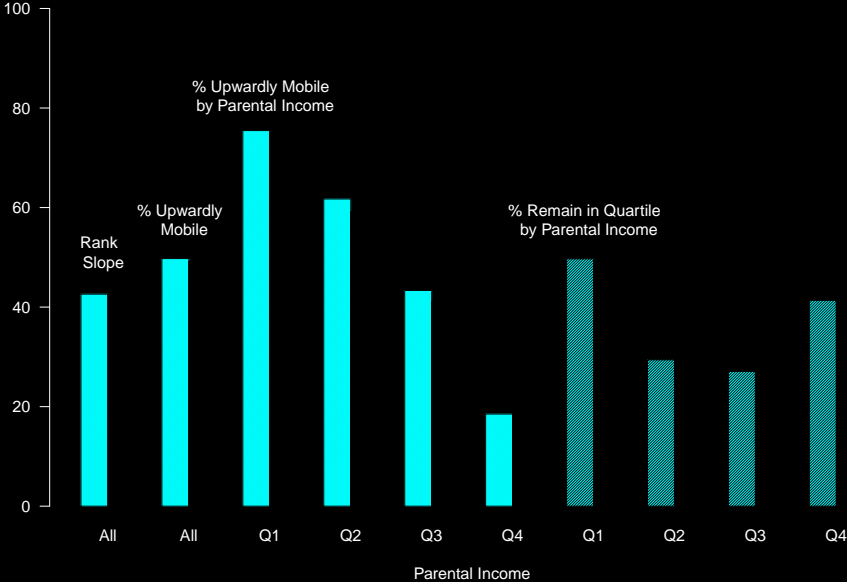


Parental Income

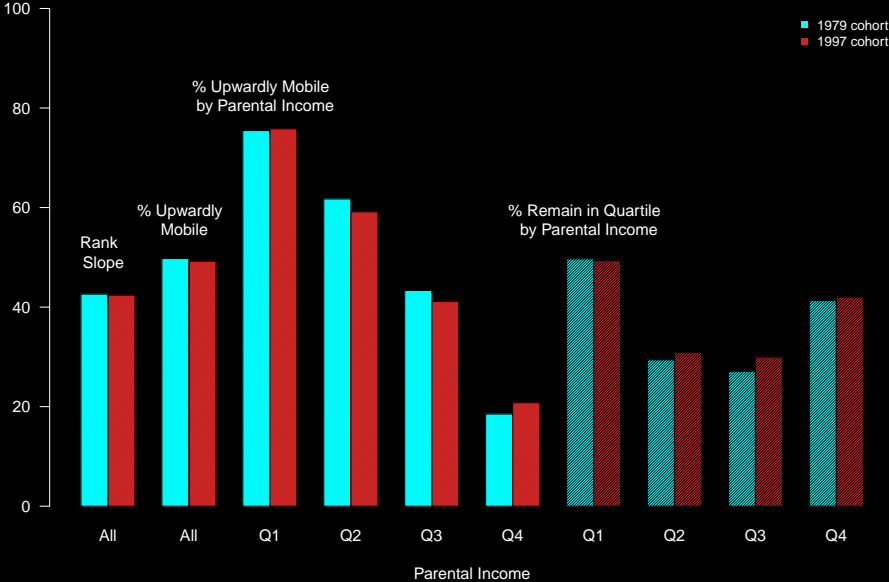
# Measuring intergenerational income persistence



# Measuring intergenerational income persistence



# Trends in intergenerational income persistence



# Education's multiple roles in persistence trends

## 1. Perpetuating inequality via education

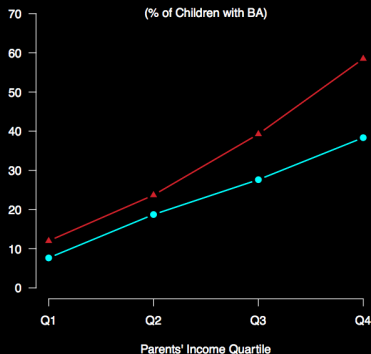
- ▶ Rising inequality between levels of education in parental income
- ▶ ... and in adult income → higher persistence

## 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

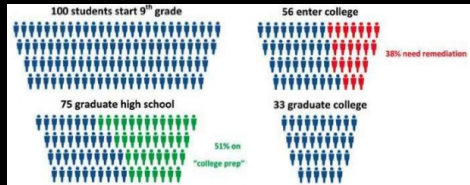
# Implications

- ▶ Educational policy
- ▶ Beyond education

# Educational policy

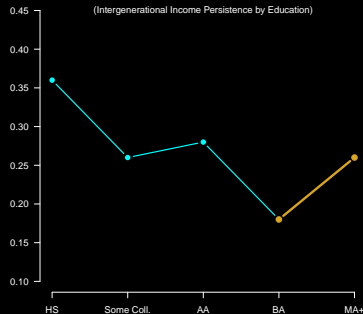
For intergenerational persistence, **equalization of educational opportunities** = more important than college expansion

- ▶ *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



**Higher Education and  
Intergenerational Income Persistence  
in the United States**

Deirdre Bloome  
University of Michigan

`dbloome@umich.edu`