

Abstract for the European Population conference 2016

Title: Immigrant education: The intergenerational impacts of parental overeducation

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Aim:

In Sweden, throughout the post- World War II period, the labor market outcomes of immigrants have been steadily deteriorating. Although this trend has been accompanied by dramatic compositional changes of the immigrant population, the struggle to obtain employment on par with natives seems to be an ever-growing phenomenon. One labor market obstacle, in particular, that overwhelmingly impacts immigrants is that of overeducation—being employed in an occupation for which one is overqualified based on his or her level of education (Joonas, Gupta and Wadensjö 2014, Katz and Österberg 2013). As posited by several studies, the disadvantages developed amongst first generation have been seen to persist in subsequent generations (Hammarstedt 2009, Hammarstedt and Palme 2012, Rooth and Ekberg 2003). We intend to contribute to the existing literature on overeducation and intergenerational transfers by understanding the role mismatch plays in perpetuating disadvantages amongst second generation immigrants, specifically focusing on their educational success.

The phenomenon overeducation is of interest because it has been found to be associated with psychological and occupational scarring effects for an individual (Jackson 1962, Leuven and Oosterbeek 2011, Lundberg, Kristenson and Starrin 2009, Mirowsky and Ross 1998). For example, several studies have shown that overeducated individuals tend to earn less than properly matched individuals with the same level of education (Joonas et al. 2014, Katz and Österberg 2013, Korpi and Tåhlin 2009, Nielsen 2011, Painter II 2014, Piracha, Tani and Vadean 2012). Moreover, there is also evidence that occupational mismatch, as a form of status incongruence, is associated with adverse mental health (Bracke, Pattyn and von dem Knesebeck 2013, Bracke, van de Straat and Missinne 2014, Sánchez-Sánchez and McGuinness 2015).

To date, little research has been conducted to understand the intergenerational impacts of overeducation (Thomas 2015); however, labor market outcomes and psychological well-being have both been linked to the success of an individual's children. As a result, we seek to address a gap in the literature by investigating the impact of parental labor market mismatch on the educational outcomes of their children. Since immigrants tend to face overeducation to a larger extent than natives, it is relevant to compare the effects between the two groups. This paper, thus, focuses on the educational outcomes of the children of individuals that face a mismatch in the labor market in the labor market, and in particular comparing second generation immigrants to natives. This study has direct policy relevance in that it may shed light on the long-term consequences of having a growing portion of the population facing a mismatch between their occupation and level of education.

Accordingly, we ask the following questions:

- Is the educational performance of children adversely impacted by parents facing an occupational mismatch?
- Do these effects differ between the children of immigrants and natives?
- Amongst immigrants, are the effects heterogeneous across countries of origin?

Data and Methods:

The data for this paper comes from the Swedish Interdisciplinary Panel (SIP), a combination of administrative registers from Statistics Sweden. The SIP is ideal for this study as it allows us to link families' economic and demographic information across several decades. In particular, we will focus on the cohorts of individuals born between 1974 and 1985, since we have detailed 9th grade educational information for the period 1989-2011. It is at this point in students' educational careers in Sweden when they choose between educational tracks (academic or vocational), or dropping out of school. Thus, it is reasonable to believe that parents' labor market plight and the stress associated with it will adversely affect their children's perception of the value of education and motivation to perform at a high level in school.

With the SIP we are able to link the students to their parents' educational, labor market, and demographic histories so that we can test the intergenerational effects of labor market mismatch. We use the realized matches method to identify whether parents are overeducated. Specifically, we compare each parent's level of education to the modal level of education of all workers holding the same occupation (three-digit occupation code) in a given year (Leuven and Oosterbeek 2011, Kiker, Santos and De Oliveira 1997, Verdugo and Verdugo 1989), and individuals whose education exceeds the modal value are considered overeducated.

We employ a family fixed effects design in order to identify the effects of parental overeducation on the school performance of their children. In particular, we look at families in which at least one sibling is exposed to a parental occupational mismatch in the year prior to completing the 9th grade. This design will allow us to control for shared unobservable family characteristics between siblings in order to isolate a more clean effect of mismatch. This is a major merit to the present study as no attempts thus far have been made to isolate a more causal estimate for the intergenerational effects of overeducation.

Preliminary Results:

The preliminary results presented in table one correspond to half of the total sample. In this model, we estimate a basic specification in which we include variables for paternal mismatch, the modal level of education of all individuals in the sample employed in the father's occupation, and the sex of the student. The initial results indicate that students exposed to a paternal mismatch in the year prior to completing the 9th grade experience a penalty in their GPA in the following year, while those with an undereducated father experience no such effect. This is in line with the literature exploring the effects of parental job loss on children's educational outcomes. In particular, these studies show that parental unemployment has negative consequences on educational performance and enrollment in higher education (i.e., Coelli 2011, Pinger 2015). One can view unemployment as a severe form of mismatch; therefore, it is reasonable to expect similar effects from overeducation.

These preliminary results are just a starting point to carry out further analyses. In subsequent model specifications we will include a more extensive set of control variables, as well as take a more nuanced look at different immigrant populations. We expect to see heterogeneous effects across immigrant groups as it is reasonable to expect that certain populations face larger intergenerational disadvantages from being mismatched.

Table 1: Family fixed effects model (outcome: Standardized 9th grade GPA)

Model 1:	
Paternal Mismatch	
Matched	Ref.
Overeducated	-.032** (0.012)
Undereducated	-.008 (0.012)
Sex	
Male	ref.
Female	0.35*** (0.002)
Mode education in occupation	
Primary education	ref.
Secondary vocational training	-0.057 (0.07)
Post secondary (non-tertiary)	0.595 (0.656)
Tertiary vocational	-0.190 (0.379)
Academic/higher professional	-0.085 (0.071)
Doctorate	-0.118 (0.078)
Families	633,227
Observations	985,281

***(**)[*] denotes significance at the 1 (5)[10] % level.

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