Transfers, bequests and human capital investment in children over the lifecycle

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Proposal Description:

Parental investments in children can take many forms. It can involve time investments during childhood and adolescence that aid child development, educational investments that improve school quality and hence educational outcomes and cash investments in the form of transfers and bequests. The aim of this paper is to investigate the quantitative significance of these types of investments in driving inequalities over the lifecycle.

The paper uses a longitudinal data set that has followed a cohort of individuals from birth to retirement document the evolution of inequality over the lifecycle and its association with parental investments. This analysis will serve as an input into a dynamic model that can be used to assess the relative importance of each type of investment. The model ultimately aims to assess the impact on each channel of policy levers applied to one channel – for example, if the government dramatically increased the extent of estate taxation, would we expect parental time investments to change in response?

The role of the research assistant will be to assist in the analysis of the microdata.

Requisite Skills and Qualifications:

Experience with a statistical/econometric software package (STATA or R) is essential.

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