

# Disadvantage Across the Generations

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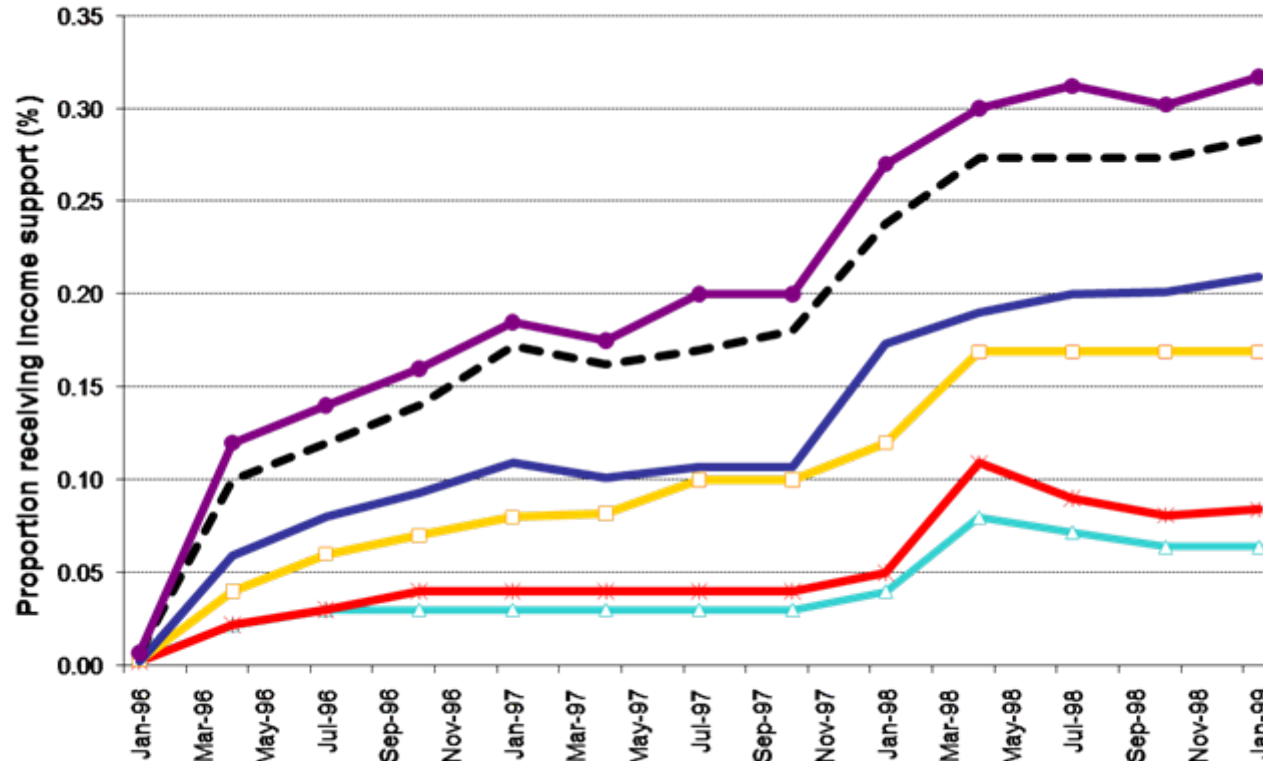
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# Intergenerational Correlation in Income Support

Income support receipt by family origin group



- ▲ Non-recipient group
- Low-income working families
- - - Short-term social security recipient families
- × Middle income families
- One adult low-paid work and other receiving support
- Long-term social security recipient families

# Youth in Focus



## What's the project about?

The project studies the consequences of growing up in a family with a history of income support. Specifically, we investigate the mechanisms through which disadvantage is passed from one generation to the next.

## Methodology

This is a longitudinal study, with two key data sources:

- a trans-generational dataset based on Centrelink records for a cohort of 18 year olds and their parents;
- a longitudinal survey of 18 year olds/cross-sectional survey of parents appearing in the Centrelink data;
- with consent, these data are linked to allow study of the transmission of advantage and disadvantage across generations.

# Youth in Focus



## Time Frame

- Waves 1 of youth and parent surveys were conducted in mid-2006 and we have very recently finished the field work for wave 2 of the youth survey.

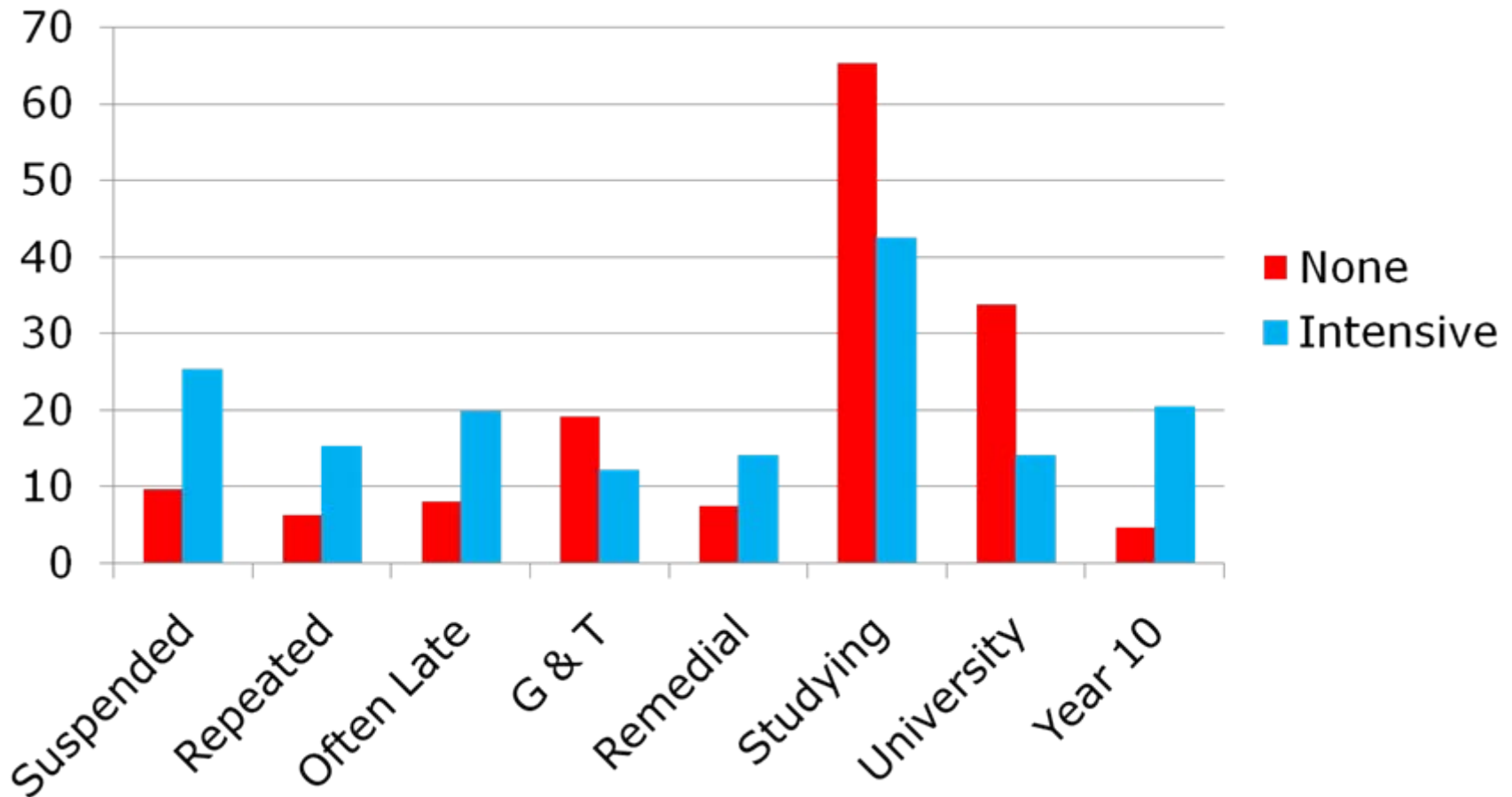
## Project Organization

- This research is supported by a Linkage grant from the Australian Research Council, with DEEWR (initially FaHCSIA) as the industry partner with major support from Centrelink. The research team comprises Dr Robert Breunig, Prof. Deborah Cobb-Clark, Dr Tue Gørgens, Dr Chris Ryan of the Australian National University, Professor Jeff Borland of the University of Melbourne, and Professors Robert Haveman and Barbara Wolfe from the University of Wisconsin.



**How might disadvantage be passed from one generation to the next in Australia?**

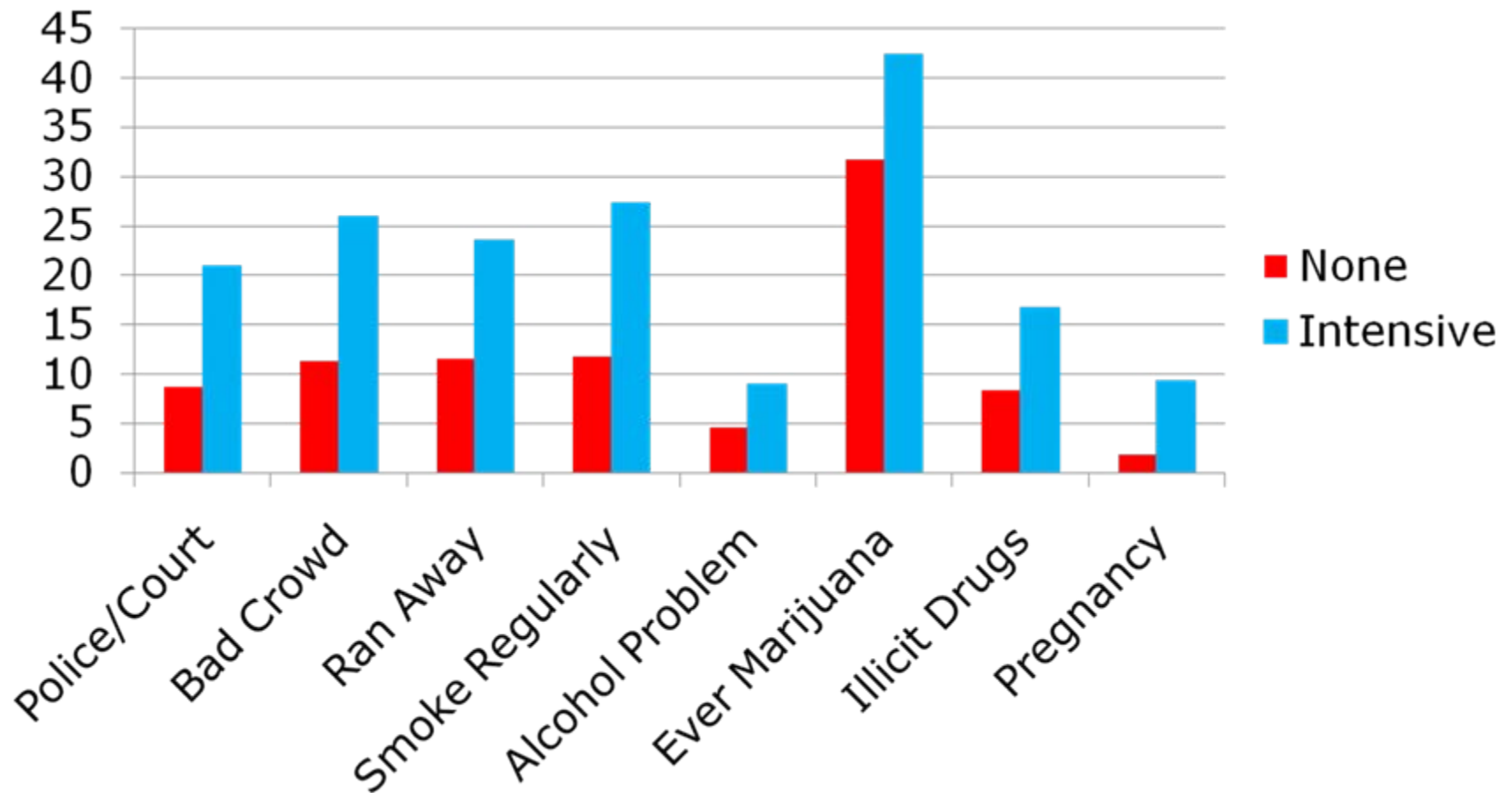
# Family Income Support History and Youths' Education



# What's the take-away story on school?

- Youth growing up in families with a history of income-support receipt have much worse educational outcomes.
- This makes it likely that education is one of the pathways through which disadvantage is transmitted from Australian parents to children.
- It does not appear to be the case that growing up in disadvantage affects youths' sense (locus) of control and hence has an additional indirect effect on education.
- Still, educational outcomes are better for youths with a more internal sense (locus) of control raising questions about the potential for positive psychology to help.

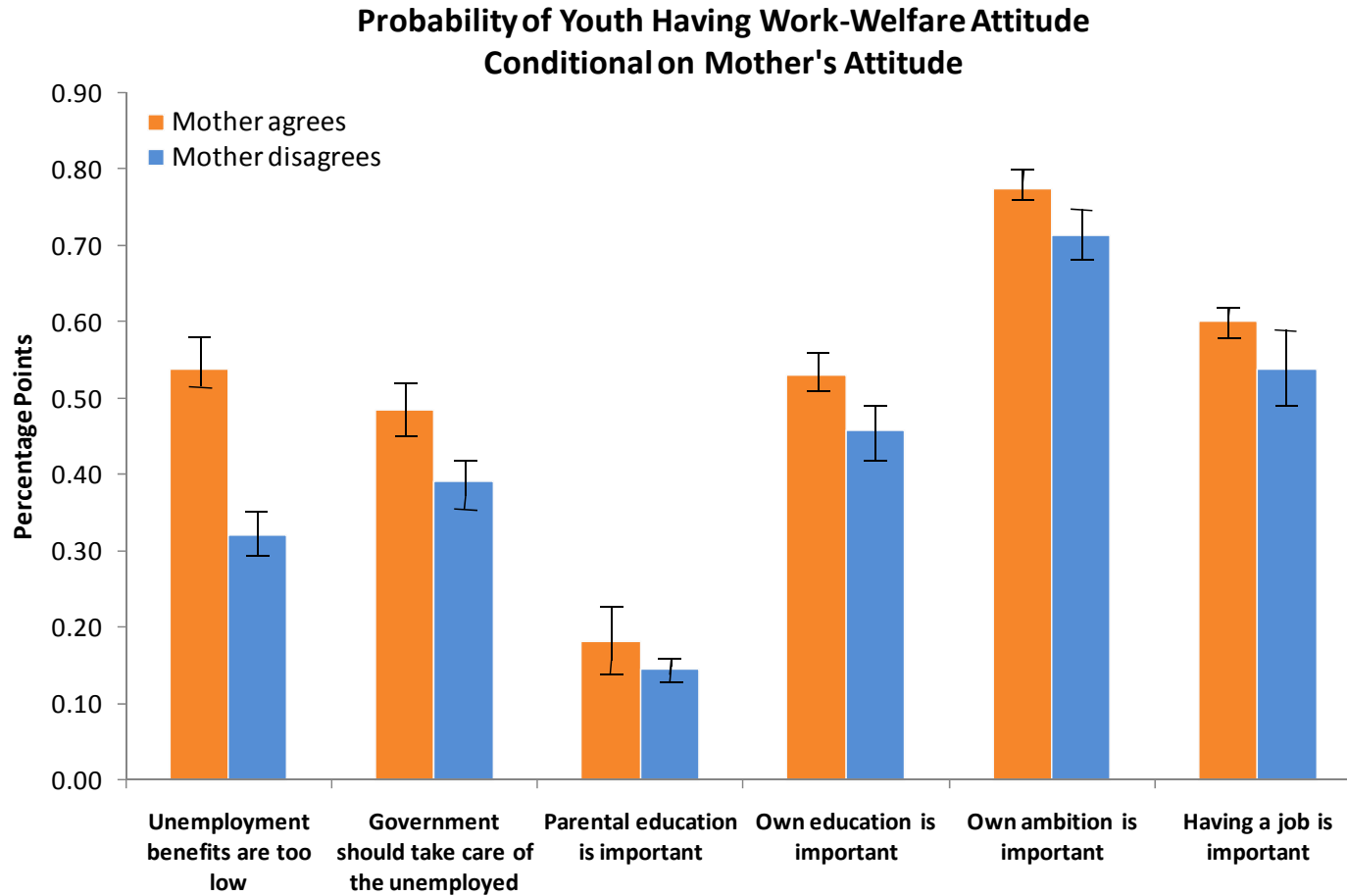
# Family Income Support History and Youths' Risky Behaviour



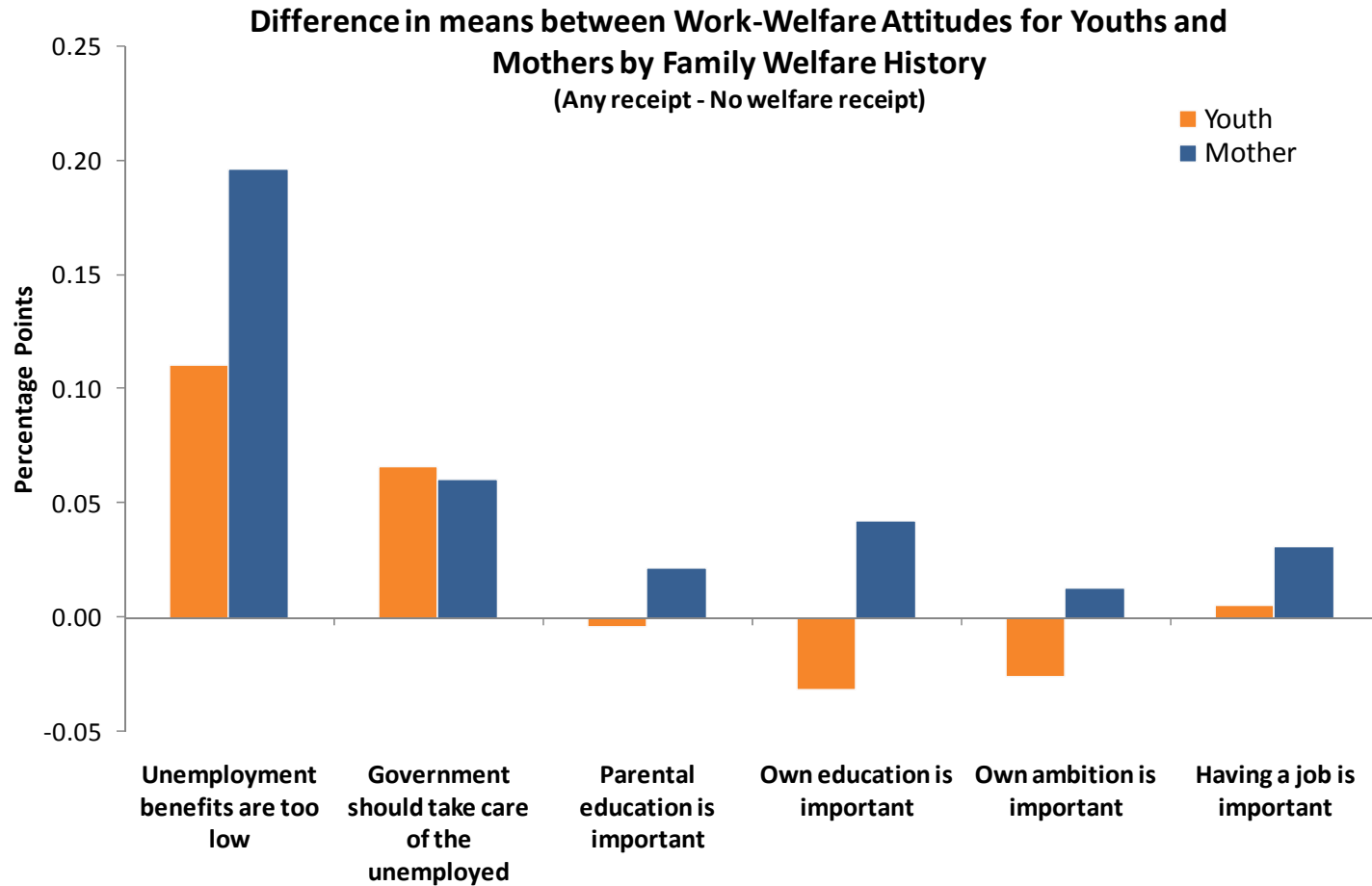
# What's the take-away story on risk?

- Any effect of IS on risk taking stems from related, unobserved factors rather than a causal effect.
- Issue is socio-economic disadvantage rather than the receipt of public benefits *per se*.
- Sensible then for social policy to be centered on providing adequate resources to families with children.
- Still, money is not a panacea to youth risk taking ... parents' own risk taking and investment in kids matter.
- Encourage healthier life styles and more effective parenting strategies.

# Linking Youths' and Mothers' Work-Welfare Attitudes



# Linking Work-Welfare Attitudes and Income Support



# What's the take-away story on attitudes?

- Youths' attitudes are linked to those of their mothers
- IS receipt sign. affects the attitudes of youths – a necessary condition for existence of a welfare culture.

**However,**

- Only some of the link between attitudes and IS appears causal.
- Importantly, not clear that attitudes can be linked to outcomes which are relevant for future IS receipt.

**Necessary but not sufficient conditions for welfare culture exist.**

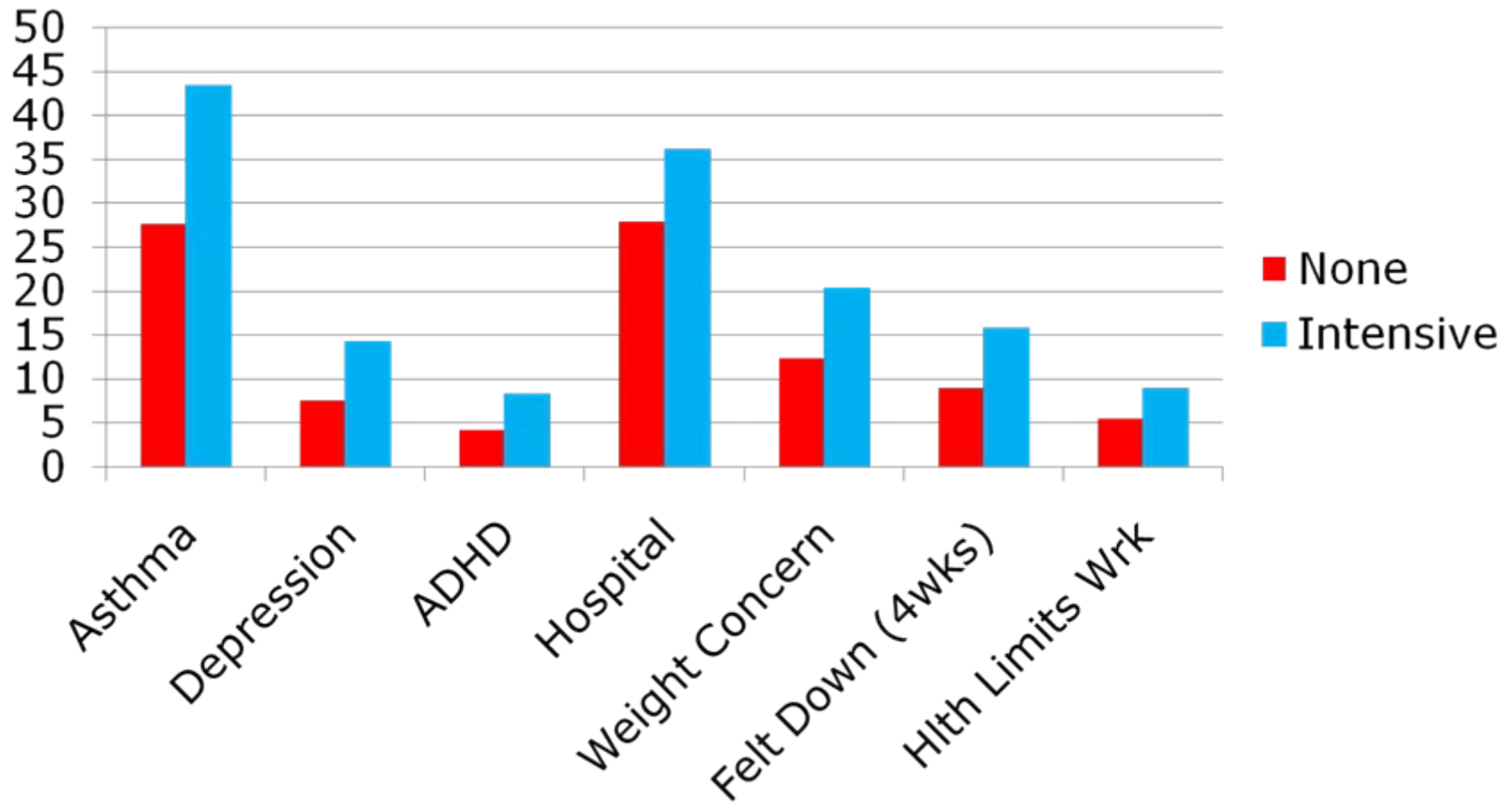
# Challenges: Where do we go from here?

- YIF Project is pointing to a large number of channels through which disadvantage might potentially be passed from parents to kids in Australia.
- Identification of causal effects
- Mobility seems to differ across time, the distribution, and domains even within the same country so we'll need a broad approach.
- The ways that social policy is structured, delivered, and paid for affect intergenerational mobility, yet we don't always evaluate them from this perspective.



# Extra Slides

# Family Income Support History and Youths' Health



# References

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