

How Your Parents Affect Your Income?

#GROUP CC
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About Raj Chetty:

- 2013 Clark Medal Recipient
- One of the youngest tenured professors in Harvard's history
- Work: Ranging from intergenerational mobility and inequality to education and tax policy
- Combines empirical evidence and economic theory to help design government policies



#成功靠父幹?!
#RajChetty

Introduction:

Professor Raj Chetty has worked on intergenerational mobility to study the role of parent's income, the importance of college education and how colleges act to inequality.

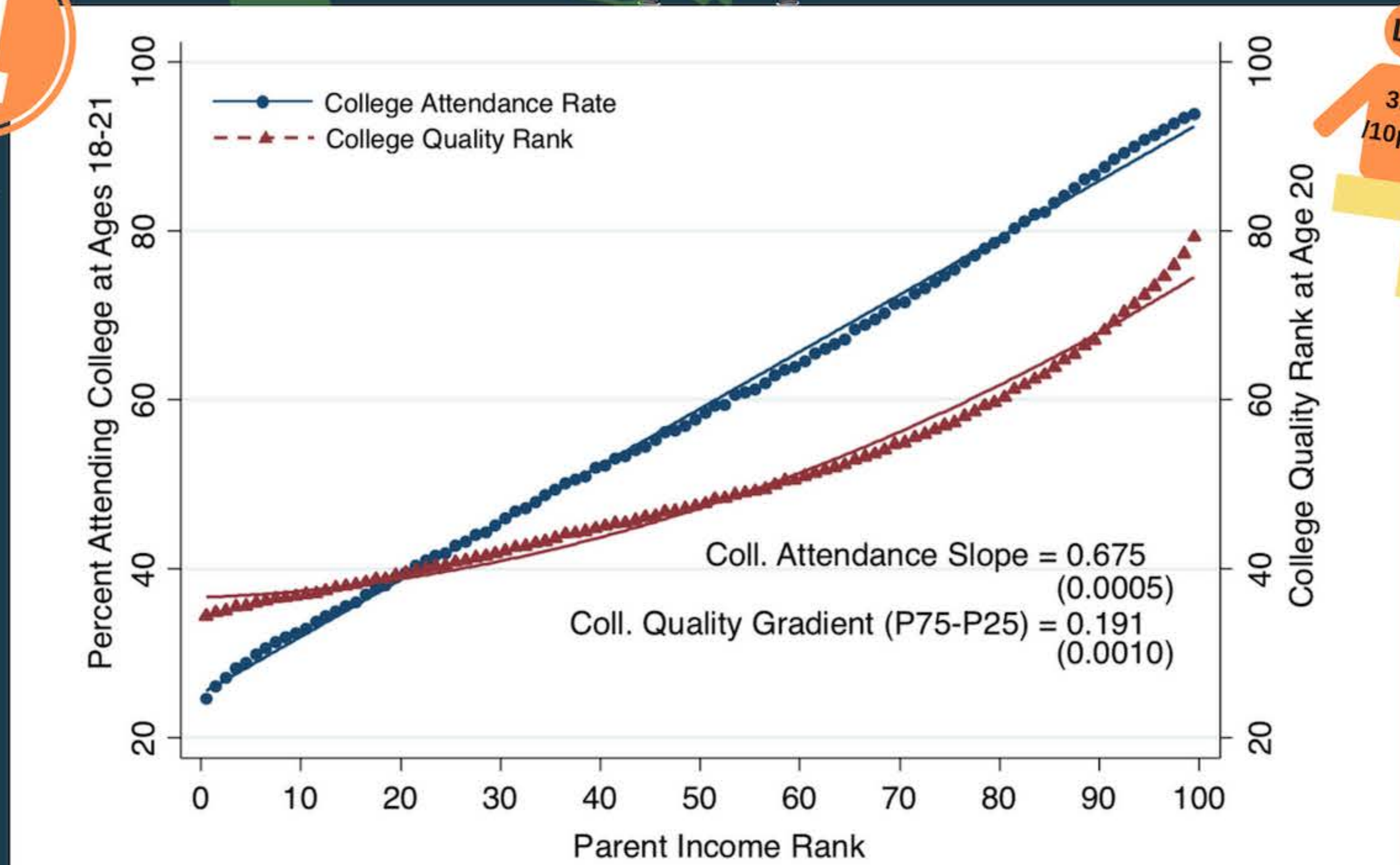
Results:

Where Is the Land Opportunity? The Geography of Intergenerational Mobility in the United States?

Quarterly Journal of Economics 129(4): 1553-1623, 2014

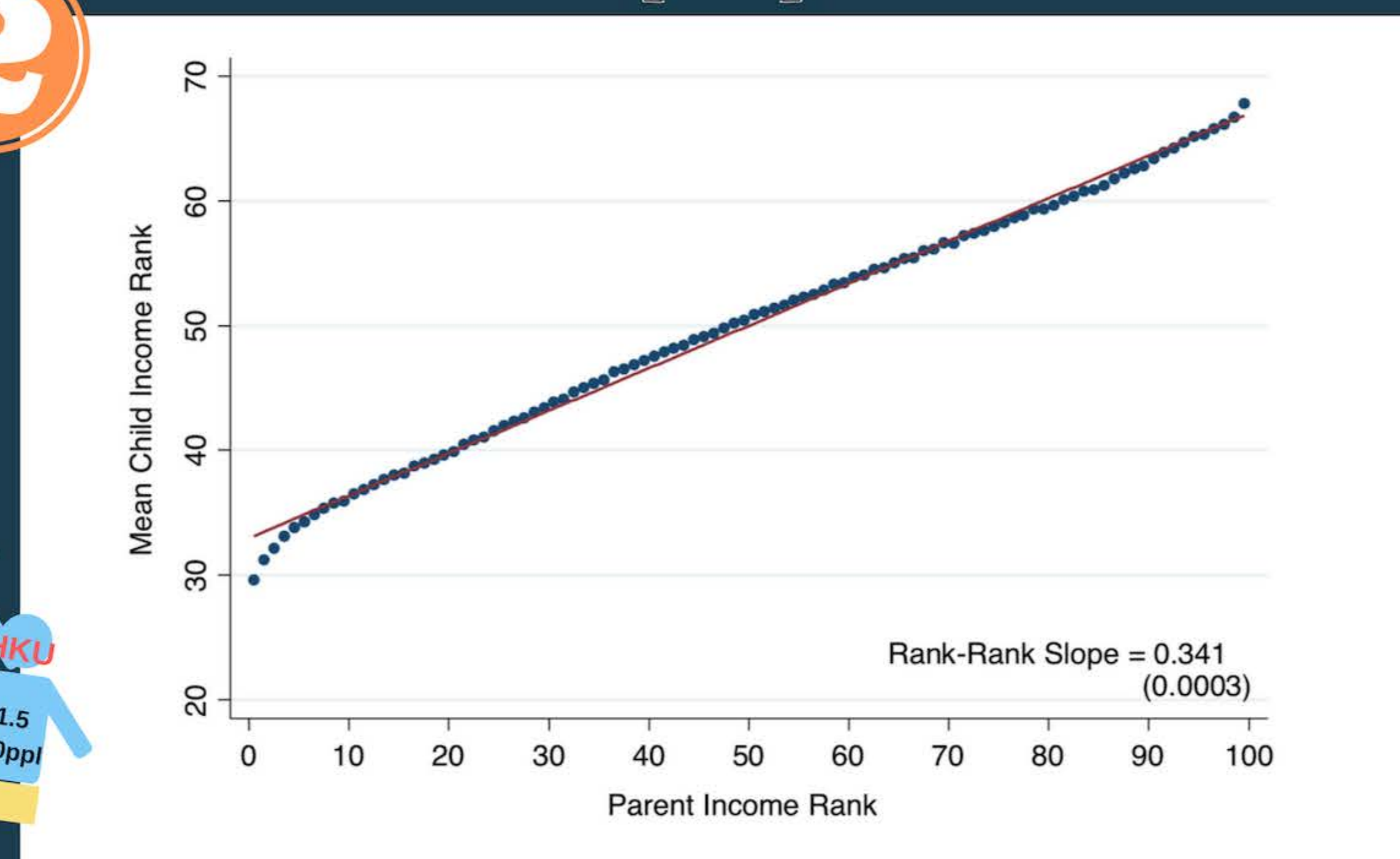
Children's College Quality Ranks

Parent's Percentile Income Ranks



Children's Percentile Income Ranks

Parent's Percentile Income Ranks



- Higher parent rank → Higher college attendance rate and higher college quality rank
- For low college quality rank: Increase in parent income is less important

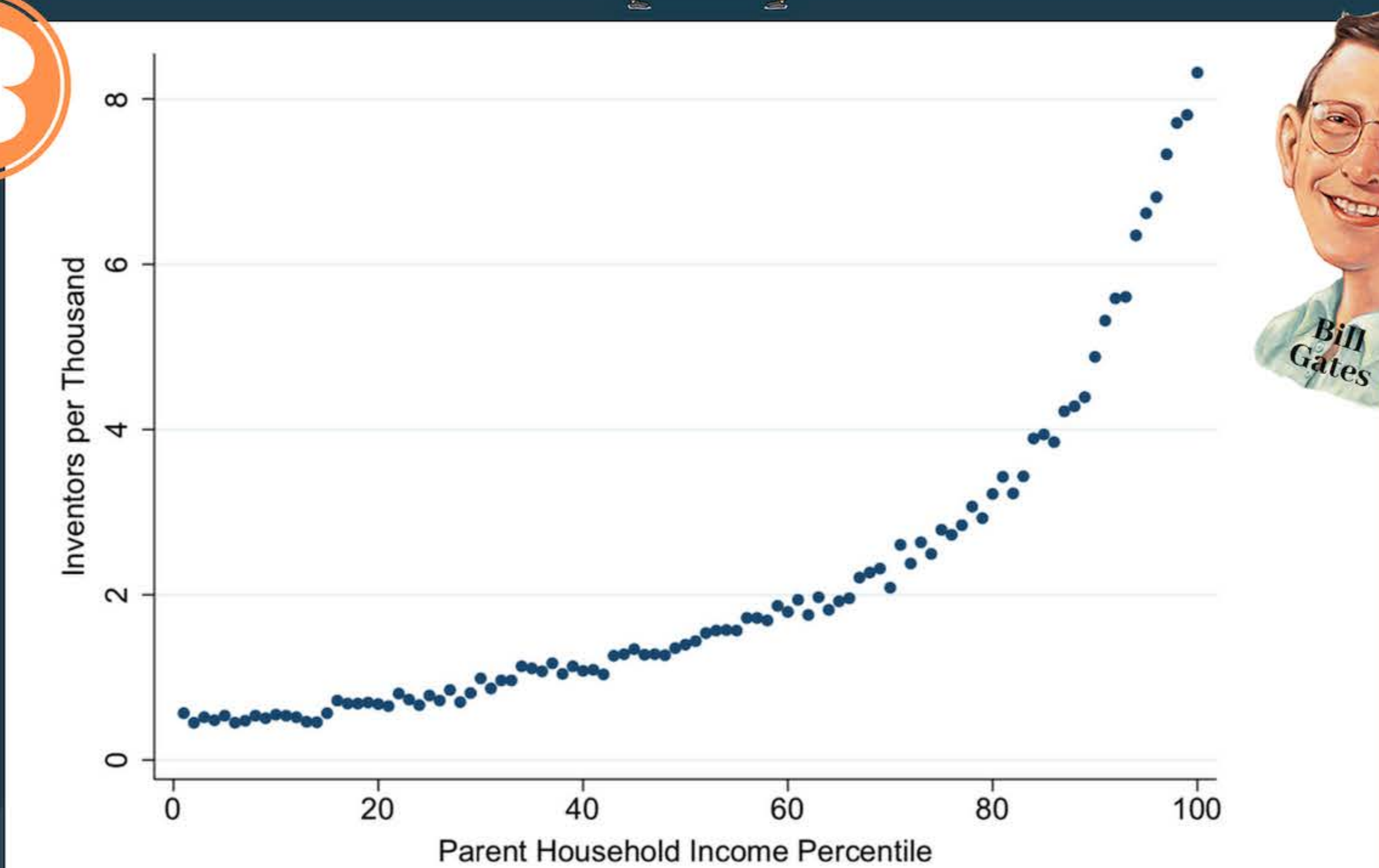
- Almost perfectly linear
- Increase in parent rank → Increase in child's mean rank

Who Become an Inventor in America? The Importance of Exposure to Innovation

Quarterly Journal of Economics, 2018

No. of Inventors

Parent Household Income Percentile



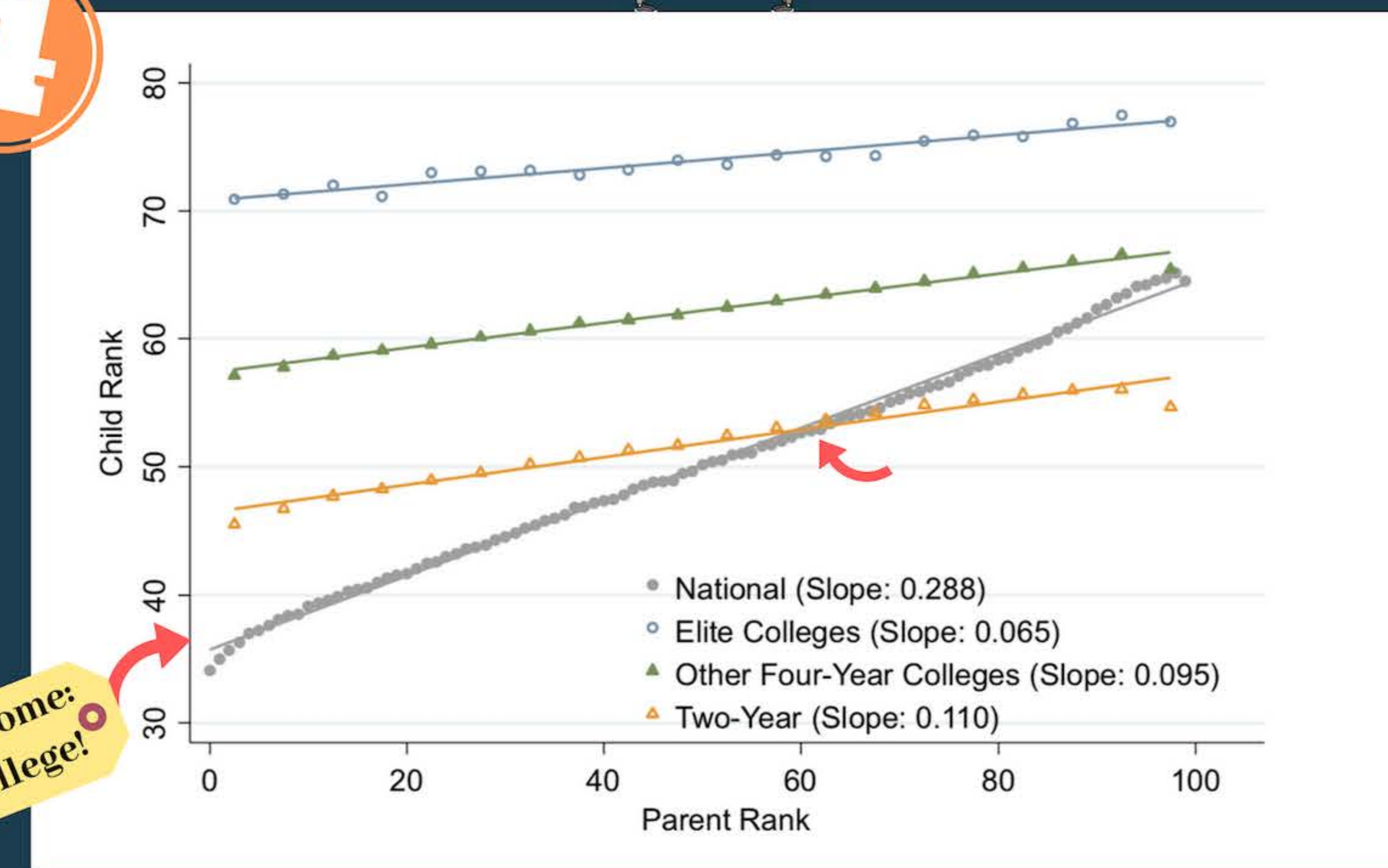
- Steeply upward sloping among higher-income families
- High-income family → Child is likely to be inventor

Mobility Report Cards: The Role of Colleges in Intergenerational Mobility

NBER Working Paper No. 23618, Revised Version 2017

Children's Percentile Income Ranks

Parent's Percentile Income Ranks



- Nationally, higher parent rank → Higher child rank
- Same college tier, different family → Similar child rank

What Should We Do?:

Hong Kong

As the HK Government...

Increase the Access to College

- Lower the requirement for students to get student financial assistance
- More Grants but not Loans to low-income families

Increase the Quality of Pre-Tertiary Schools

- Students from low-income families and low-income districts can receive better education

Raise Subsidy for Low-income Family for Education Needs

- Extra-curricular activities
- Computers, books

As a student...

Be Hard-working

- Work harder and try your best to get into a better university!!!



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