Intergenerational mobility of immigrants in 15 destination countries*

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Abstract

We estimate intergenerational mobility of immigrants and their children in fifteen receiving countries. We document large income gaps for first-generation immigrants that diminish in the second generation. Around half of the second-generation gap can be explained by differences in parental income, with the remainder due to differential rates of absolute mobility. The daughters of immigrants enjoy higher absolute mobility than daughters of locals in most destinations, while immigrant sons primarily enjoy this advantage in countries with long histories of immigration. Cross-country differences in absolute mobility are not driven by parental country-of-origin, but instead by destination labor markets and immigration policy.

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1 Introduction

In recent decades, rates of immigration to developed countries have been high and rising. In 2019, 10-30% of the population of most OECD countries was born abroad and a similar range of children aged 0-14 had at least one foreign-born parent (OECD/EU, 2023).[1] Consequently, the economic integration of immigrants and their children has become an increasingly important input into a country's economic success.

Children of immigrants may face challenges to upward mobility at school or in the labor market if, for example, they grow up in segregated neighborhoods or suffer from discrimination. Alternatively, children of immigrants may be poised to move up the ladder if their parents are able to transmit values or skills beyond what their income would imply, or if their parents move to locations with better prospects for upward mobility. Recent research has characterized the economic trajectories of children of immigrants in specific countries (Borjas, 2006; Abramitzky et al., 2021; Bratu & Bolotnyy, 2023; Connolly et al., 2023; Jensen & Manning, 2023; Van Elk et al., 2024), but these forces may differ across destinations depending on the composition of the immigrant population, aspects of immigration policy, or features of the educational system and the labor market.[2] A comparative perspective helps to identify differences in immigrants' integration across receiving countries and can shed light on the factors correlated with such differences.

A key challenge for cross-country comparisons is the lack of internationally consistent data that includes information on parental and own income for children of immigrants and locals. In this paper, we compile and harmonize data from 15 immigrant-receiving countries for which high-quality administrative or survey data exist to provide a comparative perspective on the labor market integration of immigrants and their children in high-income countries. Our data include 11 European and four non-European countries, representing 44% of global immigrants and 68% in high-income countries.[3] We analyze administrative data in 13 destination countries and supplement with surveys for two countries, allowing us to create links between immigrant parents and children. For many of our included countries, we are the first to use these data to study the intergenerational mobility of immigrants. Access to most of our data sources is restricted, so these sources are rarely harmonized and used for cross-country analysis.

We focus on children born in destination countries from 1978 to 1984, and consider their labor market outcomes around 30 years later, following Chetty et al. (2020) for the full US population

[1] https://data.oecd.org/migration/foreign-born-population.htm.

[2] There is limited work comparing the children of immigrants across different destinations. Notable exceptions are papers using survey data to compare outcomes across a small number of countries, e.g., Algan et al. (2010) and Bucca & Drouhot (2024).

[3] https://www.un.org/development/desa/pd/content/international-migrant-stock.

and Abramitzky et al. (2021) for immigrant/local born comparisons in the US. With these data at hand, we can estimate differences in intergenerational mobility between children of immigrants and children of the local born. Finally, we use our estimates to explore why immigrant income gaps remain large into the second generation in some destination countries, but not in others.

We start by establishing two facts in our data: (1) Large income gaps for first-generation immigrants that diminish in the second generation: In many destinations, first-generation immigrants have lower levels of income than the local born. The median income rank gap across destination countries in our data is -5 rank points. The median gap between second-generation immigrants (children of immigrants) and the children of the local born is much smaller, less than 1 rank point. (2) Gender differences in income gaps: Daughters of immigrants experience smaller income gaps than do the sons of immigrants in all destination countries. The median rank gap is -3 points for sons and zero points for daughters.

We then use parent-child links to document **three new facts** about cross-country income gaps between the children of immigrants and children of local-born. **(1) Around half of the cross-country variation in second-generation income gaps can be explained by parental income differences.** Children of immigrants tend to be raised in poorer households than children of the local born. Thus, countries with a smaller first-generation income rank gap (e.g., the US and Canada) also have smaller second-generation income rank gaps. We confirm the role of parental income in an Oaxaca-Blinder decomposition. **(2) After accounting for parental income, remaining income gaps for the children of immigrants are driven by differential rates of absolute mobility.** By absolute mobility, we mean higher or lower income for children raised at the bottom of the income distribution. Differences in relative mobility (that is, a lower correlation between the income of parents and children) play a much smaller role in explaining income gaps between children of immigrants and locals. **(3) In most countries, daughters of immigrants exhibit *higher* absolute mobility than daughters of locals. Sons of immigrants only enjoy this advantage in non-European countries with long histories of immigrant incorporation (Australia, Canada, Israel and the US), as well as in the UK.** As a result, daughters of immigrants have higher income than daughters of local born raised at the same point in the income distribution in most destination countries, while sons of immigrants often have lower income.

The second part of the paper considers explanations for differences in absolute mobility between children of immigrants and children of locals across destinations. We emphasize that this exploration is based on cross-country comparisons and, as such, we can only provide suggestive rather than causal evidence for these mechanisms. We divide possible explanations into two categories: (1) differences between immigrant and local-born parents, beyond measured income, and (2) differential effects of destination-country characteristics (such as aspects of the labor market,

educational system, and immigration policy) on immigrant families.

Differences in parental attributes – including parental country-of-origin – cannot explain cross-country variation in the absolute mobility gap. First, for most countries, other parental characteristics (i.e., parental wealth, geographic location, and industry of employment) cannot account for the remaining gap between the children of immigrants and the local born.[4] Second, differences in the composition of parental sending countries do not help explain variation in absolute mobility across destinations. For example, China is a large sending country in Canada and Turkey is a large sending country in Austria. However, controlling for parental sending country does not affect our estimates of destination country differences in absolute mobility.

Given that parental attributes cannot account for cross-country differences in absolute mobility, we turn as an alternative to associations with destination country attributes. First, we document that the mobility gap for sons is higher in countries with *lower* income inequality. Sons of immigrants may be excluded or chose not to participate in equality-enhancing institutions like vocational training, apprenticeships, and union membership. Indeed, the mobility gap in income for sons is strongly correlated with a mobility gap in employment rates (extensive margin), which can be depressed by weak school-to-work transitions. Daughters of immigrants are less sensitive to destination-country inequality. Second, we find that both sons and daughters of immigrants enjoy higher mobility in countries with access to citizenship for the second generation and positive attitudes toward immigrants.

The rest of the paper is organized as follows: in the next section, we summarize the existing literature on the outcomes of children of immigrants and intergenerational mobility more broadly. In Section 3, we describe our data sources and sample construction in more detail. We present an overview of the patterns of convergence in income in Section 4, and decompose remaining income gaps fully in Section 5. We consider a series of relevant mechanisms in Section 6, and finally, we conclude. We focus on the cross-country comparisons in the main body of the paper, but we also offer a detailed appendix with results for each destination country.

2 Related literature

The primary contribution of this paper is to provide comparable estimates of immigrants' intergenerational mobility across the developed world. We compile and harmonize administrative or survey data for 15 receiving countries, allowing us to document how the economic assimilation of immigrants and their children varies across countries. Focusing on a large group of receiving countries also enables us to make progress on the question of *why* mobility rates might differ

[4] Although we lack measures of many relevant parental attributes (e.g., language skills, education, ethnic capital), we control for as many parental attributes as we can.

across countries. In this way, our paper is similar to Brell et al. (2020), which compares the employment and earnings trajectories of refugees across nine destinations.

Earlier work on the economic performance of second-generation immigrants relied on cross-sectional data from censuses, surveys, or administrative sources (see, for instance, Borjas, 1993; Card et al., 2000; Aydemir et al., 2009). Cross-sectional data do not allow researchers to control for parental income and other controls for socio-economic status during childhood. This research shows that children of immigrants in the US and Canada converge with the children of local-born parents on educational and labor market outcomes, whereas, in European destinations, the children of immigrants tend to remain behind (Liebig & Widmaier, 2009; Algan et al., 2010; Gries et al., 2022; Berbée & Stuhler, 2023; Bucca & Drouhot, 2024).[5] These studies also find that the daughters of immigrants fare better than the daughters of the local born, while sons tend to fare worse.

More recently, a series of studies have used linked parent-child data to study the intergenerational mobility of immigrants in specific receiving countries. Taken together, these studies find substantial variation across receiving countries in the performance of second-generation immigrants. Without access to harmonized cross-country data, it is hard to know whether these differences in performance stem from differences in sample construction and variable definitions or from actual differences in the experience of children of immigrants across destinations. Moreover, since linked data on parent and child outcomes have only recently become available in many destination countries, we lack comparable estimates for many important immigrant destinations. Abramitzky et al. (2021) and Connolly et al. (2023) document higher rates of upward mobility for children of immigrants than for children of locals in the US and Canada, respectively. In Denmark, the children of immigrants achieve parity with the children of the local born raised at the same point in the income distribution (Jensen & Manning, 2023). By contrast, children of immigrants earn less than children of the local born raised at the same point of the income distribution in Sweden and the Netherlands (Bratu & Bolotnyy, 2023; Van Elk et al., 2024).[6]

Our work also contributes to the large literature on the specific barriers faced by (or advantages enjoyed by) the children of immigrants. These barriers may include poor language skills (Bleakley & Chin, 2008), particularly for children who migrate with their parents at older ages (Connolly et al., 2023; Arellano-Bover et al., 2024), cultural heritage from parental country-of-origin (Fernández & Fogli, 2009), and the limitations of living in enclave neighborhoods (Borjas,

[5]Large-scale surveys that ask about parental background can also be useful. Belzil & Poinas (2010) use the Génération 98 conducted in France to show that most of the college attainment gap for second-generation immigrants relative to the children of the French born are due to differences in parental education levels.

[6]Deutscher (2020) builds a "pseudo-panel" from birth cohort and country-of-origin cells in Australian census data. As in the US and Canada, children of immigrants earn 1-3 rank points more than children of the Australian born raised at the same point in the income distribution.

1992; Bertrand et al., 2000).[7] Yet, despite these disadvantages, the children of immigrants can out-perform the children of the local-born in the labor market, particularly in the US, leading to the widely-studied phenomenon called the "immigrant paradox" (Marks et al., 2014; Feliciano & Lanuza, 2017). The children of immigrants tend to have higher expectations and performance than similar peers in school in the US (Feliciano & Lanuza, 2016; Figlio et al., 2024) (Carlana et al. (2022) show a less positive pattern for the children of immigrants in Italy). Fouka (2023) emphasizes that the children of immigrants are more successful in countries that facilitate integration. Children of non-refugee immigrants fare better than the children of refugees (Adnan et al., 2023).

Secondarily, we contribute to the literature comparing rates of intergenerational mobility across countries.[8] A number of studies have provided a cross-country comparison of *overall* intergenerational mobility. Chetty et al. (2014a), along with Smeeding et al. (2011), Corak (2013), Bratberg et al. (2017), Winship (2018), Connolly et al. (2019), Deutscher & Mazumder (2020), and Nybom (2024), document that relative mobility is lowest in the US and the UK, middling in Germany, and highest in Canada, Australia, and the Scandinavian countries. Following Chetty et al. (2017), Manduca et al. (2024) instead compare the fraction of children who earn more than their parents across countries. We provide the first international comparison focusing on the mobility of children of immigrants, a large and growing group in high-income countries.

3 Data

Our main analysis is based on linked parent-child administrative data for 13 destination countries. These linked data typically contain information on parental country of birth, which can be used to identify children of immigrants, and also allow us to observe and control for parental income. Two destination countries in our sample, Germany and the UK, do not provide linked administrative data that contain information on both parental country of birth and parental income. In those countries, we instead make use of large surveys with parent-child links, and information on country of birth and income measures for both generations.

In order to ensure that our results are comparable across countries, we apply the same sample and variable definitions for each of the 15 countries included in our analysis. Our sample and variable definitions closely follow those of Chetty et al. (2020). We follow Chetty et al. (2020) because their aggregate results for the US are available to other researchers and have been used by Abramitzky et al. (2021) to study the intergenerational mobility of the children of immigrants

[7] Immigrant parents who receive language training in Denmark have children who are more likely to finish school and less likely to be convicted of a violent crime (Foged et al., 2023).

[8] A large literature estimates rates of intergenerational mobility within countries. See, e.g., Björklund & Jäntti (1997); Dahl & DeLeire (2008); Lee & Solon (2009); Chetty et al. (2014b); Soria (2022); Kenedi & Sirugue (2023), see also the recent review by Mogstad & Torsvik (2023).

in the US.

For our main analysis, we consider children born in 1978-1984 in one of the 15 receiving countries. We do not include children born abroad, sometimes referred to as "generation 1.5." We measure children's total individual income in adulthood in 2014 and 2015; that is, at age 30 to 37 depending on birth year.[9] We focus on this age range because the vast majority of people will have finished education and entered the labor market by age 30.[10] We keep children in our sample if they are residents and are fully tax liable in the relevant country in both 2014 and 2015.[11] Following Chetty et al. (2020), each of these children is assigned a measure of parental income based on the sum of total parental income from 1994 to 2000. Total income for both parents and children include labor market income, self-employment income, capital income, and government transfers.[12]

Next, after linking data on total income for children (2014-2015) and parents (1994-2000), we construct within-birth year ranks of both total child income and total parental income.[13] Finally, we divide the sample of children into two groups: those with a local-born father and those with an immigrant father (children of immigrants). In the destinations with population registers (e.g., Denmark, the Netherlands, Norway and Sweden), we directly measure a child's legal parents and their parents' countries of births. In other destinations, e.g., the US and Canada, such information is inferred from links between tax records and census data.[14] Our results look similar for samples

[9]Studying children's household income is an interesting area for future research, but is complicated due to cross-country and cross-group differences in rates of cohabitation, marriage, assortative mating, and fertility.

[10]As a result, Nybom & Stuhler (2017) find that intergenerational rank correlations in income stabilize in the early thirties.

[11]Limited tax liability may due to emigration during a calendar year or dual residency; in these case, income is likely to only be partially observed. In most destinations (e.g., Denmark, the Netherlands, Norway, Sweden), population registers ensure universal coverage in administrative data, even for individuals with zero income. In such settings, children who do not appear in the data in adulthood are either emigrants or deceased. For the US, where coverage is not universal, we follow Chetty et al. (2020) and create a balanced sample in which we assign incomes of zero to children who do not appear in the tax data.

[12]In countries where possible, e.g. Denmark, we consider the income of both legal parents independently of household composition. In countries with more limited demographic data, like the US, parental income refers to income of the primary tax filer and their (potential) spouse. Income is inflation-adjusted and excludes in-kind transfers, which are typically not recorded in administrative tax data. We follow Chetty et al. (2020) in dropping children with zero or negative parental income in order to exclude parents with large wealth (proxied by negative capital income). See their Online Appendices A & C for details. This rule drops very few parents.

[13]An alternative to assessing correlations between child and parental income ranks would be to calculate the intergenerational income elasticity by regressing the logarithm of child income on the logarithm of parental income. However, logarithmic transformations of income will exclude children with zero income, and alternative log-like transformations of income are unit sensitive (see, e.g., Chen & Roth, 2023). In addition, the intergenerational income elasticity is sensitive to within-country, across-generation changes in income inequality which is not the object of interest in the context of this paper.

[14]In most settings, we cannot observe parental visa category (e.g., refugee status) or child's citizenship status in the destination country. Similarly, race and ethnicity are typically not recorded in these administrative datasets. Abramitzky et al. (2021) show that US results are not sensitive to comparing children of immigrants to only white children of locals.

based on mothers' place of birth or both immigrant fathers and mothers (see, e.g. Abramitzky et al., 2021; Jensen & Manning, 2023). Unauthorized immigrants who are working in the informal sector will not be captured in the tax data. However, the rate of undocumented immigration was low in most of our destination countries in this period (below 5% and often below 1%), with the exception of the US and perhaps the UK.[15] Even in the US, most unauthorized parents of this cohort are likely represented in the tax data, due to the amnesty granted to undocumented immigrants under the 1986 Immigration Reform and Control Act.

With these data, we can estimate the rank-rank relationship between child and parental income in each of the 15 destination countries and examine how this relationship varies by parental immigrant status. Additional details on the data used for our main analysis are available in Appendix A. After presenting the main set of results, we perform several robustness checks to assess sensitivity to measurement. Patterns are similar when considering children born in a later cohort (1982-87) or when expanding the number of years over which we observe parental income to 1980-2000 to minimize concerns about transitory income shocks. We also consider additional child outcomes, including employment and college attendance,[16] and how additional parental characteristics, including wealth, industry, and home municipality, affect the rank-rank relationship between child and parental income.[17] From the administrative data, we can also extract destination country characteristics, such as the share of immigrant children and emigration rates, to explore how they relate to our estimated rank-rank relationships.[18]

We inevitably encounter some deviations in variable definitions and other details as we strive to harmonize data from 15 different countries. For some countries, we do not observe children born in 1978-1984, e.g. Australia (we consider cohorts born 1989-1992), Spain (we consider cohorts born 1980-1990), and the UK (we consider those born in 1970). In other countries, Austria, Israel, and Switzerland, we only observe earned income, not total income (see Table A.1 for an overview of the income data used). Further details on our data are available in Appendix A. We provide

[15]Estimates of undocumented immigration exist in five of our destination countries for the year 2001 or before, and range from 1% to 13% of the immigrant population. Any country without available estimates from this period likely had an undocumented share at or below the low levels of this range, and we further note that undocumented immigration was likely lower in the 1980s when the children we consider were born. In particular, estimates of undocumented immigration in the 1990s or early 2000s is 1% for Canada (Robinson, 1984), 3.5% for Switzerland (Arbenz, 1995), 5% for the Netherlands (Engbersen et al., 2002), 9% for the UK (Woodbridge, 2005), and 14% for the US (estimate for early 1980s) (Passel, 1986).

[16]College attendance is measured by age 25 and is only available for 7 destinations. Employment is defined as the average number of years with positive earned income between 2014 and 2015. Ideally, we could also measure vocational training and apprenticeship programs, but these vary substantially across destinations, and we do not have consistent data on them.

[17]The additional parental characteristics are measured in the first year of our parental income data (1994). These data are only available in 11 of the 15 destinations.

[18]To obtain relevant emigration rates, we consider the population of 14 year-olds born in 1978-1983 and calculate the share of emigrated children as they age. Data for this exercise are only available in 5 destinations.

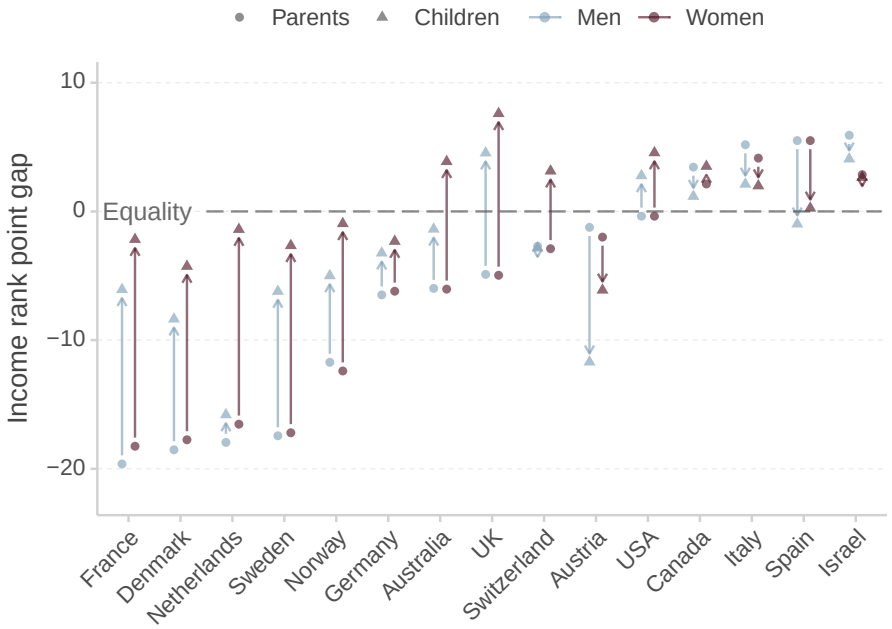
details on all country-specific deviations as well as full sets of results for each destination country in Appendix C.

4 Convergence between second-generation immigrants and children of local born

We find that, in many receiving countries, first generation immigrants (parents) earn less than the local born but the second generation (children of immigrants) close most of these income gaps.

Figure 1 reports the mean difference in income ranks between immigrants and the local born for first- and second-generation immigrants. Sons are denoted in light blue and daughters in red, with parental rank gaps marked with circles, and child rank gaps with triangles. For the ten destinations in which immigrants earn less than the local born, partial convergence toward the local born across the generations (from parent to child) is indicated with upward arrows. For the four destinations in which immigrants earn more than the local born, partial convergence is represented with downward arrows. Complete convergence between immigrants and the local born is captured by a rank gap at zero, marked with a dashed horizontal line labeled "Equality."

Figure 1: Income rank gaps between immigrants and the local-born, first generation (parents) and second generation (children)



Notes: This figure reports the mean difference in income ranks between immigrants and local-born, as well as between their children. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income is ranked within each birth cohort, in terms of percentiles of the income distribution (0-100). See Appendices A and C for details on sample construction and on the data from each country.

First-generation immigrants to ten destinations earn less than the local born, denoted with blue/red circles below zero. Gaps in this parental generation range from -20 to -2 rank points. Five of these destinations were home to immigrants who earned more than 10 rank points below the local born, including Scandinavian countries (Denmark, Norway, and Sweden) as well as France and the Netherlands. By contrast, in five destinations, immigrant parents earned at parity with or more than the local born, including Canada, Israel, Italy, Spain and the US. The positive gaps are all 6 rank points or less.

By the second generation, the children of immigrants have closed the income gaps with the children of local born in most destinations. For the ten countries with negative first generation gaps, the children of immigrants still tend to earn less than the children of local-born parents, but these gaps are much smaller than in the parental generation, resulting in substantial convergence. The gaps between children of immigrants and the local born in these 10 countries range from -9 to +5 rank points for sons and -4 to +7 rank points for daughters (with sons in the Netherlands being an outlier at -15 rank points). Austria is the only counterexample to this convergence pattern, where minor gaps for first-generation immigrants (1-2 points) grow to -6 to -12 rank points for both the daughters and sons of immigrants. For the four countries with positive first generation gaps, the children of immigrants continue to out-earn the children of the local born, but they partially converge downward toward equality. In the US, immigrants earned at parity with locals and their children gain, with income 2-4 points higher than the children of the local born. Figure B.23 presents income gaps from cross-sectional data for first- and second-generation immigrants by destination. Patterns are generally similar. We describe these results in more detail in Section 7.3.[19]

Although all children of immigrants typically experience partial convergence relative to the children of the local born, daughters of immigrants achieve substantially more convergence than sons. For most countries, daughters of immigrants' income (red triangles) are closer to equality with the local born relative to the comparable gap for sons of immigrants (blue triangles). For destinations that start out with negative first generation gaps, daughters of immigrants experience 5-10 additional rank points of progress relative to the sons of immigrants in almost every case.

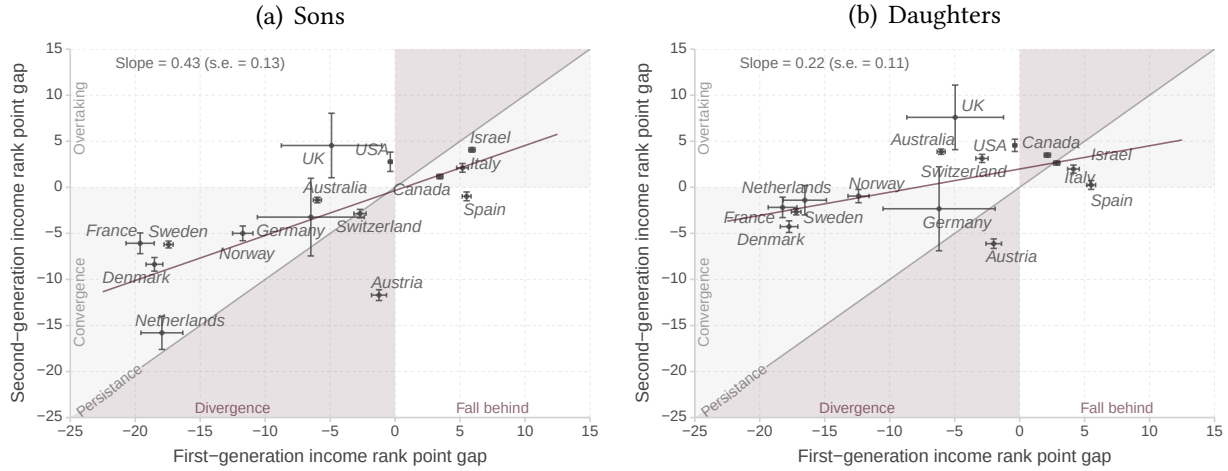
Figure 2 reorganizes this information, graphing the relationship between the first-generation and second-generation income gaps by destination country. This visualization emphasizes that the persistence of income rank gaps (slope of 0.43) among sons of immigrants is twice as strong as among daughters of immigrants (slope of 0.22). In countries with an income gap of 10 rank points

[19]We note that the selection of immigrant households into the German Socio-Economic Panel is more positive than in the full cross-section (compare the 13 rank point gap between immigrant and local-born parents in Figure B.23 to the 7 rank point gap in Figure 2).

in the parental generation, sons are expected to have a gap of 4 rank points, whereas daughters are expected to have a rank gap of just 2 points.

This figure also offers another way to visualize convergence between the first and second generation. We mark the 45-degree line, which represents complete persistence, in gray. For countries with negative first-generation income gaps, any point above the 45-degree line is in the "convergence zone" (shaded in gray); for countries with positive first-generation gaps, any point below the 45-degree line represents convergence. All countries (except Austria and sons in Spain) fall into the convergence zone or even experience some overtaking (US and UK). For daughters, a few countries face very mild divergence (Canada, Israel).

Figure 2: Comparing income rank gaps in first- and second-generation across countries



Notes: This figure reports the mean difference in income ranks between immigrants and local-born, as well as between their children. We mark the 45-degree line, which represents complete persistence, in gray, and draw the estimated regression line in red. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated; these are particularly large for German and UK results based on survey rather than administrative data.

5 Decomposing remaining gaps between second-generation immigrants and children of locals

Despite substantial convergence in the second generation, children of immigrants experience a remaining income gap with the children of local-born parents in many countries. Mechanically, this gap can be driven by (a) differences in the income of immigrant parents and local-born parents, or (b) differences in the mobility parameters relating income across generations. We start by providing descriptive evidence on each of these channels and then more formally decompose the income gaps between the children of immigrants and the local born.

5.1 Gaps in parental income

For some of the countries in our sample, immigrant households not only have lower mean income ranks, but are also concentrated at the very bottom of the income distribution. Figure 3 presents the share of daughters of immigrants growing up in each ventile of the national income distribution (patterns for sons are practically identical, see Appendix C). Note that the children of local-born parents (not shown) are roughly balanced across ventiles, with around 5% of children of local-born parents in each ventile.[20]

Figure 3, Panel (a), shows the share of immigrant daughters across ventiles in the six countries where children of immigrants are concentrated in low-income families: Australia, Denmark, France, the Netherlands, Norway, and Sweden. For example, in Denmark, nearly 50% of the daughters of immigrants were raised by parents in the bottom 20% of the income distribution, compared to (mechanically) around 20% of the daughters of the local born.

In contrast, in nine destinations, children of immigrants are more evenly spread in families throughout the income distribution. These destinations include three non-European countries (Canada, Israel, and US) and six European countries (Austria, Germany, Italy, Spain, Switzerland, and UK).

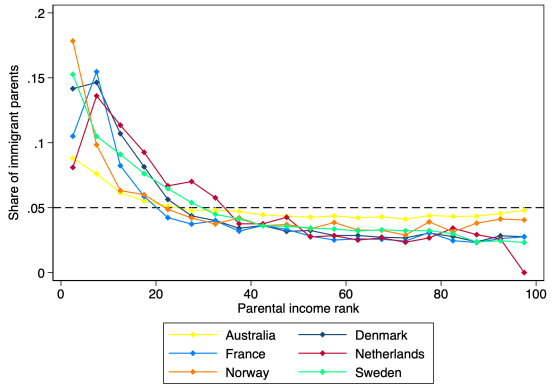
Some of the differences in parental income distribution across destinations may be explained by immigration policy. Immigration into France, the Netherlands and Sweden was influenced by colonial or administrative history, leading to distinctive patterns of parental country of origin. For example, the largest immigrant group in France hailed from Algeria, the Netherlands absorbed many immigrants from Surinam and Indonesia, and nearly a quarter of immigrants in Sweden were from Finland.[21] Australia began dismantling the White Australia policy in 1949, opening up to broader European immigration following World War II. The implementation of a non-discriminatory policy in 1973 was followed by increased migration from Asia and the Middle East. A points-based system was introduced over the course of the late 1970s and 1980s (Miller, 1999; Jupp, 2002). The cohorts in our study were born to parents who may have arrived before the new system was formalized into law in 1989. Denmark and Norway did not have notable immigration policies at the time, but their generous social welfare may have encouraged the entry of poorer households (Agersnap et al., 2020).

[20] Figure B.2 includes separate distributions for all our destination countries.

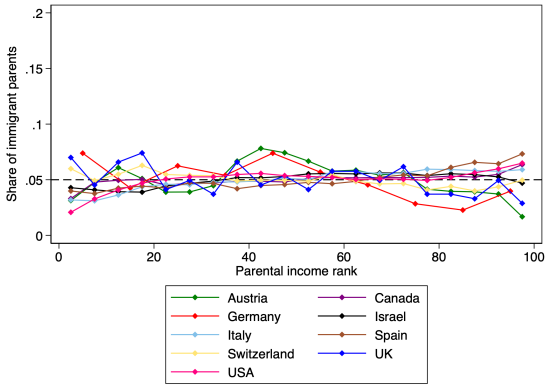
[21] We report the five largest sending countries represented in the stock of immigrants living in each destination in 2000 and 2011 (Tables B.1 and B.2).

Figure 3: Share of daughters with immigrant parents by parental income ventile

(a) Over-representation in lower ventiles



(b) Near equally distributed



Notes: This figure shows the share of daughters with immigrant parents in each ventile out of the total number of daughters with immigrant parents (across all ventiles). The black dashed line corresponds to an equal distribution across ventiles. By construction, children of the local-born population are close to this uniform distribution. For Germany, for which we rely on survey data, we present decile shares divided by two to maintain a common scale while reducing noise in the shares. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Parental income is measured in 1994-2000. Income ranks, 0-100, are determined within child cohorts. See Appendices A and C for details on sample construction, details on data from each country, and parental income distributions for both daughters and sons; patterns for sons are practically identical. Figure B.2 includes the same distributions mapped separately by destination.

5.2 Differences in mobility parameters

Immigrant households may exhibit a different set of mobility parameters relating parental income to child outcomes. In particular, children of immigrants may experience consistently greater/lesser upward mobility at the bottom of the income distribution (henceforth, *absolute mobility*) or greater/lesser correlation with the income of their parents (henceforth, *relative mobility*).

Absolute and relative mobility can be inferred from the rank-rank relationship between parental and child income. Figure 4 graphs child income rank against parental income rank separately by ventile for children of immigrants (gray diamonds) and children of local born (black circles) and for sons and daughters. In particular, following Chetty et al. (2020) and Abramitzky et al. (2021), we estimate:

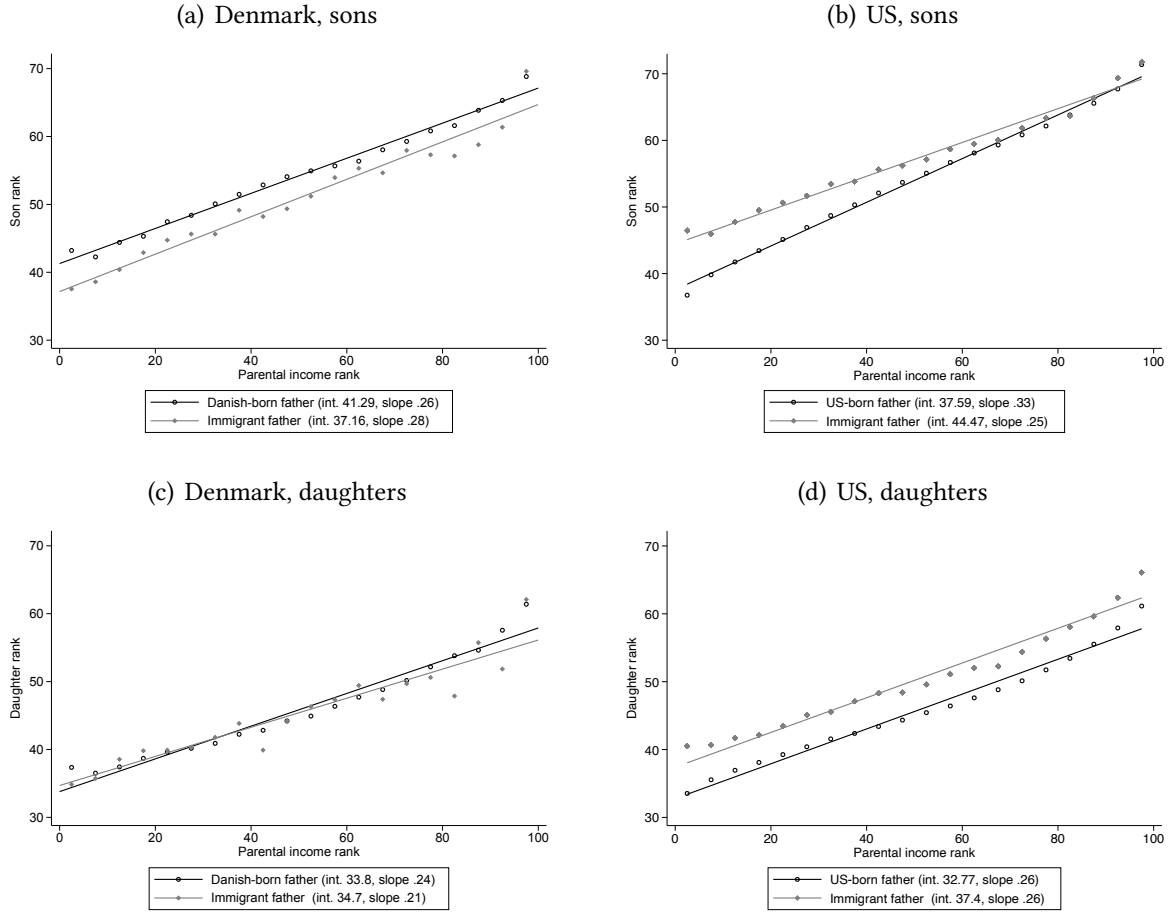
$$y_{i,c} = \alpha + \beta_p y_{i,p} + \beta_m \text{migrant}_i + \beta_{mp} y_{i,p} \cdot \text{migrant}_i + \varepsilon_i \tag{1}$$

where $y_{i,c}$ is the adult child's income rank, $y_{i,p}$ is the parental income rank, and migrant_i is an indicator for having an immigrant father. α yields an estimate of absolute mobility and β_p of relative mobility for children of the local born. When comparing children of immigrants and children of locals, higher absolute mobility (β_m) is represented as a shift up of the intercept in the rank-rank relationship for the children of immigrants, indicating that children of immigrants have a higher

income than children of locals when both have parents at the bottom of the parental income distribution. Higher relative mobility is instead represented as a flattening of the slope relating parental income to child income (that is, a negative β_{mp}), suggesting that children's outcomes are less strongly influenced by parental background.

We provide examples of this process for two destination countries – Denmark and the United States – in Figure 4 and then summarize these patterns across all destinations in Figure 5.

Figure 4: Intergenerational mobility, Denmark vs. US

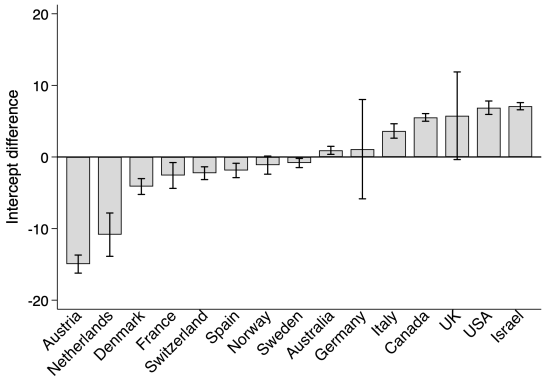


Notes: This figure plots estimates of Specification 1 for Denmark and the US. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within child birth cohorts. See Appendices A and C for details on sample construction and on the data from each country. See Figures B.3 and B.4 for similar figures for all destination countries.

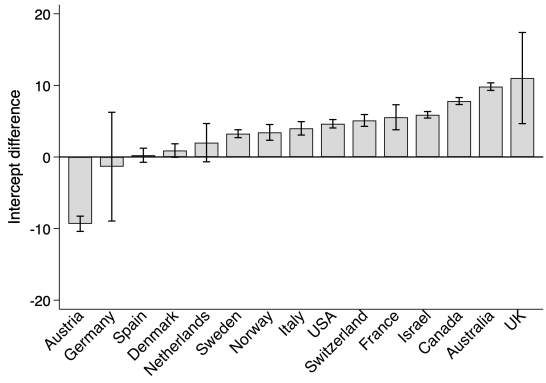
In Figure 4, we document notably different patterns for the children of immigrants in Denmark and the US. In Denmark, the sons of immigrants appear to have lower levels of absolute mobility, represented here by a parallel shift down in the relationship between parental and child income. Lower levels of absolute mobility suggest some form of barrier or obstacle faced by all sons of

Figure 5: Differences in intergenerational mobility between children of immigrants and children of locals

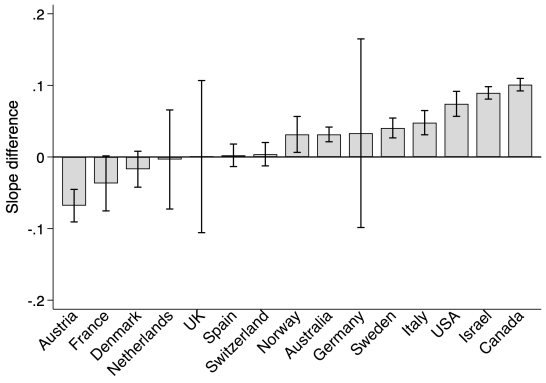
(a) Absolute mobility, sons (higher for immigrants = above zero)



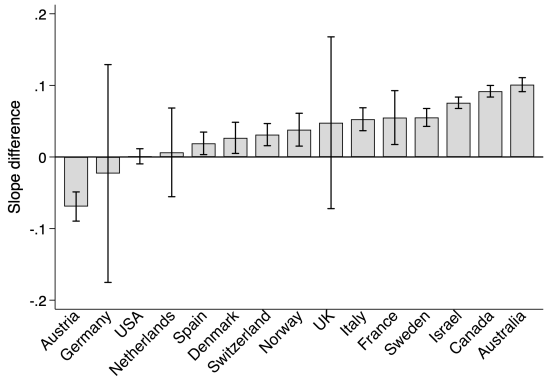
(b) Absolute mobility, daughters (higher for immigrants = above zero)



(c) Relative mobility, sons (higher for immigrants = above zero)



(d) Relative mobility, daughters (higher for immigrants = above zero)



Notes: This figure plots estimates of β_m (absolute mobility difference) and $-\beta_{mp}$ (relative mobility difference) from Specification 1 for each destination country. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

immigrants regardless of their parents' place in the national income distribution. The daughters of immigrants in Denmark instead exhibit a mobility pattern that looks indistinguishable from the daughters of the local born, both in absolute and relative terms.

In the US, by contrast, both sons and daughters of immigrants enjoy higher levels of absolute mobility, illustrated by a parallel shift up for daughters and a higher intercept (but a flatter slope) for sons. Children of immigrants raised in the lowest ventile enjoy a 7-9 rank point advantage relative to children of the US-born in the lowest ventile. For sons of immigrants, this advantage dissipates for men raised at higher ventiles of the distribution due to a higher level of relative

mobility (flatter slope). Daughters of immigrants instead maintain this advantage throughout the distribution.

Rather than inspecting similar relationships for all destination countries one-by-one, we instead summarize these patterns in Figure 5 using two parameters: the intercept differences between children of immigrants and locals (absolute mobility, β_m), and the slope differences between children of immigrants and children of local born (relative mobility, $-\beta_{mp}$).

In historically immigrant-receiving destinations (Australia, Canada, Israel, UK and US), both the sons and the daughters of immigrants have higher levels of absolute mobility than the children of local-born parents. By contrast, in eight continental European destinations, the sons of immigrants exhibit *lower* absolute mobility than the sons of the local born, but daughters of immigrants exhibit *higher* levels of absolute mobility than the daughters of the local born. The two exceptions to this pattern are Austria (where both sons and daughters of immigrants experience lower absolute mobility) and Germany (where the children of immigrants are not statistically different from the children of locals). Otherwise, gaps in absolute mobility are large and economically meaningful in most cases, representing a difference of 3 or more rank points.

Although the children of immigrants have higher levels of relative mobility than the children of the local born in most destinations, these differences are typically small. The largest differences in relative mobility occur in destination countries with lower relative mobility for the children of locals (Canada, Israel, US for sons, Australia for daughters). In these destinations, the slope of the rank-rank relationship is 0.1 smaller for the children of immigrants, representing 1 rank point in children's income for every 10 rank points of parents. As a result, in these countries, the high rates of absolute mobility are offset by the high rates of relative mobility at higher points in the income distribution, leading the children of higher-income immigrants to have outcomes no different from the children of higher-income local parents.

So far, our analysis compares the outcomes across two generations: children born circa 1980 and their parents. However, we may also be interested in potential income rank gaps in the long run as they evolve over multiple generations. Chetty et al. (2020) apply a framework to determine the steady-state levels to which income ranks gaps will converge over many generations. This framework assumes fixed and persistent population categories, which may be reasonable in the case of race but less so in immigrant communities. However, we present these results in Figure B.8 to compare with current income gaps in Figure 5. Income gaps are close to steady state in most cases.[22]

In Figure 5, we consider the absolute and relative mobility parameters separately. Alterna-

[22]Results suggest that income gaps will change in steady state for a few countries, with the negative income gaps currently observed in France closing and the parental income advantage (or small disadvantage) apparent in Spain and Austria reversing or becoming more negative.

tively, we could follow the approach taken by papers that combine absolute and relative mobility to calculate predicted child income ranks at the 25th/50th/75th percentiles of the parental income distribution (Abramitzky et al., 2021). We report these values in Appendix Figure B.5. The cross-country ranking of mobility gaps between children of immigrants and locals are qualitatively similar to the absolute mobility gaps presented in Figure 5 when measured at these percentiles, with the exception of gaps at the 75th percentile in some of the historically immigrant-receiving destinations (Canada, Israel, etc.). In these cases, children of immigrants have higher expected ranks than children of the local born at the 25th percentile but lose this advantage at the 75th percentile.

5.3 Full decomposition of income gaps between children of immigrants and local born

The descriptive patterns suggest that the children of immigrants tend to differ from the children of local-born parents in two economically meaningful ways: (a) they are raised in lower-income households, and (b) they exhibit different rates of absolute mobility (higher for daughters and lower for sons). Figure 6 illustrates the role of these forces in explaining the income gap between children of immigrants and children of locals for each destination country. We include a full Oaxaca-Blinder decomposition of this gap for each country in Appendix C.[23]

In Figure 6, we depict the unconditional income gap between children of immigrants and children of the local born with dark gray bars (as in Figure 1). The light gray bars then depict the income gap conditional on parental income, or the *counterfactual gap* between the two groups if the children of immigrants were raised in families with the same average income as the children of the local born. In Figure 6, we plot only the total rank gap and the "unexplained" gap directly; the "explained" gap due to parental income can be inferred from the difference between the dark and light gray bars.

For both sons and daughters (panels (a) and (b) respectively), accounting for differences in childhood household income can explain a substantial portion of the unconditional income gaps between children of immigrants and the local born. For daughters, differences in parental income account for the *entire* income gap for destinations with negative income gaps (with the exception of Austria). Not only are income gaps closed in this counterfactual, but the daughters of

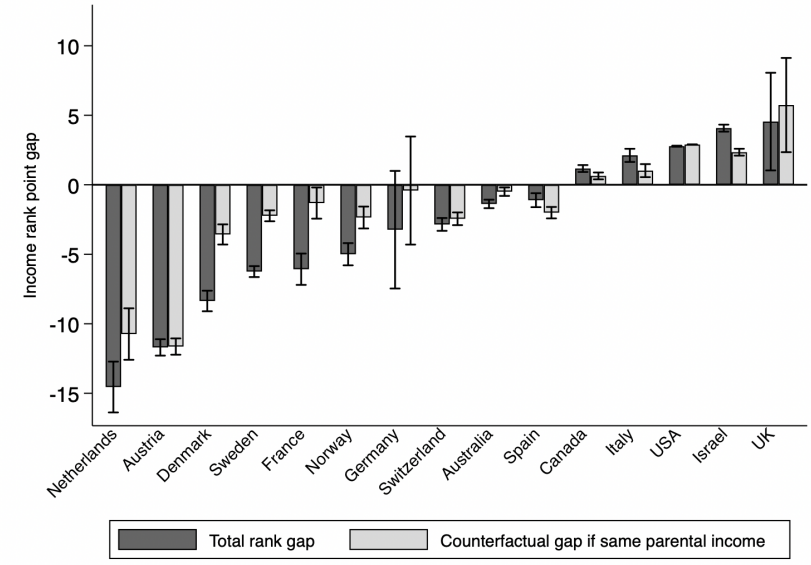
[23]The Oaxaca-Blinder decomposition of the difference in mean income rank between children of immigrants and children of locals, using children of locals as the reference group, is given by:

$$\underbrace{\bar{y}_{mc} - \bar{y}_c}_{\text{A: Total gap}} = \underbrace{\hat{\beta}_m + \hat{\beta}_{mp}\bar{y}_{mp}}_{\text{B: Unexplained gap}} + \underbrace{(\bar{y}_{mp} - \bar{y}_p)\hat{\beta}_p}_{\text{C: Explained gap}} \tag{2}$$

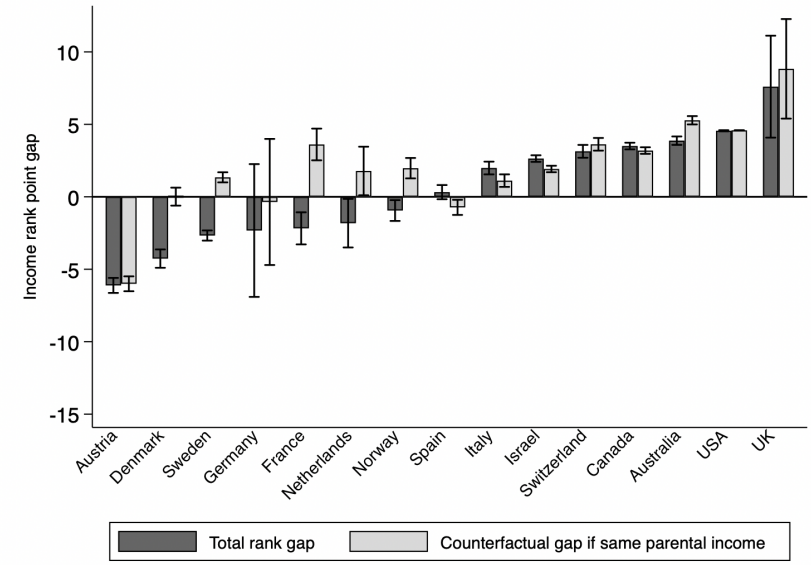
where $\bar{y}_{mc}$ and $\bar{y}_c$ are the mean income ranks of children of immigrants and children of locals, respectively. $\bar{y}_{mp}$ and $\bar{y}_p$ are the mean income ranks for their parents. $\hat{\beta}_m$, $\hat{\beta}_{mp}$, and $\hat{\beta}_p$ are the estimated coefficients from Specification 1. We follow the terminology of Fortin et al. (2011) and refer to terms B and C as the "unexplained" and "explained" gaps, respectively.

Figure 6: Oaxaca-Blinder decompositions of differences in child income ranks

(a) Sons



(b) Daughters



Notes: This figure plots results from a Oaxaca-Blinder decomposition of the difference in mean income rank between children of immigrants and children of local born, using children of local born as the reference group. Specifically, the dark gray bars plot the difference in mean income ranks between the children of immigrants and children of local born (term A in Equation 2). The light gray bars plot the gap in income that cannot be explained by parental income differences (term B in Equation 2, which is equivalent to term A minus term C). Appendix C contain decomposition results using alternative reference groups for each destination country. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within child birth cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

immigrants *earn more* than the daughters of local-born parents conditional on having the same parental income levels in most destinations. In contrast, for sons, sizable (but smaller) negative gaps remain in most cases. Appendix Figure B.6 reports the share of the overall income gaps that can be explained by differences in parental income by destination country and gender. For daughters, parental income can explain 97% of the income gap (range = -36% to 333%). For sons, parental income can explain 32% of the income gap (range = -81% to 87%).

We further decompose these "unexplained" gaps in a detailed Oaxaca-Blinder decomposition in Figure B.7.[24] The detailed decomposition reveals that the higher income of daughters of immigrants conditional on parental income are driven by higher rates of absolute mobility (light gray bars, panel b); the lower income of sons of immigrants are likewise driven by lower rates of absolute mobility (light gray bars, panel a). The "unexplained" components due to differences in relative mobility (dark gray bars) are either negative or not significantly different from zero. In general, relative mobility plays only a minor role, both because the estimates of β_{mp} (differences in relative mobility) tend to be small (see Figure 5), but also because the average income ranks of immigrant parents are relatively low in many destination countries ($\bar{y}_{mp}$). We find three exceptions: Canada, Israel and Italy (along with Australia for daughters and the US for sons) where the "unexplained" components due to differences in relative mobility are larger and negative, but they are all dominated by even larger and positive differences due to absolute mobility.

5.4 Reference country parameters

Children of immigrants earn less than the children of the local born in many European destinations but have reached parity with the children of the local born in the US. We use our decomposition to consider how these income gaps would change under two scenarios: (a) if children of immigrants in each destination were raised in households drawn from the same income rank distribution as the children of immigrants in the US and (b) if children of local born and children of immigrants in each destination experienced the same absolute and relative mobility parameters as children in the US.

Figure 7 documents that the varying performance of children of immigrants in the US and in other destinations is due both to initial differences in parental income and to differences in mobility parameters across locations. For reference, we graph the actual gap in mean income ranks between children of immigrants and children of locals in each destination in dark gray bars and compare these gaps to the 3 rank point advantage for children of immigrants in the US (the dotted horizontal line). The light gray bars illustrate what the mean income gaps would be in

[24]Note that detailed decompositions are sensitive to the choice of reference group and scaling of independent variables (Oaxaca & Ransom, 1999). In our case, the small differences in the slope parameter (relative mobility) limit this issue, and we reach similar conclusions in Section 5.4.

each destination *if* children of immigrants were raised at the same parental income ranks as in the US. These counterfactual gaps tend to be less negative overall (and often positive for daughters), reflecting the fact that immigrant parents are located higher up in the income distribution in the US than in many European destinations (Spain, Switzerland, and the UK are counterexamples because the income distribution of immigrant households is similar in these countries to that of the US). Finally, the white bars use the estimated mobility parameters from the US ($\hat{\alpha}$, $\hat{\beta}_p$, $\hat{\beta}_m$, and $\hat{\beta}_{mp}$) to predict child income rank gaps in a given country (using that country's actual parental income ranks). Again, we find that these counterfactual gaps tend to be less negative for sons and positive for daughters, highlighting that mobility parameters in the US are also relatively more favorable for children of immigrants compared to other countries (the only exception is the UK; Australia and Switzerland are also similarly favorable to the daughters of immigrants).

6 Mechanisms

Thus far, we have documented substantial variation in the income rank gap between the children of immigrants and local-born parents across destination countries and by gender, with daughters out-performing sons. Although a large share of the income gap between children of immigrants and the local born can be traced back to differences in parental income ranks, a portion of these gaps remains unexplained and is driven primarily by differences in absolute mobility.

In this section, we explore potential mechanisms behind the differences in absolute mobility, both across countries and between the sons and daughters of immigrants.[25] We divide possible mechanisms into two categories: differences in parental attributes (beyond parental income), including parental country of origin, and differences in destination country characteristics. We find that differences in income gaps across countries cannot be explained by parental attributes alone and so destination country characteristics are likely playing a role.

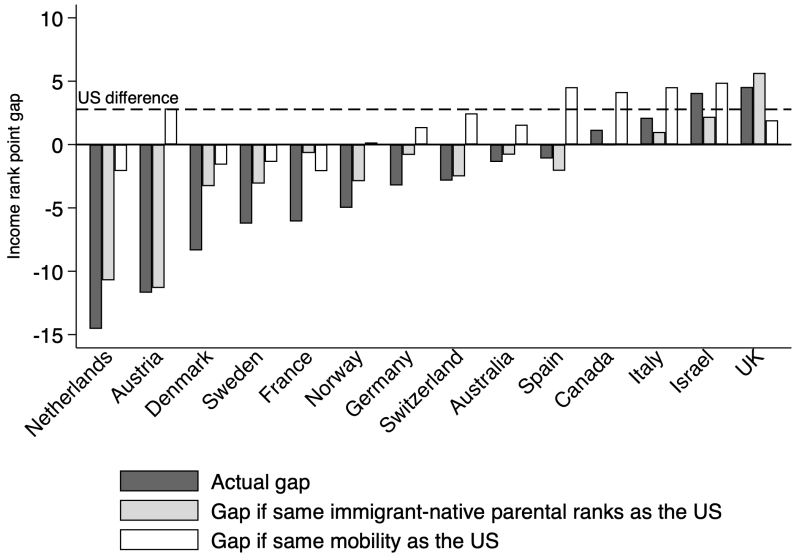
Additional parental characteristics: Household income may not be a comprehensive measure of resources available in childhood, particularly in immigrant households. A large literature documents that immigrants are positively selected on the basis of education or on pre-migration earnings.[26] We have information on parental wealth, residential location, and industry of employ-

[25] Similar results considering the mechanisms behind differences in relative mobility are included in Appendix B.3.

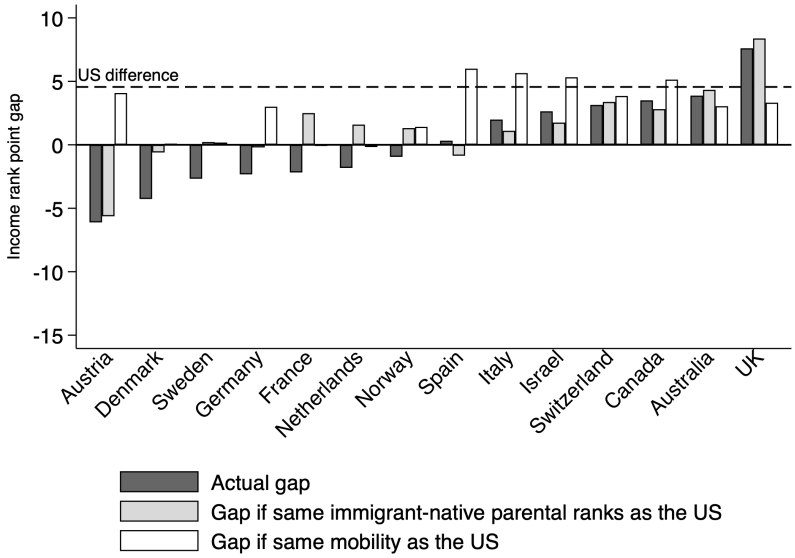
[26] See (Feliciano, 2005) on immigrants to the US and Grogger & Hanson (2011) on immigrants from nearly every sending country. Borjas et al. (2019) document that emigrants from Denmark to other countries (mostly in the EU) are positively selected on the basis of pre-migration earnings, and Clemens & Mendola (2024) extend this pattern to emigrants from most developing countries, particularly those who settle in high-income destinations.

Figure 7: US reference parameters

(a) Sons



(b) Daughters



Notes: This figure plots two counterfactual gaps in mean income ranks between children of immigrants and children of locals. Specifically, the dark gray bars plot actual gaps in mean income ranks (term A from Equation 2). The light gray bars plot mean income rank gaps between children of immigrants and children of locals *if* parental income ranks had been the same as children of immigrants in the US. The white bars return to the actual parental income ranks for each destination country, but use estimated mobility parameters from the US ($\hat{\alpha}$, $\hat{\beta}_p$, $\hat{\beta}_m$, and $\hat{\beta}_{mp}$) to predict child income rank gaps. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

ment for some destination countries.[27] Conditional on having similar income ranks, immigrant parents may still have fewer assets, live in less affluent areas, or work in industries that provide fewer opportunities for upward mobility for their children; these are all factors that could negatively affect child outcomes independently of parental immigration status (see, e.g., McLoyd, 1998). To examine the role of such potential differences, we return to Specification 1 and add parental municipality fixed effects, industry fixed effects, and wealth ventile fixed effects for as many destination countries that report these measures.[28]

Results with various sets of controls are included in Figure 8. We have data to include additional controls in 11 destination countries for sons and daughters. In only six of these 22 cases do additional controls partially or fully explain the remaining income gaps for children of immigrants. For example, geographic controls do not matter in most country-gender pairs (in contrast to historical evidence in Abramitzky et al., 2021), perhaps because immigrants are not fully free to select their location in some European countries, or because regions are more homogeneous in smaller European destinations. As one counter-example, adding municipality fixed effects can explain around half of absolute mobility advantage for children of immigrants in Italy, consistent with the fact that immigrants to Italy are more likely to settle in the prosperous and economically mobile North of the country (as of 2011, 10% of the population was foreign born in northern regions, compared to 3% in southern regions; see Caritas e Migrantes, 2020).[29] We conclude that additional parental attributes beyond income are important in explaining second-generation income gaps in some cases, but cross-country variation in the outcomes of the second generation remains.

We do not have data on some potentially important parental attributes, including education, language skills and neighborhoods. Attributes like parental education could aid upward mobility if immigrant parents earn less than their education level would imply, but they are able to transmit educational advantages to their children. On the other hand, parents transmit race and ethnic identity to their children, which can lower upward mobility. Measured income and resources may also differ between immigrant and local-born parents. If immigrants are more likely to work "under the table," immigrants may earn more than they report to the tax authorities, thereby aiding their children. On the other hand, immigrant parents may send a portion of their earnings

[27] Note that the education of immigrants tend to be poorly observed in administrative data as the education of immigrants often takes place before migration.

[28] All additional parental controls are added as FEs and are measured in 1994, the first years in which we observe parental income. Parental industry FEs are included separately for each of the two parents and include categories for unknown industry as well as no industry (if not working). The level of detail of industries considered vary depending on data availability, typically ranging between 27 and 100 FEs. Parental wealth FEs are included as ventiles of the sum of parental wealth, determined within cohorts. Parental municipality FEs are typically collinear, so we focus on paternal municipality FEs.

[29] We do not have consistent cross-country data on parental neighborhood of residence and so we are not able to control for residence in an immigrant enclave.

back to their home country as remittances, lowering available resources to support children at home for any given measured level of income (Yang, 2011).

In theory, any of these sources of immigrant advantage or disadvantage would apply equally to the sons and daughters of immigrants. However, Bertrand & Pan (2013) and Autor et al. (2019) show that, in various settings, boys are more affected by living in a challenging childhood environment than are girls (e.g., in an environment with discrimination or anti-immigrant sentiment). Furthermore, teachers or employers could treat the sons of immigrants differently than the daughters of immigrants if they perceive "ethnic" boys or men as more of a threat than "ethnic" girls or women (Navarrete et al., 2010; Edo et al., 2019; Ward, 2019; Gereke et al., 2020).[30] Immigrant parenting practices may also differ between sons and daughters (Foner & Dreby, 2011; Rumbaut, 2005). If immigrant parents are more protective of daughters, this parental oversight may hold daughters back from achievement but may also shield daughters from dangerous neighborhood environments (Dahl et al., 2022 for Muslim daughters in Germany; Waters, 2001 for West Indians in the US; see also Giuliani et al., 2017).

Country of origin differences: Another important difference in parental attributes across destinations is the composition of sending countries in the immigrant population. In Appendix Figure B.1, we show that top sending countries vary substantially across destination countries. For example, in the US the largest group of immigrants is from Latin America (Mexico, Central America, and South America), whereas in most European countries the largest group of immigrants is from other European countries, with other large clusters from North Africa or the Middle East (Morocco, Turkey, etc.).[31]

Immigrants from different sending countries have systematically different income levels in the first generation. Even after controlling for parental income, sending country composition may still explain differences in absolute mobility for the children of immigrants. We explore this potential mechanism in three ways. Together, the patterns presented here suggest that parental sending country cannot explain cross-country differences in absolute mobility, suggesting that destination country effects likely play a role.

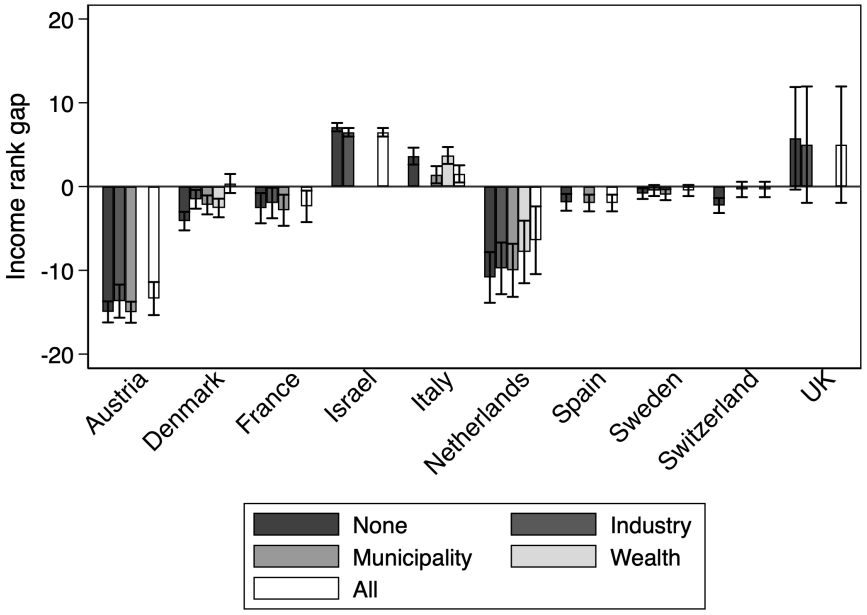
In our first exercise, we regress the difference in absolute mobility between the children of immigrants in a destination-sending country pair and the children of local-born parents in the destination on destination and sending country fixed effects:

[30] This possibility is in line with the findings of a larger black-white wage differentials for men than women in the US among the US-born Neal (2004).

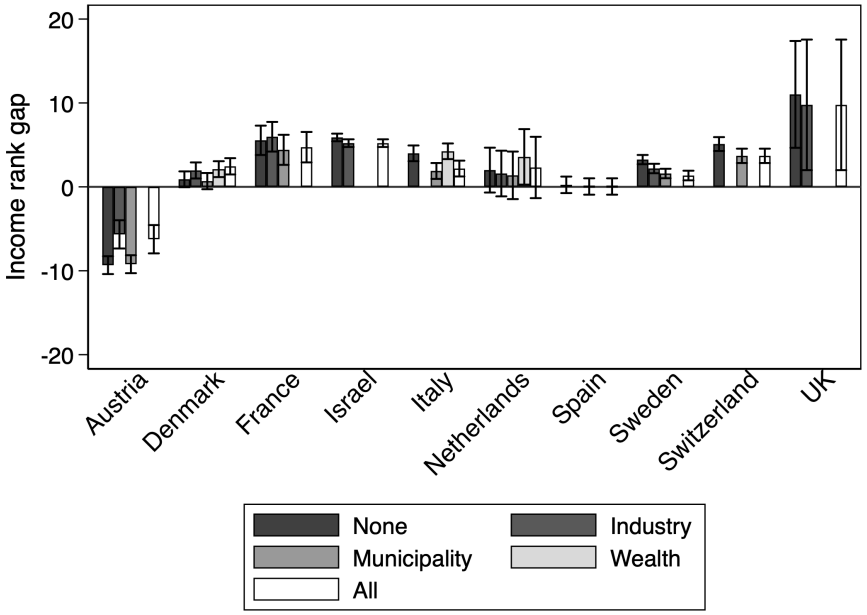
[31] We report the five largest sending countries in the stock of immigrants living in each destination in 2000 and 2011 (Tables B.1 and B.2). The list of top sending countries is very stable over time and so likely well represents the birthplaces of the immigrant parents in our sample.

Figure 8: Intergenerational mobility after accounting for other parental characteristics beyond income

(a) Absolute mobility, sons



(b) Absolute mobility, daughters



Notes: This figure plots estimates of β_m (absolute mobility difference) from Specification 1 for each destination country. We add parental municipality, industry, and ventile wealth fixed effects as controls. "All" refers to a specification that includes all of these controls that are available for the specific destination country. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

$$\hat{\beta}_{m,ds} = \theta_0 + \sum_{i=2}^{D} \theta_1^i destination_d^i + \sum_{j=2}^{S} \theta_2^j sending_s^j + \epsilon_{ds} \quad (3)$$

where $\hat{\beta}_{m,ds}$ is the previously estimated difference in absolute mobility between the children of immigrants from sending country s and the children of local-born parents in destination d. $destination_d^i$ is an indicator equal to 1 if destination country i is country d. $sending_s^j$ is an indicator equal to 1 if parental sending country j is country s. D total number of destination countries (for this exercise, we have data on 11), S is the total number of parental sending countries (we have data on 78). $destination^1$ is Denmark and is the reference destination, $sending^1$ is Turkey and is the reference sending country. θ_1 and θ_2 give the parameters of interest and are sets of destination and sending country-specific effects respectively.

Figure 9 presents destination country fixed effects for sons and for daughters (panels a and b). Black diamonds report destination country effects estimated alone (that is, dropping the third term in Equation 3), and gray diamonds report coefficients on destination country effects after controlling for sending country effects as well. Black and gray diamonds are nearly identical, suggesting that differences across destination countries in absolute mobility are not driven by sending country composition. For example, the Netherlands and Austria remain low mobility countries for the sons of immigrants and Israel and Canada remain high mobility countries.

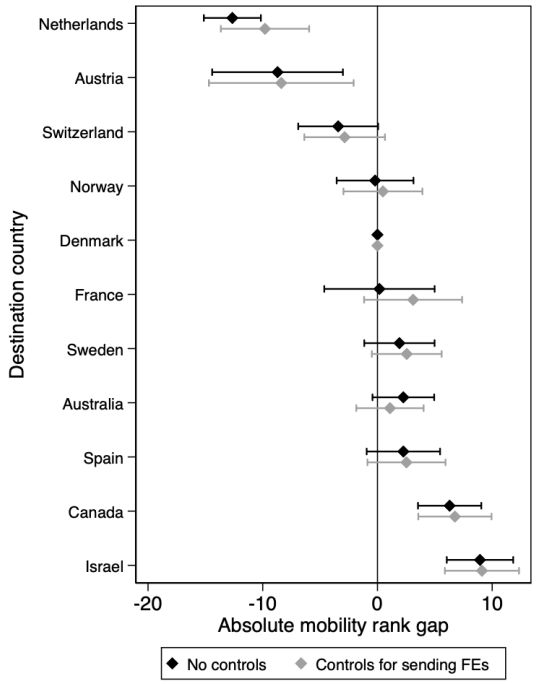
Appendix Figure B.10 shows the corresponding sets of coefficients on sending country fixed effects. Sending countries differ in their rates of absolute mobility (although these differences are often not statistically different from each other). Daughters of immigrants from nearly every sending country, with the possible exception of Congo, Ethiopia, Paraguay and Nigeria, have higher absolute mobility than the daughters of local born parents; daughters of immigrants from Asian countries (e.g., China, Malaysia, Vietnam) have the highest rates of upward mobility. Sending countries with the highest and lowest mobility for the sons of immigrants are more mixed, including some Latin American countries (Guatamala low, Colombia high), some African countries (Gambia low, Libya high) and some Asian countries (Philippines low, Indonesia high).

For our second exercise, we document differences in absolute mobility for each sending country by destination. We start in Appendix Figure B.11 by plotting the variation in absolute mobility gaps for *every* sending country for as many destinations as observed in the data, and then we turn in Figure 10 to five sending countries that we observe in up to nine destinations. The red circles in Appendix Figure B.11 represent the median level of absolute mobility for each sending country and the black diamonds illustrate absolute mobility for these sending countries in different destinations. In most cases, the black diamonds demonstrate substantial variation around the median, often with up to 10 rank points difference in each direction.

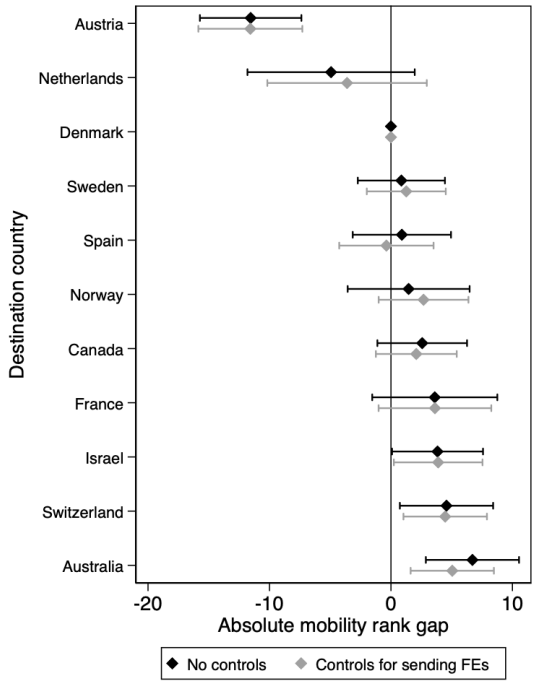
We plot the sending-country specific parameters for the five sending countries that we can

Figure 9: Destination country effects are not explained by sending country composition

(a) Absolute mobility gaps, sons



(b) Absolute mobility gaps, daughters



Notes: This figure plots estimates of Equation 3, i.e. we regress the difference in absolute mobility between the children of immigrants from a particular sending country in a given destination and the children of local-born parents in that destination on destination country and sending country fixed effects. Black diamonds report destination country effects estimated alone (that is, dropping the third term in Equation 3), and gray diamonds report coefficients on destination country effects after controlling for sending country effects as well. To obtain the differences needed for this regression, we first replace the migrant-parent dummy and interaction term with a sending country-specific dummy and interaction term when estimating Specification 1. We drop absolute mobility differences that are particularly imprecisely estimated (standard error > 10), leaving 267 and 265 destination-sending country pairs for sons and daughters, respectively. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

observe in a large number of destinations (Turkey, Morocco, former Yugoslavia, Italy and Germany) in Figure 10.[32] Each panel refers to one sending country, and the bars of each panel refer to the gap in absolute mobility between children of parents from this specific sending country compared to children of locals in the destination country indicated on the x-axis (e.g., Austria, the Netherlands, etc.). For comparison, we also include crosses on each bar to indicate mean gaps in absolute mobility between children of locals and children of all immigrants in the relevant destination country. In general, we find that living in destinations with larger gaps overall (as indicated by crosses) is also associated with larger gaps for specific sending countries. For example, Austria and the Netherlands have the largest negative gaps for the sons of immigrants overall, and also the largest gaps for sons of immigrants from Turkey, Morocco, former Yugoslavia, Italy and Germany. Likewise, absolute mobility gaps are positive overall for the sons of immigrants in Canada and this pattern holds for all specific sending countries as well.

We emphasize that some of these patterns could be driven by differential selection into destination countries. For example, Canada has been operating on a "point system," offering more entry slots to immigrants with higher education, whereas destinations like Austria and Germany ran guest worker programs for low-skilled immigrants through the 1970s. However, we find differences by destination country even *within* continental Europe, and even for sending countries like Germany whose emigrants did not participate in guest worker programs.

Furthermore, we emphasize that immigration policy can select for parental income, but it is harder to select for the potential for upward mobility *conditional* on parental income and, indeed, points systems are often criticized for selection on observable credentials, rather than underlying ability. It is unlikely that selection on the basis of parental income explains variation in absolute mobility because we find no association between gaps in parental income rank and in children's absolute mobility. Appendix Figure B.13 graphs the relationship between the parental income rank gap and the children's absolute mobility gap for the sending country-by-destination pairs in Figure 10. The color of each marker reflects the sending country and the shape of the marker reflects the destination. For sons (panel a), we observe lower levels of absolute mobility for almost every sending country-by-destination pair, regardless of whether their parents were low income (10th percentile) or high income (50th percentile). For daughters (panel b), we observe high absolute mobility for almost every pair (with the exception of low absolute mobility in Austria), again invariant to the parental income gap.

In our third exercise, we measure the dispersion in absolute mobility across parental sending countries for each destination. Figure B.14 graphs the mean, median, and inter-quartile range

[32]Note that the treatment of former Yugoslavia as parental country of birth may vary slightly across contexts as some destination countries' administrative records will have been updated to reflect the more recent division of countries. See Appendices A and C for details on sample construction and on the data from each country.

of absolute mobility gaps within each destination country. Despite some dispersion in absolute mobility across sending countries within a destination, the full distribution of sending countries in low mobility destinations (e.g., Austria and the Netherlands) are shifted down relative to the full distribution of sending countries in high mobility destinations (e.g., Canada). The sending country with the 75th percentile of absolute mobility in Austria still exhibits lower mobility than sending countries with the lowest levels of absolute mobility (25th percentile) in most other destinations. Likewise, the sending country at the 25th percentile of absolute mobility in Canada outperforms the highest mobility sending countries (75th percentile) in most destinations.

Taken together, we find little role for parental attributes (net of income) in explaining cross-country differences in absolute mobility for the children of immigrants. Parental wealth, industry, and location do matter in some cases, but cannot explain the broad differences across destinations. Beyond any direct effect on parental income levels, parental sending country does not seem to be an important explanatory factor.[33]

Destination country effects: Given the limited explanatory power of parental attributes in explaining cross-country differences in mobility, we now turn to differences in destination country attributes. Aspects of the destination economy or society may allow some countries to integrate children of immigrants more readily than others. We consider a country's general level of inequality, its reliance on manufacturing versus services, and features of its immigration policy. In each case, we emphasize that these relationships are exploratory. We present these correlations to provide a first look at destination country attributes that may facilitate or hinder the process of immigrant assimilation.

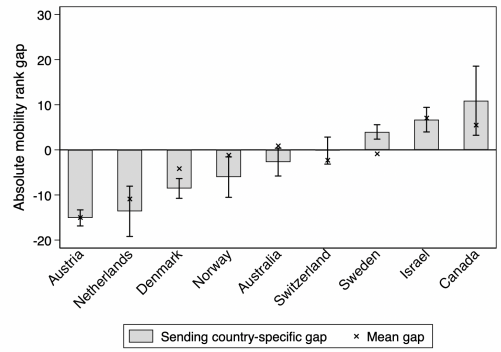
To begin, we ask whether the children of immigrants achieve more parity in absolute mobility with the children of locals in countries with higher (or lower) levels of inequality. If children of immigrants are able to participate in the wide set of institutions that support income equality or higher upward mobility – including high-quality primary schools and strong social capital, among other forces (Chetty et al., 2014a) – then we would expect that mobility gaps between the children of immigrants and locals would be lowest in more equal countries. If instead children of immigrants are excluded from or choose not to participate in these equity-enhancing institutions, we would expect the gap between children of immigrants and children of locals to be largest in these countries.

We explore the correlation between the absolute mobility gap between children of immigrants

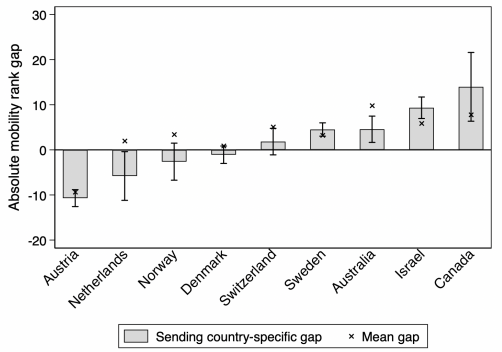
[33]This pattern does not contradict the large literature documenting that aspects of parental country of origin are correlated with the economic behavior of children of immigrants (e.g., Fernández & Fogli, 2009). First, measures of parental country attributes, such as labor force participation, are associated with children's behavior in the destination country, but these factors do not explain much of the variation (that is, R-squared is low). Second, these parental country characteristics are correlated with parental income. Jensen & Manning (2023) find that associations between attributes and child outcomes disappear after controlling for parental income.

Figure 10: Country-specific mobility estimates across various destination countries

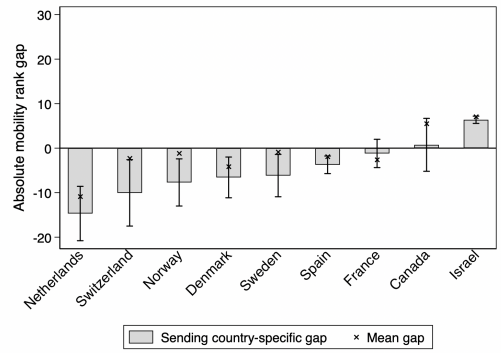
(a) Turkey, sons



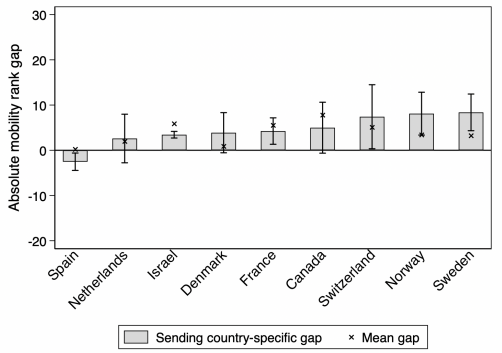
(b) Turkey, daughters



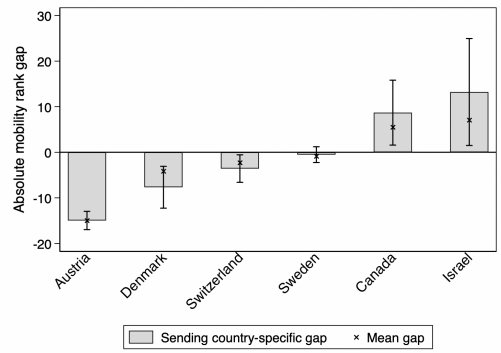
(c) Morocco, sons



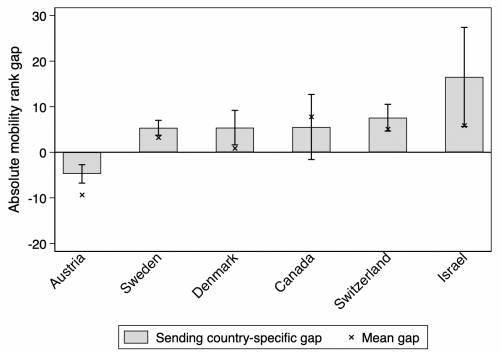
(d) Morocco, daughters



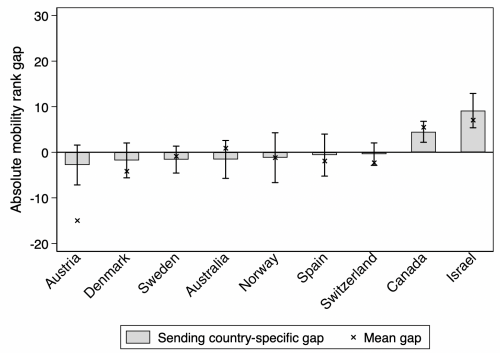
(e) Yugoslavia, sons



(f) Yugoslavia, daughters



(g) Germany, sons



(h) Germany, daughters

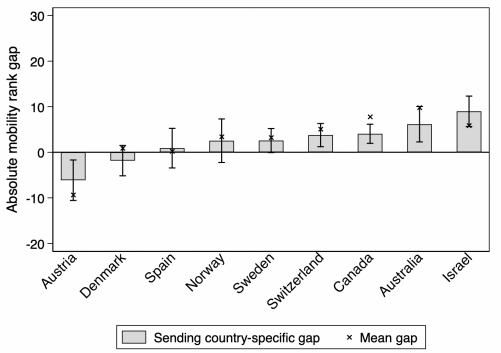
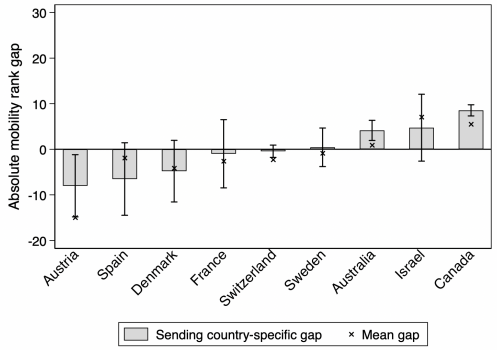
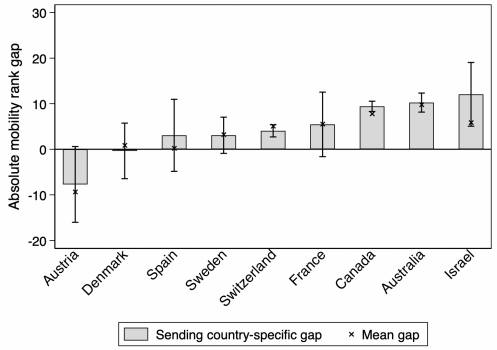


Figure 10: Country-specific mobility estimates across various destination countries (cont.)

(i) Italy, sons



(j) Italy, daughters



Notes: This figure plots estimates of mobility parameters for the sons and daughters of immigrants from Turkey, Morocco, former Yugoslavia, Germany, and Italy. To obtain estimates, we replace the migrant-parent dummy and interaction term with a sending country-specific dummy and interaction term in Specification 1. Each panel refers to one sending country, and the bars refer to the gap in absolute mobility when compared to children of locals in the destination country indicated on the x-axis. Crosses indicate mean gaps in absolute mobility between children of locals and children of all immigrants in the destination country indicated on the x-axis. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

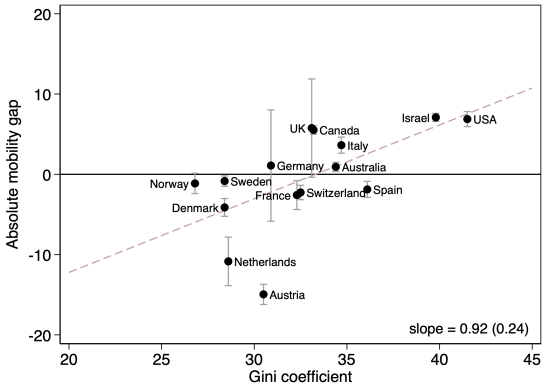
and locals and the Gini coefficient as a measure of inequality in Figure 11. We find a strong positive relationship between the absolute mobility gap and the overall Gini coefficient in the economy for sons (Panel a) – that is, the sons of immigrants have *differentially low mobility* in countries (like Austria and the Netherlands) where labor market earnings are more equal. By contrast, when we consider daughters in Panel (b), we do not observe a strong relationship between absolute mobility gaps and our measure of labor market equality. Together, these results suggest that sons of immigrants do not benefit as much from institutions that promote equality for locals, whereas the daughters of immigrants are far less sensitive to these local conditions, experiencing high levels of absolute mobility in most destination countries.

Various studies suggest that immigrants and their children are less likely or less able to take advantage of mobility-enhancing institutions such as vocational training, apprenticeships, and union protections, which are common in low-inequality countries like Austria and the Netherlands (for a general discussion of these institutions and their relation to mobility, see: Ryan, 2001; Dustmann, 2004; Pekkarinen et al., 2009; Freeman et al., 2015; Stuhler & Biagi, 2018; Chuard & Schmiedgen-Grassi, 2020; Biasi, 2023). Furthermore, this cluster of institutions is more common in the manufacturing sector, which is more likely to employ men than women, and could help to explain why mobility gaps are larger for the sons of immigrants than for daughters (Ngai & Petrongolo, 2017).[34] Carlana et al. (2022) document that, in Italy, children of immigrants are less

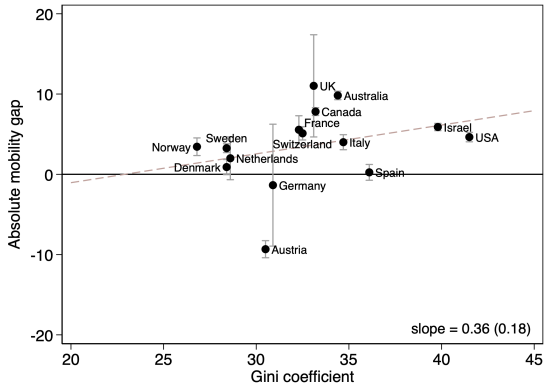
[34]For gender ratios in services across countries, see, e.g., https://ourworldindata.org/grapher/share-of-male-vs-

Figure 11: Association between mobility gaps inequality in destination countries

(a) Absolute mobility gaps and inequality, sons



(b) Absolute mobility gaps and inequality, daughters



Notes: In all panels, this figure plots estimates of β_m from Specification 1 (absolute mobility difference between children of immigrants and children of locals) for each destination country on the y-axis. In panels (a) and (b), we plot the country-level 2014 Gini coefficient on the x-axis (from OECD data explorer: https://data-explorer.oecd.org/). Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

likely than children of Italian-born parents with the same income to join the higher tracks in the educational system. Förster & Könings (2020) and Altzinger & Schneebaum (2018) find similar patterns in Austria. The children of immigrants are less likely than the children of the local born to secure apprenticeships in Norway, Switzerland and Germany even after controlling for school performance because of hiring practices and difference in parental labor market networks (Helland & Støren, 2006; Hermansen, 2013; Imdorf, 2017; Roth & Weißmann, 2022). Prantl & Spitz-Oener (2020) argue that immigrants are less likely to compete with the German born in sectors with worker protections (see also Dodini et al., 2023, for similar results from Norway). In line with these findings, Figure B.18 illustrates that, in Denmark, the primary difference in the educational profiles of children of immigrants and children of locals is the higher rate of dropout and lower rate of vocational training among the sons of immigrants.[35]

Labor market activity: If the sons of immigrants are less likely or less able to participate in school-to-work institutions, we would expect that they would exhibit lower employment rates, conditional on parental income, rather than only lower income conditional on working. We examine differences in employment by replacing child income rank with a binary variable denoting

female-employment-in-services.

[35]In countries with low income inequality, the returns to education are also low (Mogstad et al., 2025). All else equal, economic incentives for investing in education are weaker in these economies, perhaps particularly so for the sons of immigrants if they face higher costs in accessing educational institutions.

whether the adult child is employed in Specification 1.[36] In Figure 12, we then present the correlation between absolute mobility in income (from Figure 5) and differences in employment. For all countries except Canada, Israel and Italy, we find that sons of immigrants are less likely to be employed than sons of locals at the bottom of the parental income distribution (panel (a)). As expected, the estimated gaps in employment are strongly correlated with absolute mobility gaps in income.

The daughters of immigrants also exhibit lower employment rates than the daughters of locals raised at the bottom of the income distribution in many destinations, yet these negative gaps in employment are only weakly correlated with daughters' income mobility (panel (b)). This pattern suggests that daughters of immigrants are able to compensate for lower employment rates at the intensive margin. That is, conditional on working, daughters of immigrants must have higher levels of income compared to daughters of locals, especially at the bottom of the parental income distribution.[37]

Consistent with higher rates of female employment in the service sector, we find that countries with a larger service sector are indeed more conducive to upward mobility for the daughters of immigrants. Comparing panels (c) and (d) reveals that the positive relationship between the absolute mobility gap and the service share of the labor force is more than 60% stronger for daughters of immigrants than for sons.

College-going: University admissions in most European countries are based on examination results. For those children of immigrants who *do* have school performance good enough to gain admission, college-going may be a pathway to upward mobility (for an overview of the relationship between child education and parental background, see, e.g., Björklund & Salvanes, 2011). To explore the relationship between education and income mobility, we again return to Specification 1, and consider child college attendance as the dependent variable rather than child income rank. Given that our data is drawn from administrative tax records, we only have data on educational attainment from seven of the destination countries in our sample.

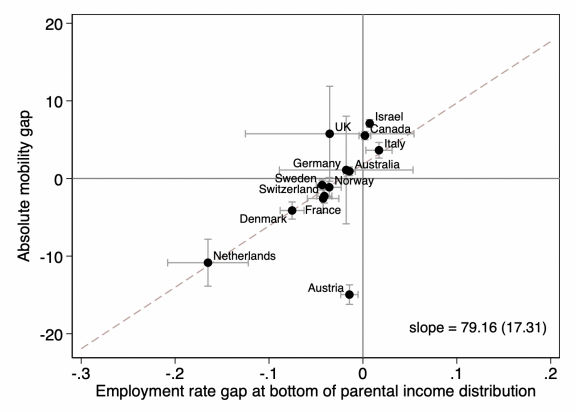
In Figure 13, we map the estimated college-attendance gap against our estimated gap in ab-

[36] We cannot differentiate unemployment from being out of the labor force for various reasons, including due to incarceration. Jensen & Manning (2023) document that sons of immigrants are more likely than sons of local born to be sentenced to prison in Denmark and the same pattern might hold in other countries. However, we do not think that incarceration is driving our results given that incarceration rates are so low in most destination countries (Fair & Walmsley, 2024). High incarceration rates in the US are the one exception but, in the US, the sons of immigrants have higher absolute mobility than the sons of local born. This trend is consistent with far lower rates of incarceration for first-generation immigrants than for local born in the US, which might continue into the second generation (Abramitzky et al., 2024).

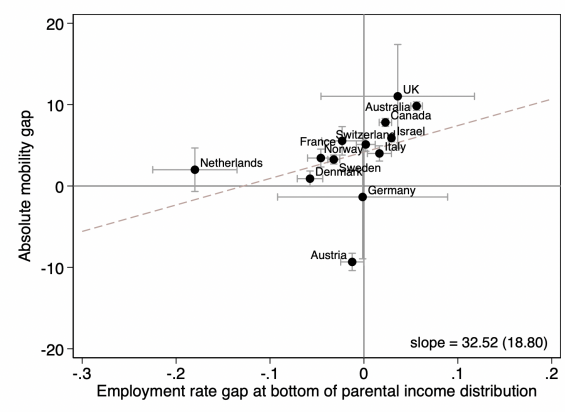
[37] We note that the economic outcomes of sons and daughters of immigrants may be linked through the marriage market. If daughters of immigrants expect to marry sons of immigrants who face weak job prospects, they may invest more heavily in themselves or work longer hours to compensate (Chiappori et al., 2009).

Figure 12: Comparing intergenerational mobility in income and in employment

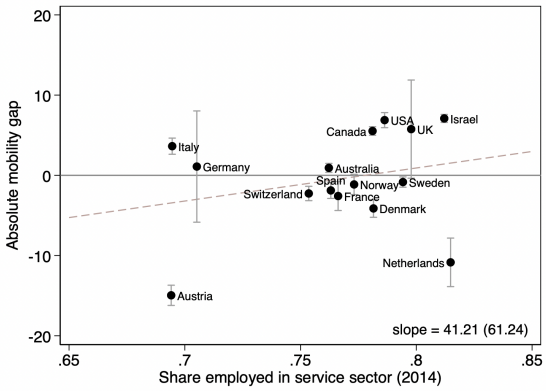
(a) Absolute mobility in employment, sons



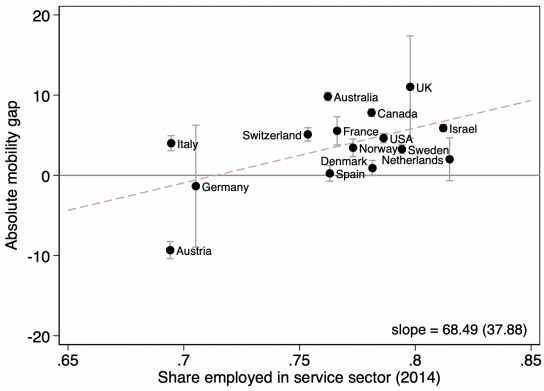
(b) Absolute mobility in employment, daughters



(c) Employment in service sector, sons



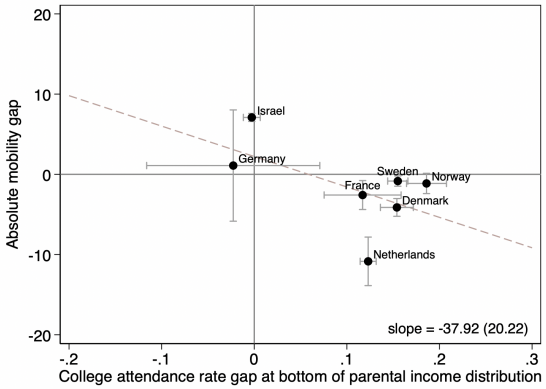
(d) Employment in service sector, daughters



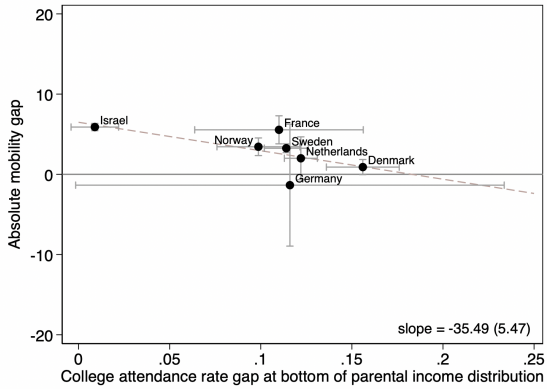
Notes: Panels (a) and (b) plot estimates of Specification 1 with an indicator for child employment as the dependent variable. The β_m estimates, denoting gaps in employment rates, are on the x-axis. Panels (c) and (d) plot country-level shares of employment in the service sector on the x-axis (from the World Bank, see: https://data.worldbank.org/indicator/SL.SRV.EMPL.ZS). In all panels, we plot absolute mobility in terms of income for each country (see Figure 5) on the y-axis. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

Figure 13: Comparing intergenerational mobility in income and in college going

(a) Absolute mobility, sons



(b) Absolute mobility, daughters



Notes: This figure plots estimates of Specification 1 with an indicator for college attendance as the dependent variable. The β_m estimates, denoting gaps in college attendance, are on the x-axis; note the different scales in the two panels. On the y-axis, we plot absolute mobility in terms of income for each country (see Figure 5). Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

solute income mobility from Figure 5. We find that both the sons *and* daughters of immigrants at the bottom of the income distribution are more likely to go to college than similar children of the local born (see panels (a) and (b) of Figure 13). However, higher college attendance is negatively correlated with the absolute mobility gap in income for children of immigrants.[38] College attendance itself is unlikely to lower mobility. Rather, the relative college-going rates for children of immigrants are highest in Scandinavian countries that may have other barriers to mobility, or children of immigrants may earn a lower return for college going than do children of the local born.

Immigration history and policy: Beyond features of the economy, the outcomes of children of immigrants may also be influenced by a country's immigration policy and openness to immigration. In Figure 14 we plot gaps in absolute mobility between children of immigrants and children of local born against different proxies for each destination's openness to immigrants.

Access to citizenship: We first consider a key immigration policy: access to citizenship for the children of immigrants as measured by the Global Birthright Indicators dataset (GLOBALCIT, 2017). The children of immigrants have full access to citizenship in countries with "birthright citizenship" laws, and can apply for citizenship with varying degrees of difficulty in other settings. Providing citizenship to children of immigrants offers full access to labor markets and education

[38]These findings are robust to excluding the relatively noisy estimates based on linked survey data from Germany.

and allows for long-term planning and investment in the destination country. Prior work finds positive causal effects of citizenship on labor market and educational outcomes (Avitabile et al., 2013; Gathmann & Keller, 2018; Hainmueller et al., 2019; Govind, 2021; Felfe et al., 2020, 2021; Govind & Sirugue, 2023). Consistent with this research, panel (a) of Figure 14 shows a negative correlation between the degree of difficulty in accessing citizenship and absolute mobility gaps, particularly for sons of immigrants but also for daughters (Panel (b)).[39]

Attitudes towards immigrants: In addition to formal policies such as access to citizenship, attitudes and prejudice against immigrants and their children are also likely to be related to their outcomes in destination countries (e.g., because of discrimination against minorities in the labor market, see Riach & Rich, 2002; Bertrand & Mullainathan, 2004; Carlsson, 2010; Oreopoulos, 2011). Panels (c) and (d) of Figure 14 show the correlation between gaps in absolute income mobility and Gallup's Migrant Acceptance Index (Esipova et al., 2018). The index is based on questions about whether respondents think that migrants moving into their countries, becoming neighbors, or marrying into their families is a good or bad thing; higher values indicate higher levels of migrant acceptance. Higher levels of migrant acceptance on this index are associated with lower gaps in absolute mobility between children of immigrants and children of local born.

Share of children of immigrants: A final proxy for a country's recent openness to immigration is the share of children in the population who have immigrant parents (e.g., Beine et al., 2020; Uebelmesser et al., 2013). We expect a positive relationship between the immigrant share and upward mobility if this measure is a proxy for recent openness toward immigrants. However, the immigrant share may reduce upward mobility if a higher share is associated with greater labor supply in occupations and industries where children of immigrants tend to concentrate or with children growing up in more isolated immigrant enclaves (see, e.g., Beaman, 2012; Danzer et al., 2022; Kruse, 2024)[40] Panels (e) and (f) of Figure 14 show that a higher share of children of immigrants is positively correlated with absolute mobility for daughters of immigrants and has a limited positive association with mobility for sons, suggesting that potential negative labor supply effects are dominated by the positive effects of immigration policies.

Taken together, these three measures suggest that destinations that are more open to immigration, as measured by attitudes, policy, and realized immigration, offer better conditions for upward mobility for the children of immigrants. We note that the causal direction of this relationship is unclear: it could be that the population holds more positive attitudes toward immigration in countries where immigrants are more economically successful. However, citizenship policy is

[39]We exclude Israel from this figure because its citizenship policy differs for the children of Jewish and non-Jewish immigrants. Attitudes towards immigrants also vary by immigrants' religion and the share of children of immigrants in the population is an outlier relative to all other destinations (40%).

[40]Such potential mechanisms are similar to labor market effects of immigration on locals as discussed in e.g., Altonji & Card (1991).

highly persistent and the share of children of immigrants is determined by past immigration policy. Therefore, these measures are more likely to suggest that upward mobility is more attainable in countries that are open to immigration.

7 Robustness

In this section, we explore the sensitivity of our results to a series of measurement choices. As in Section 6, we focus on differences in absolute mobility, but comparable results considering differences in relative mobility are included in Appendix B.3.

7.1 Emigration

Ideally, we could follow all children born in a destination country even if they chose to move elsewhere. In practice, both the administrative and survey data in our analysis are limited to children who were born in and remain in the destination country through adulthood. If the children of immigrants are more likely to emigrate from their country of birth (either to return to their parents' home country or to move elsewhere), and staying in the destination country is selective (either positively or negatively), differential rates of emigration could affect our estimated differences in absolute mobility.

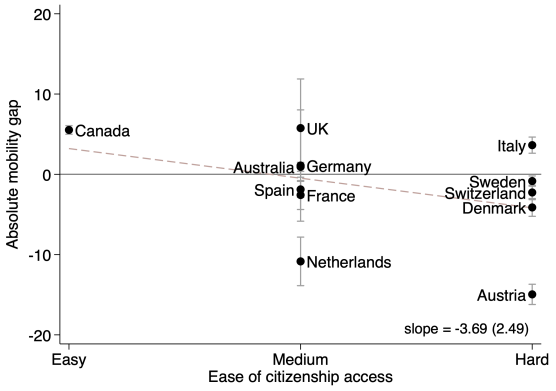
For five destination countries with population register data available over a long period of time, we can investigate differences in emigration. We track children from age 14 until age 35 and confirm if they remain in the population (and are not deceased). We assume that children who are no longer in the population moved out of the country. Next, we calculate the rates of emigration separately for children of local born and children of immigrants before taking the difference between the two. We plot these differences in emigration rates against differences in absolute mobility in Figure 15. Children of immigrants are indeed 2-4 percentage points more likely to leave their country of birth. However, we do not see a systematic relationship between differences in emigration rates and absolute mobility.

7.2 Alternative child cohorts and parental income measures

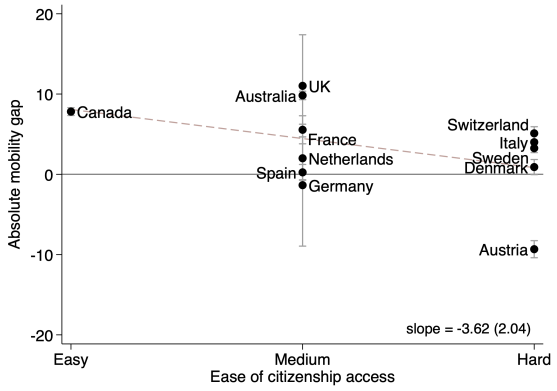
Parental income ranks derived from only a few years of parental income are relatively more sensitive to temporary income shocks, and temporary income shocks could affect immigrant parents more than local-born parents. To verify that our results are not sensitive to alternative parental income measures, we compare our results when measuring total parental income from 1994-2000 and 1980-2000, respectively, an exercise that we can try for five destination countries. Figure 16, panels (a) and (b), include differences in absolute mobility estimated using these two

Figure 14: Intergenerational mobility and immigration policy

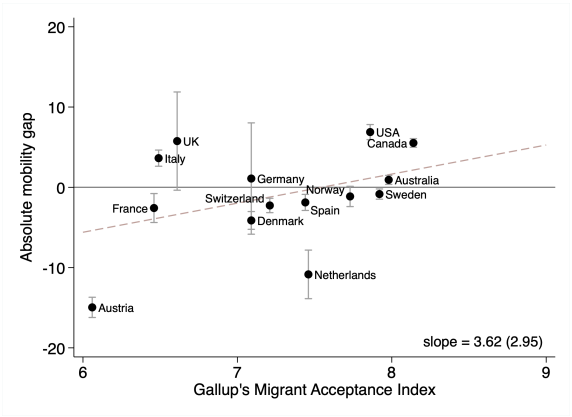
(a) Access to citizenship, sons



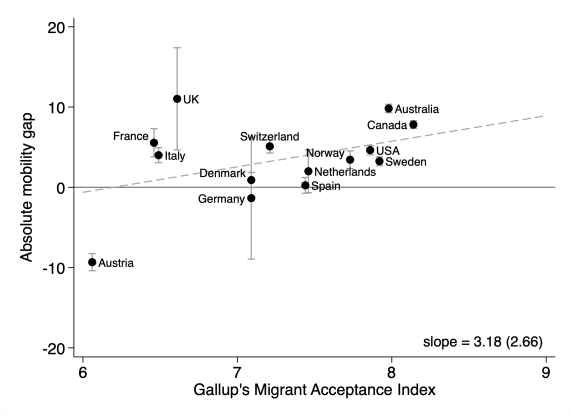
(b) Access to citizenship, daughters



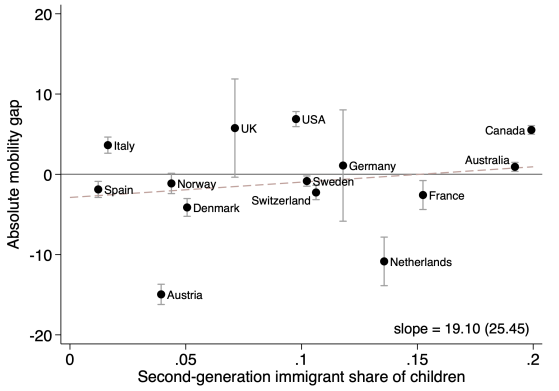
(c) Attitudes towards immigrants, sons



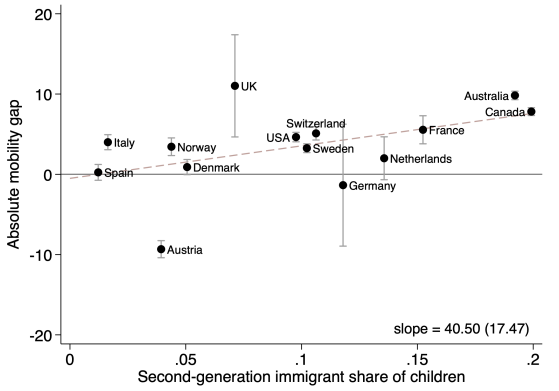
(d) Attitudes towards immigrants, daughters



(e) Share of children of immigrants, sons



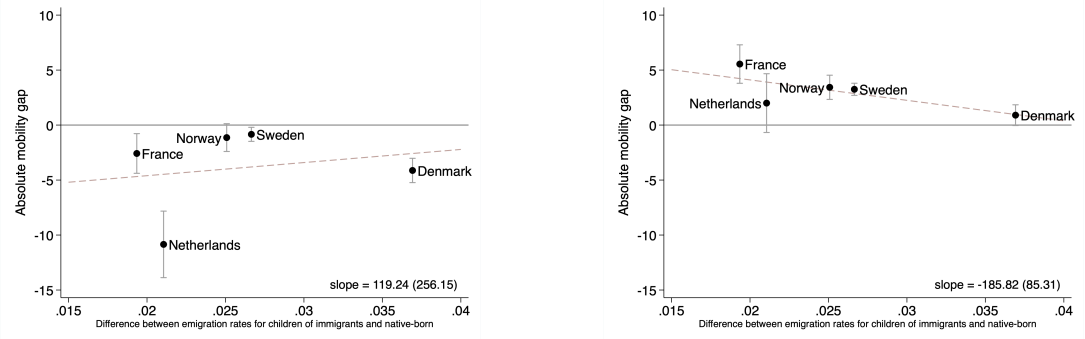
(f) Share of children of immigrants, daughters



Notes: This figure plots absolute mobility gaps against various characteristics for each country (see Figure 5). Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. Ease of access to citizenship is from the CITLAW Indicators, see Honohan et al. (2017); we show the same correlations using ease of access to citizenship measures from MIPEX in Figure B.20. Attitudes towards immigrants are from Gallup's Migrant Acceptance Index, see: https://news.gallup.com/poll/216377/new-index-shows-least-accepting-countries-migrants.aspx and https://news.gallup.com/poll/233147/migrant-acceptance-canada-follows-political-lines.aspx. Shares of children of immigrants are calculated using our primary datasets as described in Section 3; for the US, we calculate this share from the Current Population Survey. 95% confidence intervals indicated.

Figure 15: Intergenerational mobility and emigration rate

(a) Sons (b) Daughters



Notes: This figure plots absolute mobility gaps against differences in emigration rates between children of immigrants and children of locals for each country (see Figure 5). Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

alternative measures of parental income. The 45-degree line indicates similar absolute mobility differences across the two measures of parental income. For all countries, estimates are close to the 45-degree line.

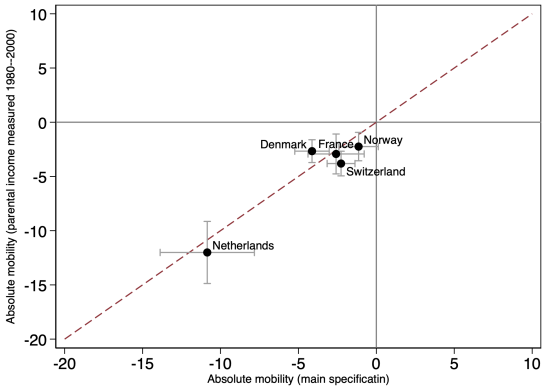
Data for some destination countries allow us to consider the outcomes of children from more recent birth cohorts. One concern is that mobility patterns could change over time with changes in sending country composition and destination country characteristics, e.g. because of changes in policy or industrial structure due to digitalization. We update our income mobility results by shifting all data for both parents and children forward by four years, e.g., the latest year of child income we consider is now 2019 instead of 2015.[41] Thus, we compare two sets of cohorts: children born in 1978-1983 and 1982-1987 respectively. We have data for this exercise for eight destination countries. Figure 16, panels (c) and (d), plots the estimated differences in absolute mobility for these two sets of cohorts. The 45-degree line indicates stable absolute mobility differences across the two sets of cohorts. For all countries, we see that estimates are close to the 45-degree line, with the only exception being sons of immigrants in Austria who are somewhat less disadvantaged (but still experience substantial absolute mobility gaps) in recent years.

In general, our results using alternative child cohorts and parental income measures indicate stable estimates of differences in absolute mobility between children of local born and children of immigrants. We encourage caution in interpreting the main outlier in our results – the particularly low levels of absolute mobility of sons of immigrants in Austria – which seems to be exacerbated by cohort- and year-specific factors.

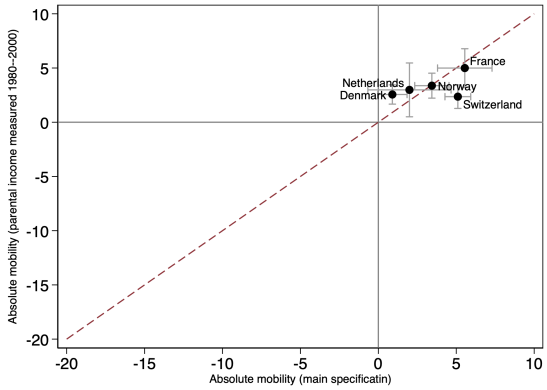
[41] We do not want to consider child outcomes in the years affected by the COVID-19 pandemic, so the last year we consider is 2019.

Figure 16: Alternative child cohorts and parental income measures

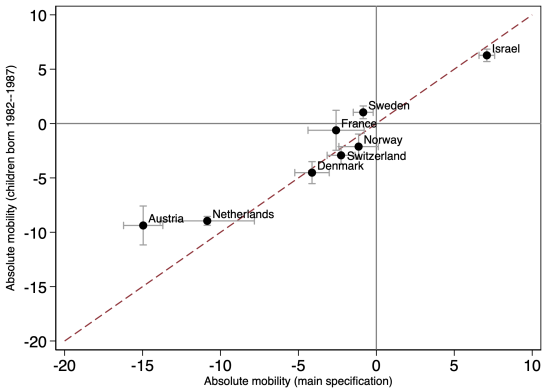
(a) Parental income 1980-2000, sons



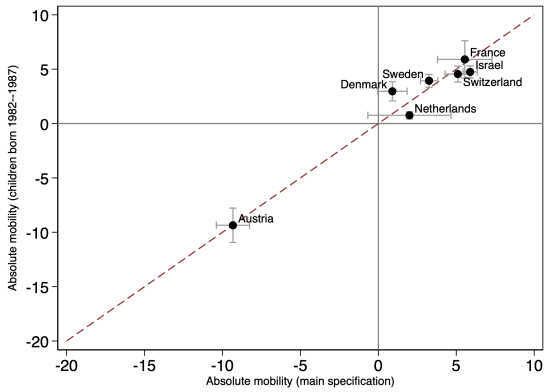
(b) Parental income 1980-2000, daughters



(c) Child cohorts 1982-1987, sons



(d) Child cohorts 1982-1987, daughters



Notes: This figure plots estimates of β_m (absolute mobility difference) from Specification 1 for each destination country. Immigration status is determined by father's country of birth. Children are born in 1978-1983 (and 1982-1987 in panels (c) and (d)). Child income is measured in 2014-2015, and parental income in 1994-2000 (and 1980-2000 in panels (a) and (b)). 45-degree line in dashed red. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

7.3 Cross-sectional results

In Appendix C, we use cross-sectional data from each of the destination countries to compare the income of immigrants and their sons relative to the local born; these results are summarized in Figure B.23 in Appendix B.4. The benefit of using cross-sectional data is that this type of analysis can potentially be extended to a wider range of destination countries for which linked parent-child administrative data do not exist. The cost is that, without parent-child links, we cannot control for parental income or estimate differences in intergenerational mobility parameters.

We find that our results from Section 4 using linked data generally hold when using cross-sectional data. Immigrants in the parental generation (observed in 1980) generally had lower levels of income compared to the local born. Children of immigrants (observed in 2010) closed much of this income gap, with the exception of the Netherlands. These common patterns across data sources suggests that cross-sectional data can be used to measure convergence rates across immigrants and their children. However, we note that the level of income gaps observed for first-generation immigrants differs between the cross-sectional and linked samples in some cases (lower income in the cross-section in Germany, Switzerland and the US, and higher income in the cross-section in Denmark, France, Norway and Sweden).

8 Conclusions

This paper uses harmonized administrative (or survey) data from 15 immigrant-receiving countries to provide an intergenerational and comparative perspective on the income mobility of immigrants and their children. We start by establishing two facts in our data. First, first-generation immigrants earn less than the local born in many receiving countries, but such differences are typically much smaller by the second generation. Second, there are notable gender differences in income gaps, with daughters of immigrants enjoying near-income parity with the daughters of local-born parents, while the sons of immigrants experience larger gaps with the sons of locals.

A large portion of the second-generation gap in income can be attributed to the fact that the children of immigrants are raised in lower-income households in many destinations. Differences in parental income explain nearly all of the income gaps in the second generation for daughters and around a third of the income gap for sons. After accounting for parental income, remaining income gaps are driven by differential rates of absolute mobility. Daughters of immigrants exhibit higher absolute mobility than daughters of locals in almost every destination in our sample, whereas the sons of immigrants only enjoy this advantage outside Europe (Australia, Canada, Israel and the US), as well as in the UK.

The remaining income gap for sons is largest in countries where general income inequality is low, perhaps due to institutions like vocational training and apprenticeship programs that may

be less open to the sons of immigrants. Given the challenge of working with cross-country data, we limit our attention to these mechanisms, but we suspect that other factors like labor market policy (flexibility vs. regulation and the strength of union activity), social welfare programs, and the presence of immigrant enclaves may also play a role.

All children of immigrants achieve higher rates of upward mobility in countries with a long history of immigrant reception (Australia, Canada, Israel, and the US), as well as in the UK. The sons of immigrants who settle in Europe experience lower absolute mobility in both employment and income than sons of local born. This pattern suggests that policies and economic conditions that facilitate labor market access for under-employed sons of immigrants may be particularly important for reducing the assimilation gap between European and non-European destinations.

This paper only considers the mobility of children of immigrants in terms of individual income and employment. There are many other aspects of the lives of children of immigrants that are worth future study, including marital status, spousal attributes conditional on marriage, household income, total fertility, age at first birth and first marriage, and so on. Particularly given the gender gap in income gaps uncovered in this work, we expect that analyzing these outcomes will provide useful insights into the mechanisms underlying the upward mobility of the children of immigrants.

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A Data details

A.1 Cross-sectional data

In addition to our results using linked data on children and their parents, we follow the strategy by Abramitzky et al. (2021) and reproduce their Figure 1 using cross-sectional data. Doing so allows us to check if our main descriptive findings hold when using non-linked data. Checking if our findings are consistent across data sources is important for future research in countries where linked data are not available.

We proceed by constructing cross-sectional datasets with immigrant fathers in 1980 and sons of immigrants in 2010. The datasets on fathers are constructed as follows. We consider the full population residing in each destination country as of 1 January 1980. We keep only men aged 30-50. We observe child-parent links, and keep only those with at least one child present in the population. We keep only the fathers born in the destination country or in one of the top sending countries identified from the linked parent-child data (see details below). We merge on information on total income (including benefits and capital income, similar to Chetty et al. (2020)).

The dataset on sons are constructed as follows. We consider the full population residing in each destination country as of 1 January 2010. We keep only men aged 30-50. We observe child-parent links, and keep only individuals with a known father. Next, we drop all sons born outside the destination country, and those with fathers not born in the destination country or in one of the top sending countries identified from the linked parent-child data. We merge on information on total income (including benefits and capital income, similar to Chetty et al. (2020)).

Because we observe actual income of both fathers and children, we do not need to predict income scores based on age and occupation like Abramitzky et al. (2021). To include individuals with zero income, we express all results on income in terms of income ranks (rather than a log-like transformation of income).[42] Ranks are determined within birth cohorts, which also makes results less sensitive to differences in age distributions across immigrants and local-born.

A.2 Linked parent-child data

To construct the linked parent-child data, we start by identifying individuals who are fully tax liable in each destination country in both 2014 and 2015. By doing so, we are certain that our income measures reflect the full income of each individual.[43] In most of our included destination countries, the entire population appears in the administrative data, even if no income. Those

[42] A log-transformation will exclude individuals with zero income, and an inverse hyperbolic transformation of income is unit sensitive (see Chen & Roth, 2023).

[43] In contrast, Chetty et al. (2020) construct "a strongly balanced sample of children by assigning incomes of zero to children who do not appear in the tax data" as individuals with zero income may not appear in the US data.

children who do not appear would either be emigrants or deceased children.

We merge on information on total income (including labour market income, capital income, and benefits/transfers, similar to Chetty et al., 2020) from 2014 and 2015 and adjust for inflation. Next, we keep only those individuals born in the destination country between 1978-1983 and with a known father, so that we can determine the paternal country of origin. We continue by constructing measures of inflation-adjusted total parental income between 1994-2000 (including labour market income, capital income, and benefits/transfers) and merge this to the data on children using the child-parent links.

After constructing the linked dataset on total income for children (2014-2015) and parents (1994-2000), we follow Chetty et al. (2020) and drop parents with a total income equal to or less than zero.[44] Next, we construct within-cohort ranks of both total child income and total parental income. Because we observe actual child-parent links, we can ignore changing household composition (we observe both parents and their income, even if they are in different households). Therefore, unlike Chetty et al. (2020), we do not need to consider the weighted mean of parental income before constructing income ranks. Taking the mean would, in our case, be rank preserving.

For our main results, we consider all paternal countries of origin. When considering specific sending countries, we only keep the top sending countries; countries for which we observe at least 100 sons or daughters of immigrants.

In Appendix C, we check if our results change if we expand the number of years over which we observe parental income to 1980-2000 rather than 1994-2000. This exercise is relevant as parental income ranks derived from fewer years of parental income are relatively more sensitive to temporary income shocks. Otherwise, the data construction is identical to that described above.

We also check if our results are consistent across cohorts by considering children born in 1982-1987, rather than 1978-1983. Although the latest available data from the US is from 2015, data from other destination countries allow us to consider the outcomes of children from more recent birth cohorts. We do not want to consider child outcomes in the years affected by the COVID-19 pandemic, so the latest year we consider is 2019. To consider the outcomes of more recent birth cohorts, we start by updating our income mobility results by shifting all years of included data by four years, e.g., the latest year of child income we consider is now 2019 instead of 2015. Otherwise, the data construction is identical to that for the 1978-1983 cohorts.

[44] Chetty et al. (2020) do so to drop parental with large wealth (proxied by negative capital income). See their Online Appendices A & C for details.

Table A.1: Overview of linked parent-child data sources and income measures

Destination country	Data sources	Main income measure
Australia	Administrative data, full population	Total income
Austria	Administrative data, full population	Earned income
Canada	Administrative data (full population) linked to Census data (random sample of households)	Total income
Denmark	Administrative data, full population	Total income
France	Combined survey and administrative data	Total income (children), earned income (parents)
Germany	Survey data	Total post-government income
Israel	Administrative data, full population	Earned income
Italy	Administrative data, full population	Total income
The Netherlands	Administrative data , full population and survey	Total income and labor earnings
Norway	Administrative data, full population	Total income
Spain	Administrative data, full population	Total gross income[45]
Sweden	Administrative data, full population	Total income[46]
Switzerland	Administrative data, full population	Earned income
United Kingdom	Survey data	Total income
United States	Administrative data, full population	Total income

Notes: This table summarizes the data sources and income measure used for each destination country. See Appendices A and C for details on sample construction and on the data from each country.

A.3 Cross-country data sources

In Section 6, we use data on a range of country-level characteristics. These include:

- The country-level 2014 Gini coefficient from the OECD data explorer, see: https://data-explorer.oecd.org/.
- Service sector share of employment from the World Bank, see: https://data.worldbank.org/indicator/SL.SRV.EMPL.ZS.
- Ease of access to citizenship from the CITLAW Indicators (GLOBALCIT, 2017), see Honohan et al. (2017) and https://cadmus.eui.eu/handle/1814/64605.
- Ease of access to citizenship from the Migrant Integration Policy Index 2020, see https://www.mipex.eu/access-nationality.
- Attitudes towards immigrants from Gallup's Migrant Acceptance Index (Esipova et al., 2018), see: https://news.gallup.com/poll/216377/new-index-shows-least-accepting-countries-migrants.aspx and https://news.gallup.com/poll/233147/migrant-acceptance-canada-follows-political-lines.aspx.

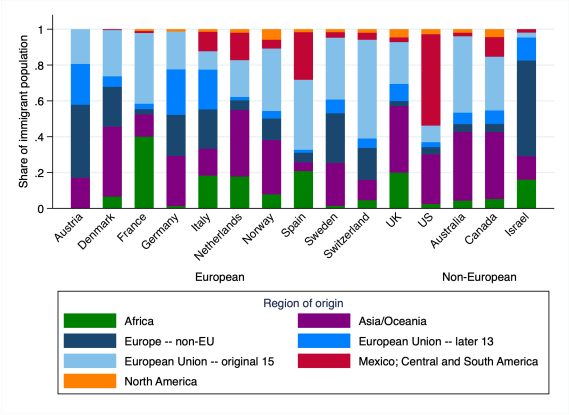
For Figure B.1 and Tables B.1 and B.2, we use data from the "International migration database - stocks of foreign-born population" accessible through the OECD Data Explorer: https://data-explorer.oecd.org/

B Additional results

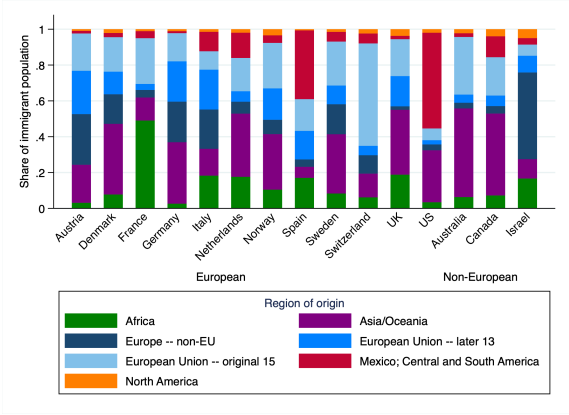
B.1 Cross-country characteristics

Figure B.1: Regions of origin, 2000/2001 & 2011

(a) Origin region of foreign born, 2000/2001



(b) Origin region of foreign born, 2011



Notes: This figure plots shares of sending regions for foreign-born inhabitants in each destination country in 2000/2001 (though 2006 for Germany/United Kingdom and 2009 for Italy - these are the earliest available data) and 2011, respectively. Data are from the "International migration database - stocks of foreign-born population" accessible through the OECD data explorer: https://data-explorer.oecd.org/.

Table B.1: Top 5 countries of origin for immigrants, 2000/2001

Country of origin	Share of imm pop.	Country of origin	Share of imm pop.	Country of origin	Share of imm pop.
1. Australia		**6. Germany**		**11. Spain**	
United Kingdom	0.257	Turkey	0.215	Morocco	0.161
New Zealand	0.084	Russia	0.161	France	0.106
Italy	0.055	Poland	0.117	Germany	0.097
Vietnam	0.038	Italy	0.064	United Kingdom	0.072
China	0.034	Romania	0.048	Argentina	0.048
2. Austria		**7. Israel**		**12. Sweden**	
Bosnia and Herzegovina	0.172	Former USSR	0.535	Finland	0.229
Turkey	0.171	Morocco	0.101	Former Serbia and Montenegro	0.082
Former Yugoslavia	0.170	Romania	0.077	Former Yugoslavia	0.082
Germany	0.168	Poland	0.052	Bosnia and Herzegovina	0.059
Croatia	0.069	Iraq	0.047	Iran	0.059
3. Canada		**8. Italy**		**13. Switzerland**	
United Kingdom	0.111	Romania	0.177	Italy	0.160
China	0.061	Albania	0.077	Germany	0.124
Italy	0.058	Morocco	0.073	Former Serbia and Montenegro	0.108
India	0.058	Germany	0.039	Portugal	0.069
United States	0.044	Ukraine	0.037	France	0.067
4. Denmark		**9. Netherlands**		**14. United Kingdom**	
Turkey	0.113	Suriname	0.125	India	0.112
Germany	0.089	Turkey	0.120	Ireland	0.082
Bosnia and Herzegovina	0.070	Indonesia	0.114	Pakistan	0.054
Norway	0.051	Morocco	0.103	Germany	0.053
Sweden	0.049	Germany	0.084	Poland	0.045
5. France		**10. Norway**		**15. United States**	
Algeria	0.142	Sweden	0.115	Mexico	0.298
Portugal	0.142	Denmark	0.075	Philippines	0.044
Morocco	0.130	United States	0.051	India	0.036
Italy	0.094	United Kingdom	0.049	Vietnam	0.035
Spain	0.078	Pakistan	0.046	China	0.031

Notes: This table reports the top 5 of sending countries of foreign-born residents in each destination country in 2000/2001 (though 2006 for Germany/United Kingdom and 2009 for Italy - these are the earliest available data). Data are from the "International migration database - stocks of foreign-born population" accessible through the OECD data explorer: https://data-explorer.oecd.org/.

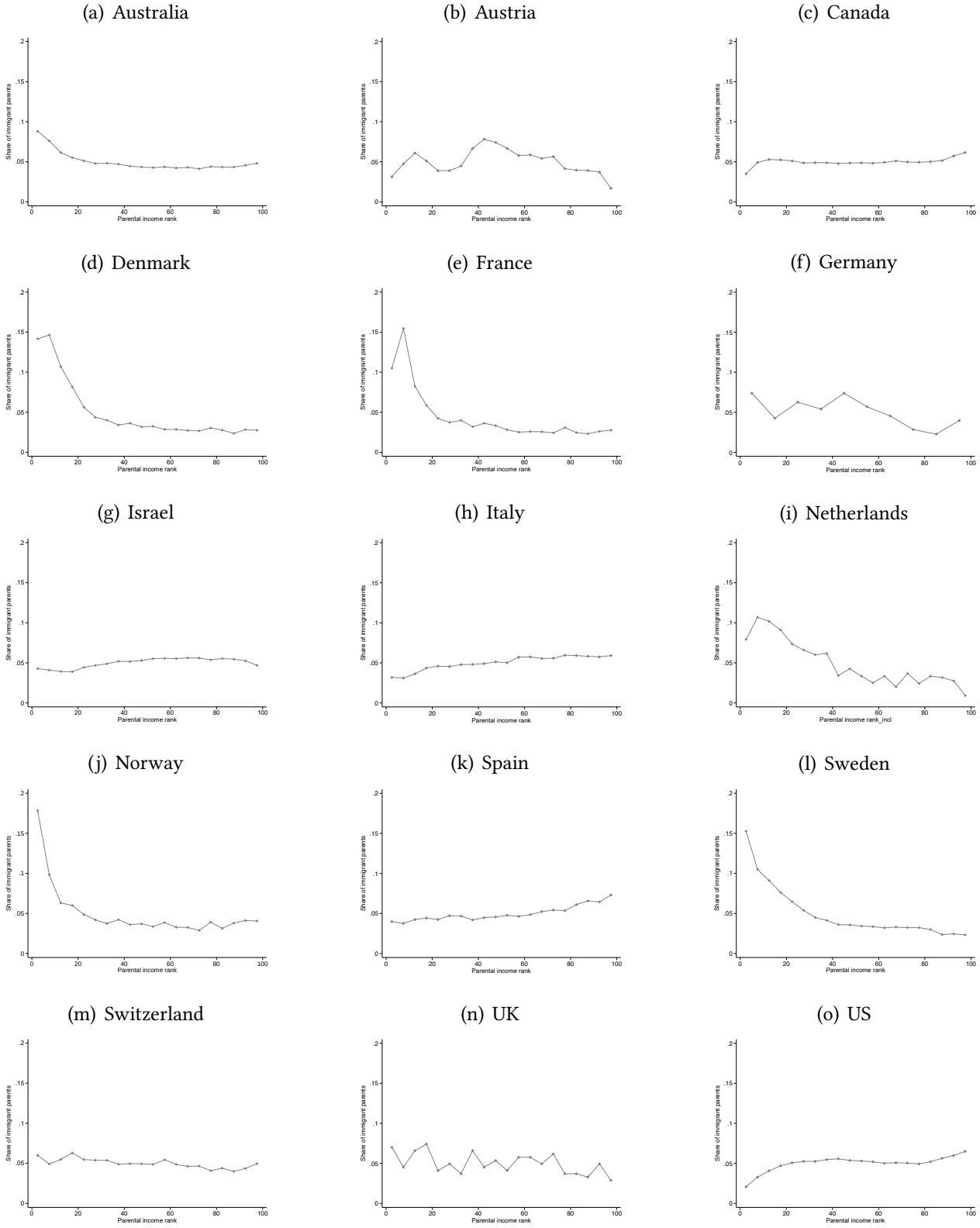
Table B.2: Top 5 countries of origin for immigrants, 2011

Country of origin	Share of imm pop.	Country of origin	Share of imm pop.	Country of origin	Share of imm pop.
1. Australia		**6. Germany**		**11. Spain**	
United Kingdom	0.199	Turkey	0.159	Morocco	0.122
New Zealand	0.090	Poland	0.120	Romania	0.117
China	0.064	Russia	0.106	Ecuador	0.077
India	0.056	Kazakhstan	0.075	Colombia	0.060
Vietnam	0.035	Italy	0.045	United Kingdom	0.051
2. Austria		**7. Israel**		**12. Sweden**	
Germany	0.155	Former USSR	0.475	Finland	0.123
Turkey	0.125	Morocco	0.082	Iraq	0.088
Bosnia and Herzegovina	0.118	Romania	0.051	Former Yugoslavia	0.051
Serbia	0.103	United States	0.045	Poland	0.051
Romania	0.051	Ethiopia	0.043	Iran	0.045
3. Canada		**8. Italy**		**13. Switzerland**	
India	0.081	Romania	0.177	Germany	0.169
China	0.081	Albania	0.077	Italy	0.124
United Kingdom	0.079	Morocco	0.072	Portugal	0.091
Philippines	0.067	Germany	0.039	France	0.070
United States	0.039	Ukraine	0.037	Turkey	0.040
4. Denmark		**9. Netherlands**		**14. United Kingdom**	
Turkey	0.076	Turkey	0.111	India	0.103
Germany	0.067	Suriname	0.105	Poland	0.093
Poland	0.063	Morocco	0.094	Pakistan	0.066
Iraq	0.050	Indonesia	0.078	Ireland	0.064
Bosnia and Herzegovina	0.042	Germany	0.069	Germany	0.044
5. France		**10. Norway**		**15. United States**	
Algeria	0.184	Poland	0.102	Mexico	0.295
Morocco	0.121	Sweden	0.080	India	0.047
Portugal	0.084	Germany	0.047	Philippines	0.046
Tunisia	0.051	Denmark	0.041	China	0.042
Italy	0.046	Iraq	0.038	Vietnam	0.032

Notes: This table reports the top 5 of sending countries of foreign-born residents in each destination country in 2011. Data are from the "International migration database - stocks of foreign-born population" accessible through the OECD data explorer: https://data-explorer.oecd.org/.

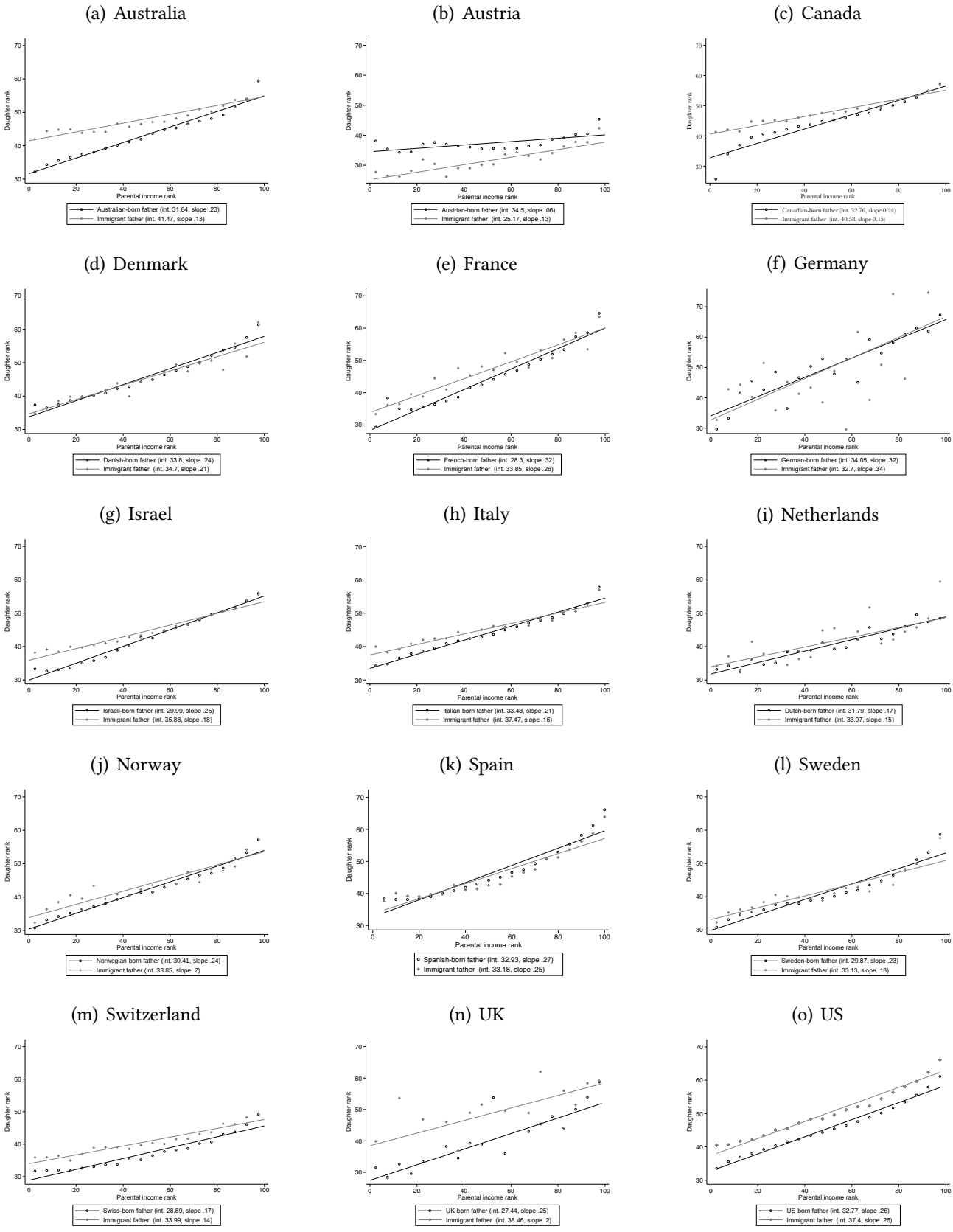
B.2 Main results

Figure B.2: Share of daughters with immigrant parents by parental income ventile



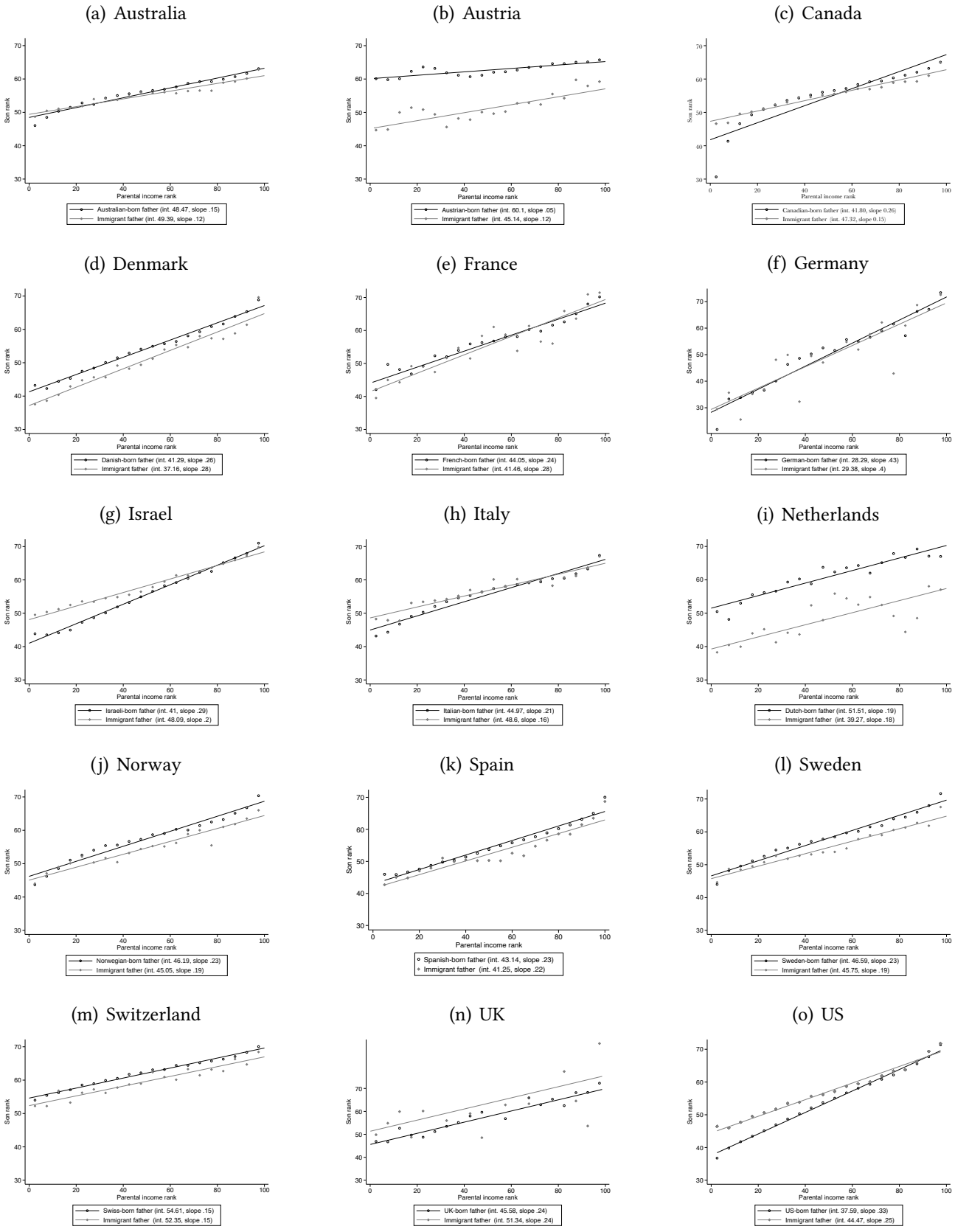
Notes: This figure shows the share of daughters with immigrant parents in each ventile out of the total number of daughters with immigrant parents (across all ventiles). For Germany, for which we rely on survey data, we present decile shares divided by two to maintain a common scale whilst reducing noise in the shares. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Parental income is measured in 1994-2000. Income ranks, 0-100, are determined within child cohorts. See Appendices A and C for details on sample construction and on the data from each country as well as for similar distributions for sons; patterns for sons are practically identical.

Figure B.3: Intergenerational mobility, daughters



Notes: This figure plots estimates of Specification 1 for all destination countries. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country.

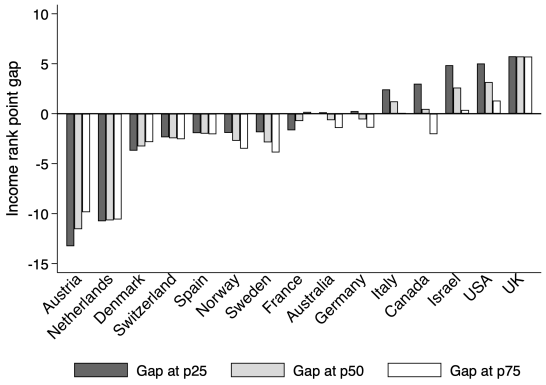
Figure B.4: Intergenerational mobility, sons



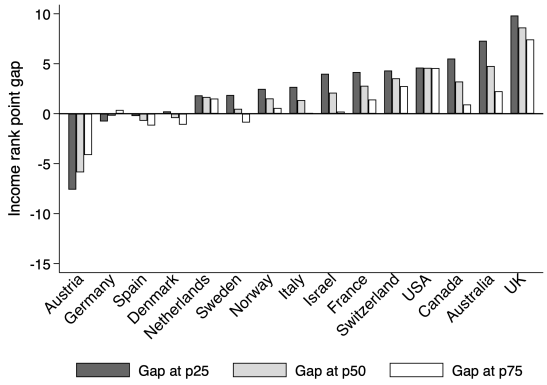
Notes: This figure plots estimates of Specification 1 for all destination countries. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country.

Figure B.5: Differences in intergenerational mobility between children of immigrants and children of locals

(a) Mobility by parental income percentile, sons



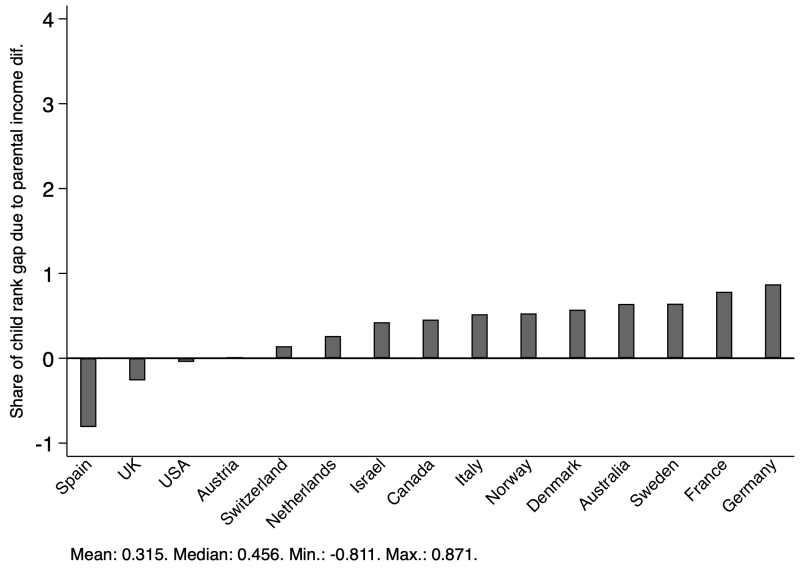
(b) Mobility by parental income percentile, daughters



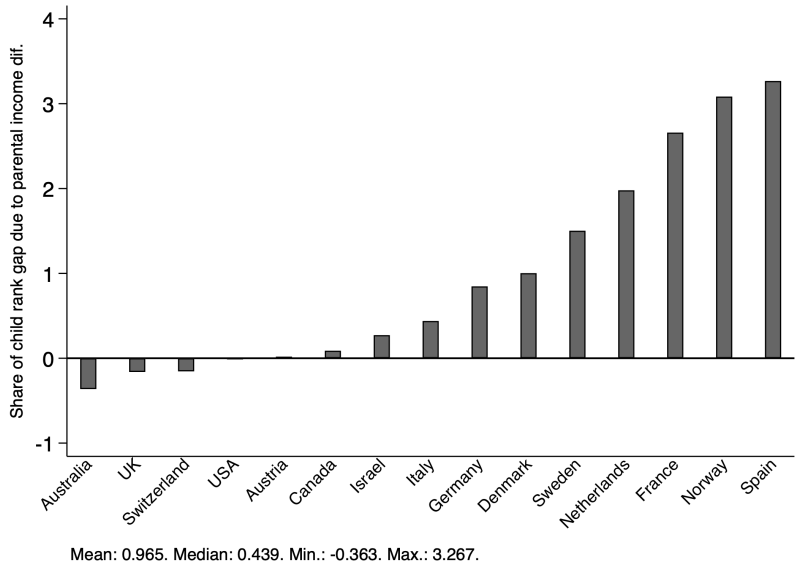
Notes: This figure plots predicted child income rank gaps at the 25th/50th/75th percentiles of the parental income distribution, by calculating, e.g. the 25th percentile gaps as $gap_{25} = \hat{\beta}_m + \hat{\beta}_{mp} \times 25$ where $\hat{\beta}_m$ and $\hat{\beta}_{mp}$ are the estimated coefficients from Specification 1 for each destination country. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

Figure B.6: Shares of Oaxaca-Blinder decompositions of differences in child income ranks

(a) Sons



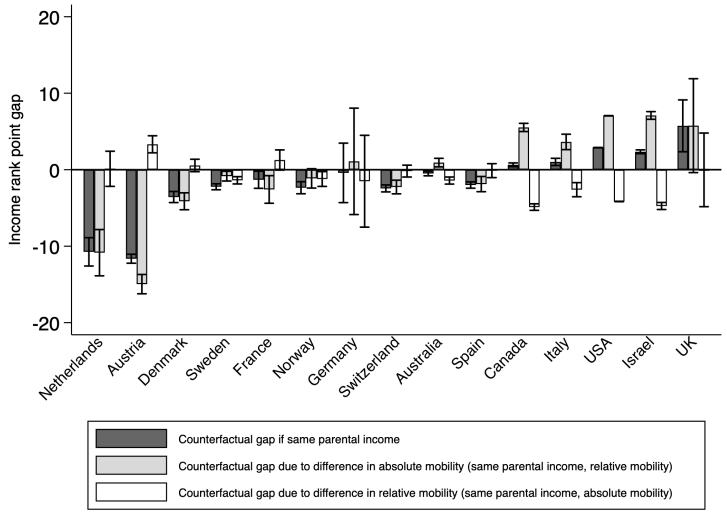
(b) Daughters



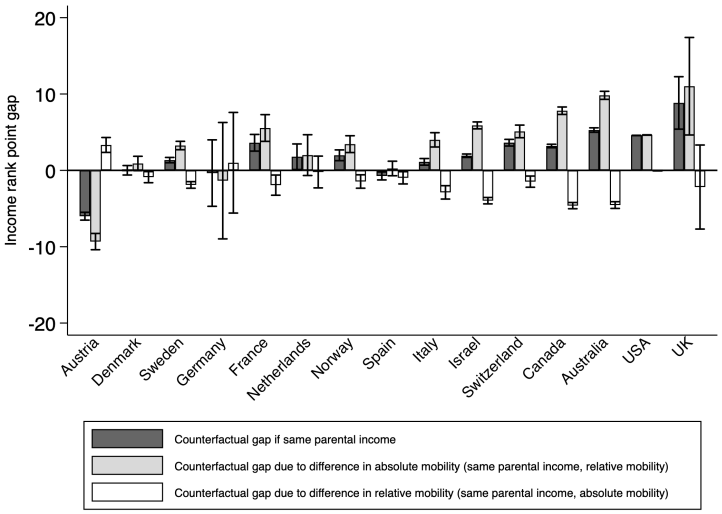
Notes: This figure plots results from a Oaxaca-Blinder decomposition of the difference in mean income rank between children of immigrants and children of locals, using children of locals as the reference group. In this figure, we focus on the share of the total gap explained by differences in parental income by plotting (1-(term B / term A) – where term A and B are from Equation 2). Appendix C contains decomposition results using alternative reference groups for each country. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within child birth cohorts. See Appendices A and C for details on sample construction and on the data from each country.

Figure B.7: Detailed Oaxaca-Blinder decomposition of unexplained gap

(a) Sons



(b) Daughters



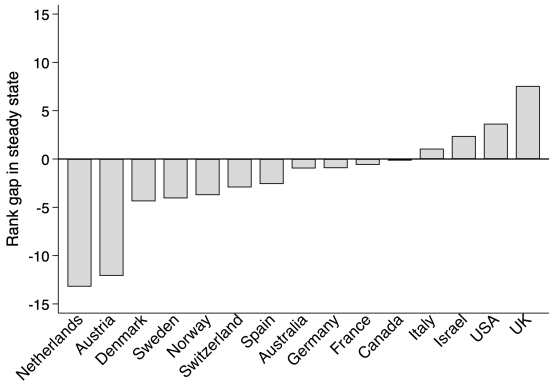
Notes: This figure plots the detailed Oaxaca-Blinder decomposition of the "unexplained" gap in mean income ranks between children of immigrants and children of locals, using children of locals as the reference group. Specifically, the dark gray bars plot term B from Equation 2, which is equivalent to term A *minus* term C. We further decompose term B into:

$$\underbrace{\bar{y}_{mc} - \bar{y}_c}_{\text{A: Total gap}} = \underbrace{\hat{\beta}_m}_{\text{B.1: Unexplained, due to abs. mobility}} + \underbrace{\hat{\beta}_{mp}\bar{y}_{mp}}_{\text{B.2: Unexplained gap, due to rel. mobility}} + \underbrace{(\bar{y}_{mp} - \bar{y}_p)\hat{\beta}_p}_{\text{C: Explained gap}} \tag{4}$$

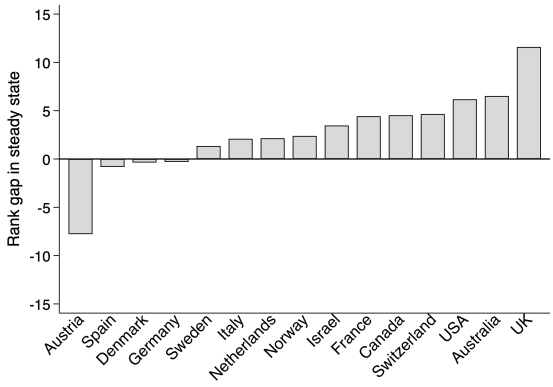
The light gray bars plot term B.1, and the white bars plot term B.2. Appendix C contains decomposition results using alternative reference groups for each country. Children born in 1978-1983. Immigration status is determined by father's country of birth. Child income measured in 2014-2015, and parental income 1994-2000. Income ranks, 0-100, determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country.

Figure B.8: Steady state gaps

(a) Steady state income rank gaps, sons



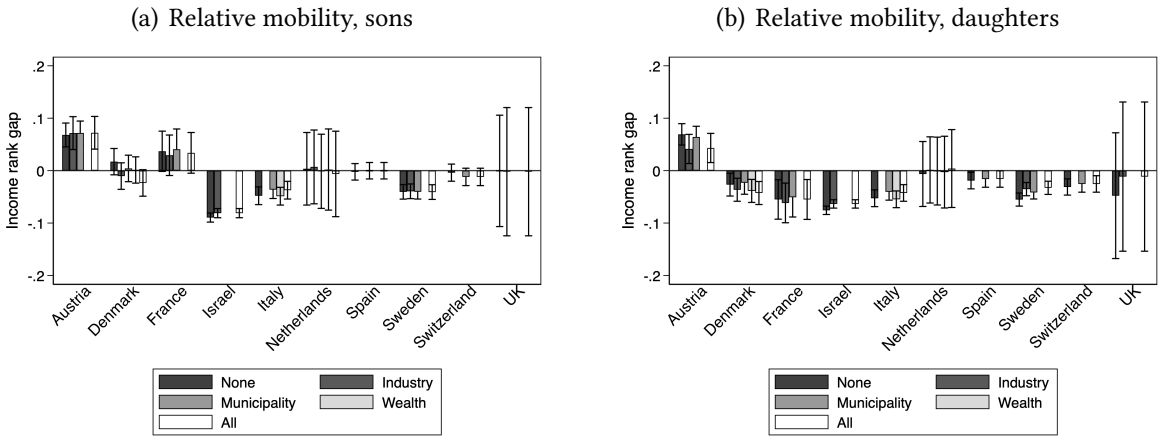
(b) Steady state rank gaps, daughters



Notes: Our analysis in Section 5 compares the outcomes across two generations: children born in 1978-1984 and their parents. However, we may also be interested in potential income rank gaps in the long-run as they evolve over multiple generations. Chetty et al. (2020) develop a framework to determine the levels to which income ranks gaps will converge over many generations (assuming stable mobility parameters in the following generations). Specifically, mean income ranks of children of locals will converge to a steady state of $\bar{y}_c^{SS} = \frac{\alpha}{1-\beta_p}$, and similarly, income ranks of descendants of immigrants will converge to $\bar{y}_{mc}^{SS} = \frac{\alpha+\beta_m}{1-(\beta_p+\beta_{mp})}$. All coefficients are from Specification 1. As such, we can calculate the steady state income rank gaps between children of locals and descendants of immigrants as $\bar{y}_{mc}^{SS} - \bar{y}_c^{SS} = \frac{\alpha+\beta_m}{1-(\beta_p+\beta_{mp})} - \frac{\alpha}{1-\beta_p}$. We plot these steady states income rank gaps by destination country in this figure. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

B.3 Mechanisms

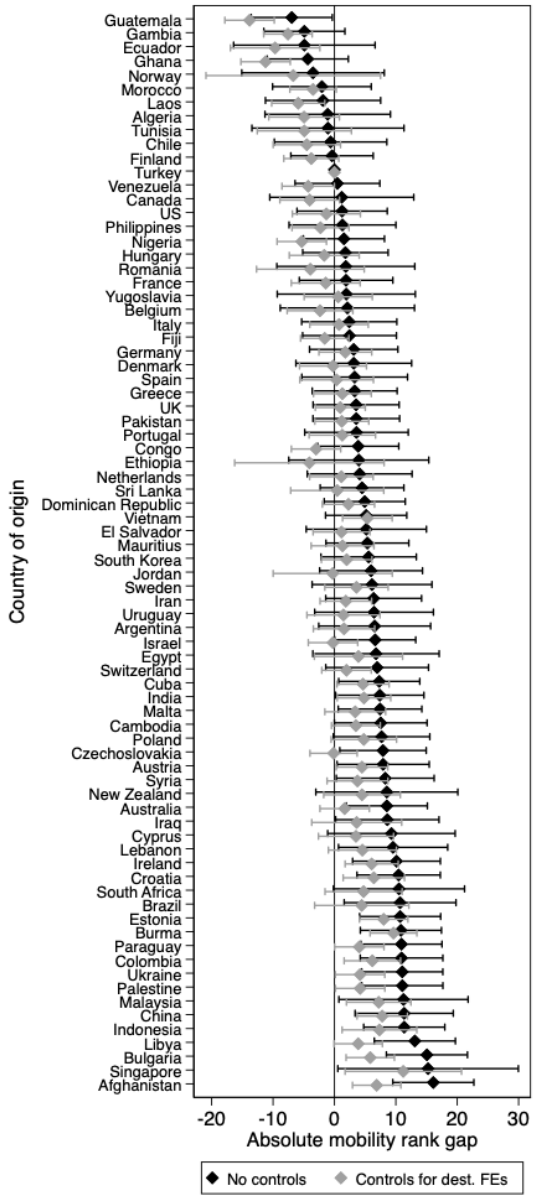
Figure B.9: Intergenerational relative mobility after accounting for other parental characteristics



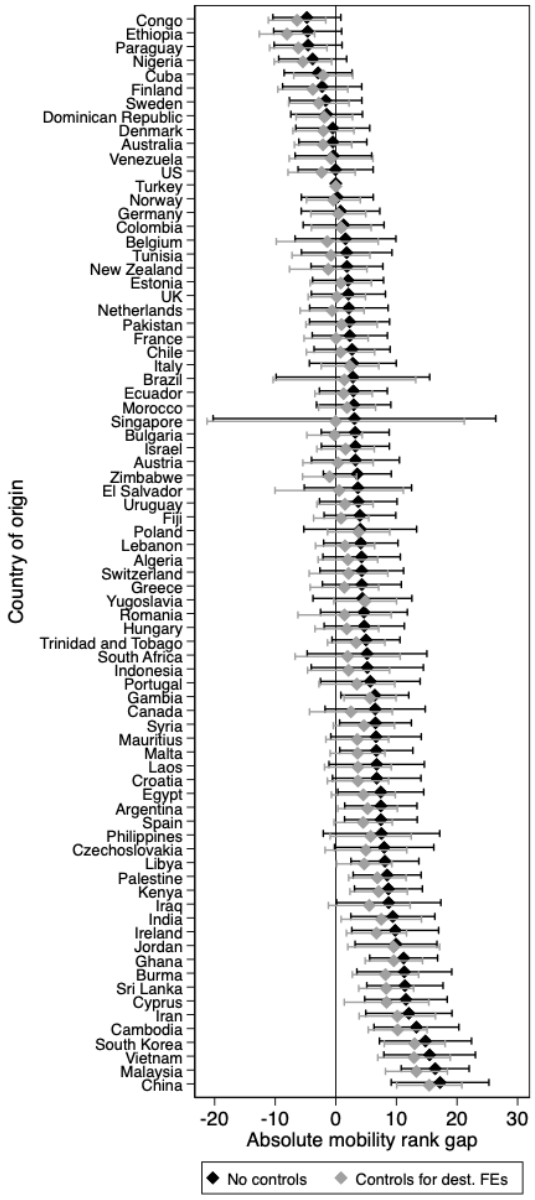
Notes: This figure plots estimates of β_{mp} (relative mobility difference) from Specification 1 for each destination country. We add parental municipality, industry, and ventile wealth fixed effects as controls. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country.

Figure B.10: Sending country effects controlling for destination country composition

(a) Absolute mobility gaps, sons



(b) Absolute mobility gaps, daughters

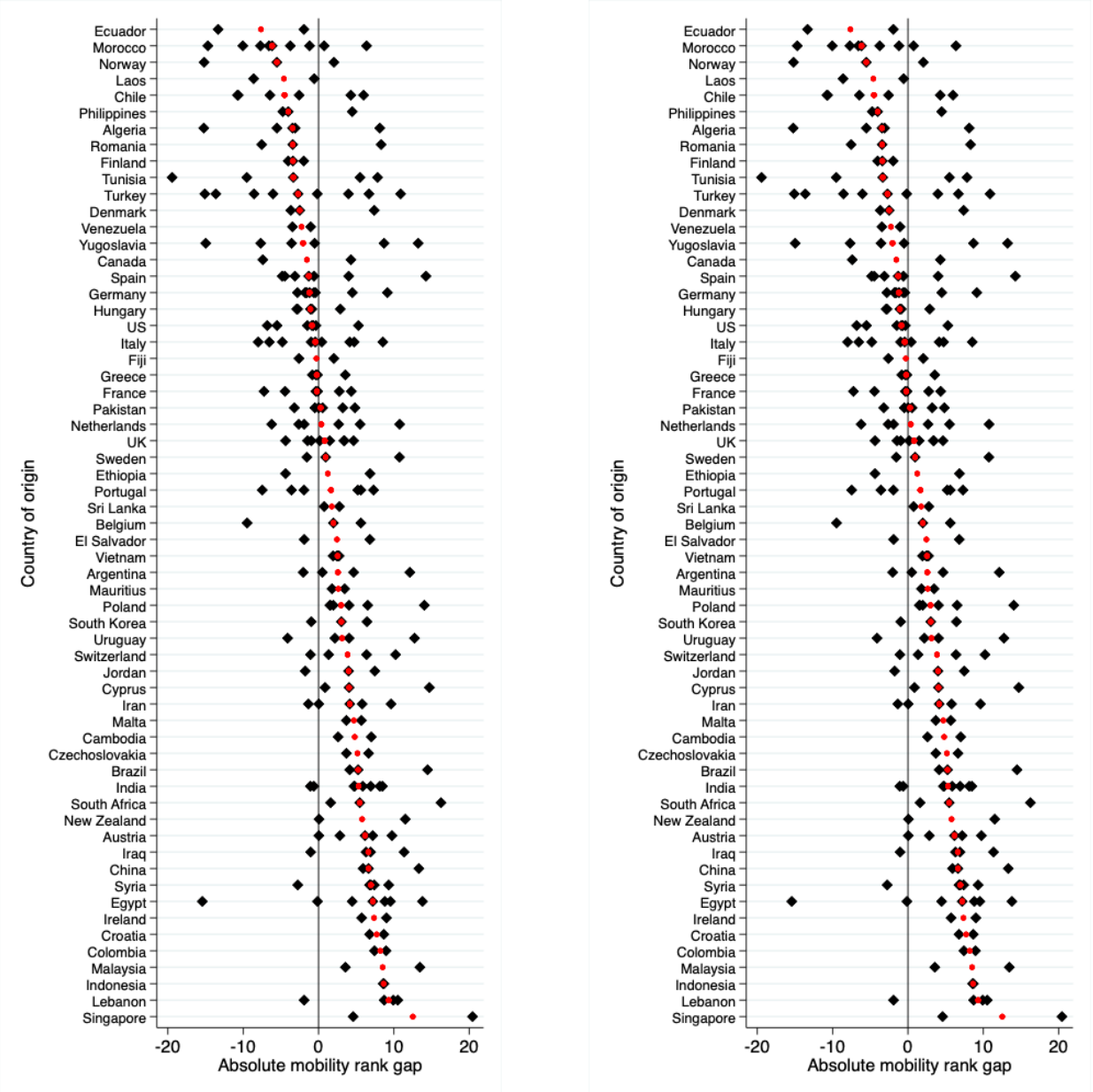


Notes: This figure plots estimates of Equation 3, i.e. we regress the difference in absolute mobility between the children of immigrants for a particular sending country and the children of local-born parents in a particular destination on destination country and sending country fixed effects. Black diamonds report sending country effects estimated alone (that is, dropping the second term in Equation 3), and gray diamonds report coefficients on sending country effects after controlling for destination country effects as well. To obtain the differences needed for this regression, we first replace the migrant-parent dummy and interaction term with a sending country-specific dummy and interaction term when estimating Specification 1. We drop absolute mobility differences that are particularly imprecisely estimated (standard error > 10). Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

Figure B.11: Variation in absolute mobility gaps by sending country

(a) Absolute mobility gaps, sons

(b) Absolute mobility gaps, daughters



Notes: This figure plots difference in absolute mobility between the children of immigrants for a particular sending country and the children of local-born parents in a particular destination. To obtain these differences, we first replace the migrant-parent dummy and interaction term with a sending country-specific dummy and interaction term when estimating Specification 1. We drop absolute mobility differences that are particularly imprecisely estimated (standard error > 10). Red circles indicate the median absolute mobility difference for each sending country. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

Figure B.12: Country-specific relative mobility estimates across various destination countries

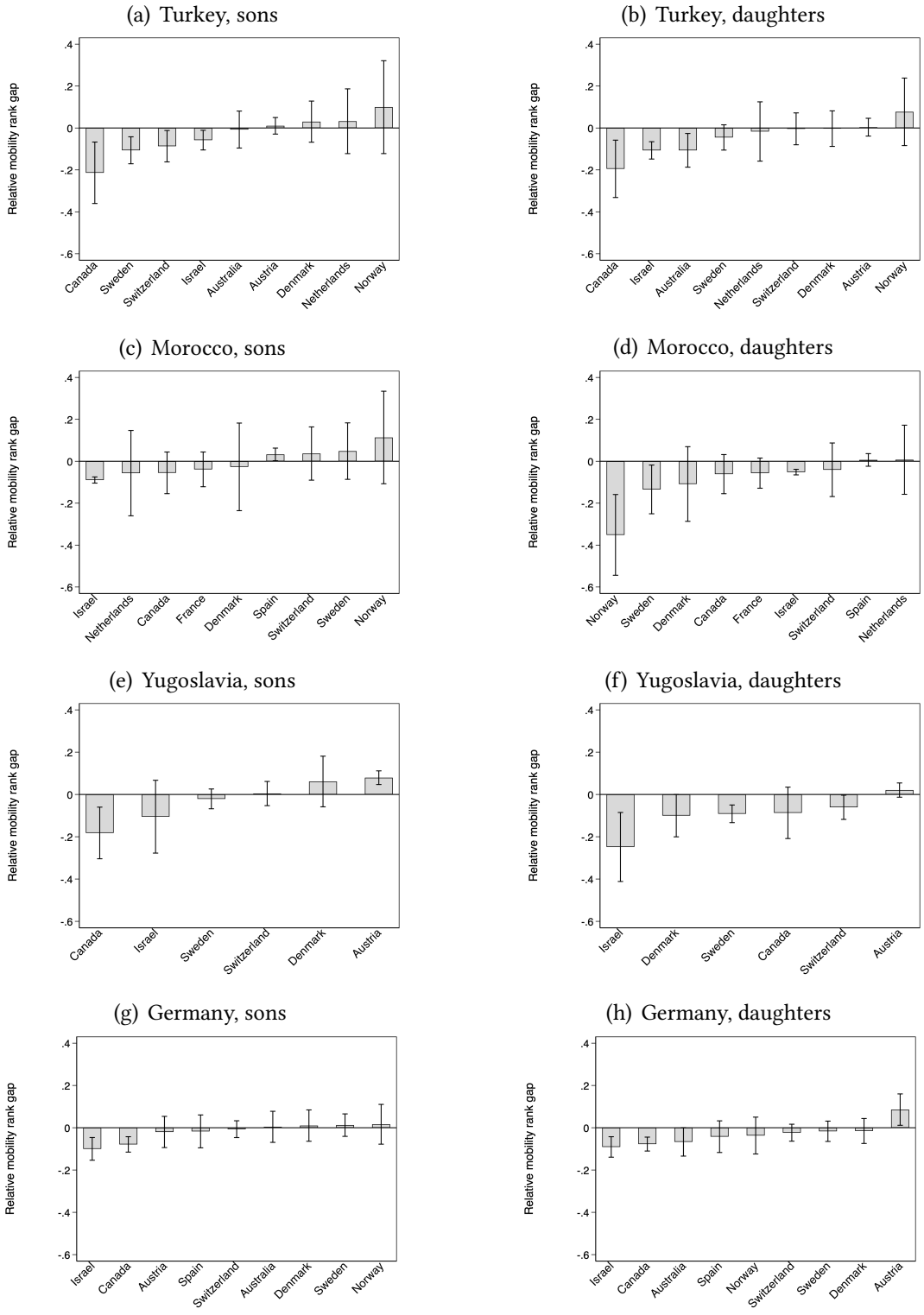
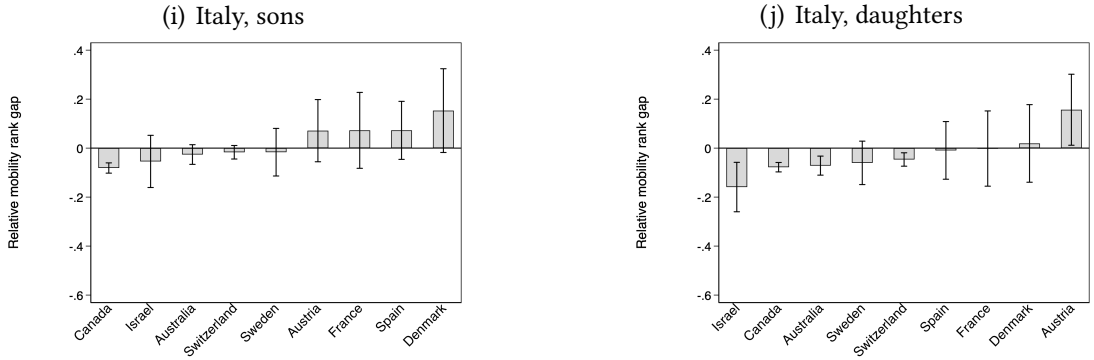
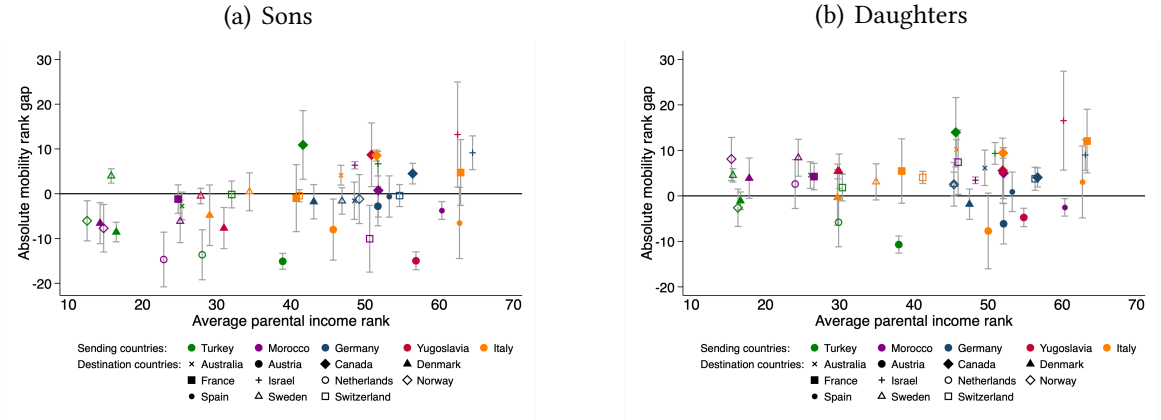


Figure B.12: Country-specific relative mobility estimates across various destination countries (cont.)



Notes: This figure plots estimates of mobility parameters for the sons and daughters of immigrants from Turkey, Morocco, former Yugoslavia, and Turkey. To obtain estimates, we replace the migrant-parent dummy and interaction term with a sending country-specific dummy and interaction term in Specification 1. Each panel refers to one sending country, and the bars refer to the gap in relative mobility when compared to children of locals in the destination country indicated on the x-axis. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country.

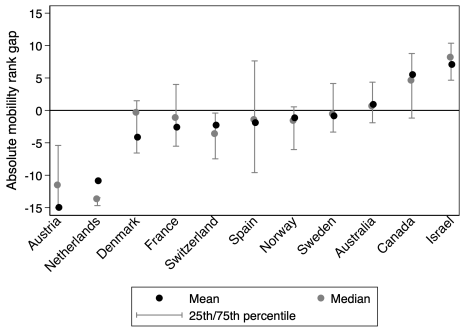
Figure B.13: Intergenerational mobility by sending countries and average parental income rank



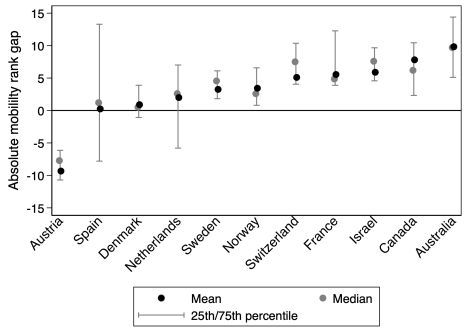
Notes: This figure plots gaps in absolute mobility between children of immigrants and children of locals for each sending-destination country pair by the average parental income rank for the sending country group in each destination country. Colors indicate sending countries, shapes indicate destination countries. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country.

Figure B.14: Intergenerational mobility across sending countries within destination countries

(a) Sons



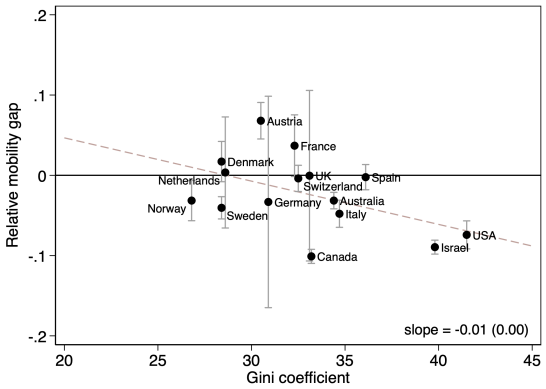
(b) Daughters



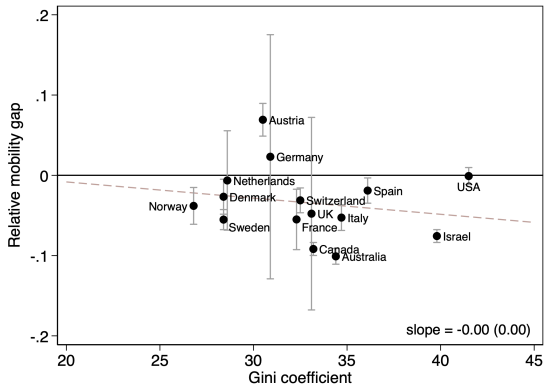
Notes: This figure plots the distribution in gaps in absolute mobility between children of immigrants and children of locals across sending countries within each destination country. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. We limit countries to those with more than three major sending countries. See Appendices A and C for details on sample construction and on the data from each country.

Figure B.15: Association between relative mobility gaps and inequality in destination countries

(a) Relative mobility, sons



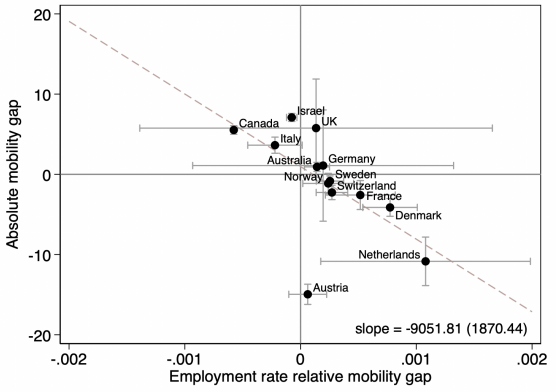
(b) Relative mobility, daughters



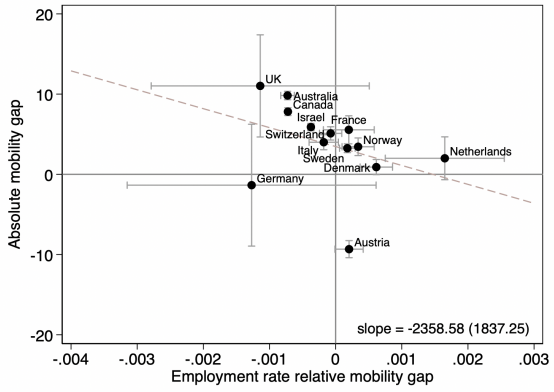
Notes: This figure plots estimates of β_{mp} (relative mobility difference) from Specification 1 for each destination country against their country-level 2014 Gini coefficient (from OECD data explorer: https://data-explorer.oecd.org/). Children born in 1978-1983. Immigration status is determined by father's country of birth. Child income measured in 2014-2015, and parental income 1994-2000. Income ranks, 0-100, determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country.

Figure B.16: Intergenerational relative mobility in income and employment

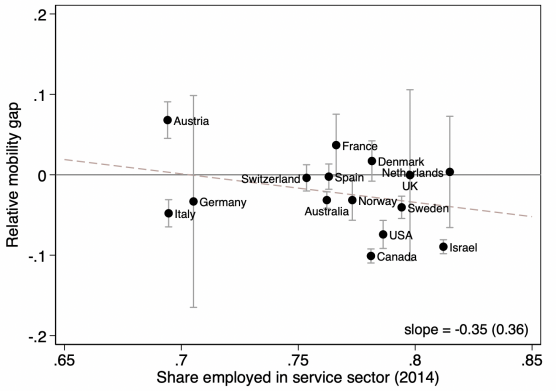
(a) Relative mobility in employment, sons



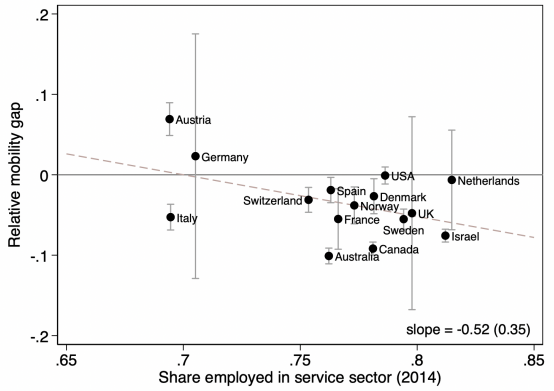
(b) Relative mobility in employment, daughters



(c) Employment in service sector, sons



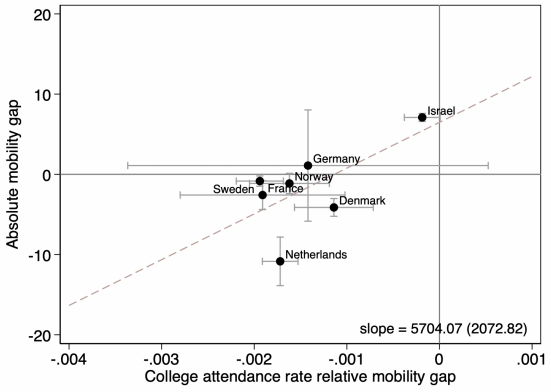
(d) Employment in service sector, daughters



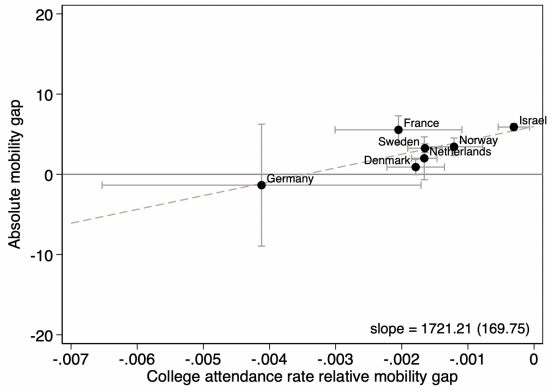
Notes: Panels (a) and (b) plot estimates of Specification 1 with an indicator for child employment as the dependent variable. The β_{mp} estimates, denoting relative mobility in employment rates, are on the x-axis. We plot absolute mobility in terms of income for each country (see Figure 5) on the y-axis. Panels (c) and (d) plot country-level shares of employment in the service sector on the x-axis (from the World Bank, see: https://data.worldbank.org/indicator/SL.SRV.EMPL.ZS). We plot relative mobility in terms of income for each country (see Figure 5) on the y-axis. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

Figure B.17: Intergenerational relative mobility in income and education

(a) Relative mobility, sons



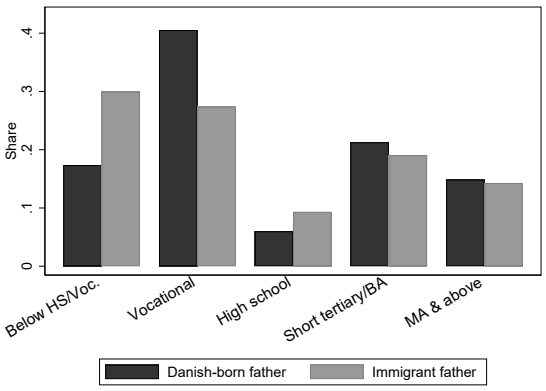
(b) Relative mobility, daughters



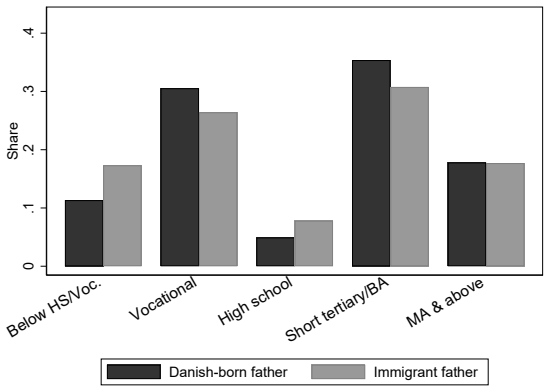
Notes: This figure plots estimates of Specification 1 with an indicator for college attendance as the dependent variable. The β_{mp} estimates, denoting differences in relative mobility in college attendance, are on the x-axis. On the y-axis, we plot absolute mobility in terms of income for each country (see Figure 5). Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country.

Figure B.18: Education levels in Denmark

(a) Sons



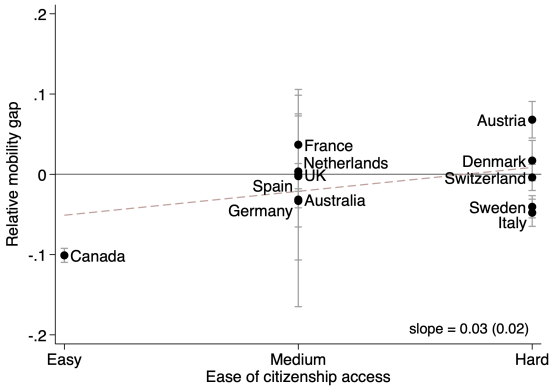
(b) Daughters



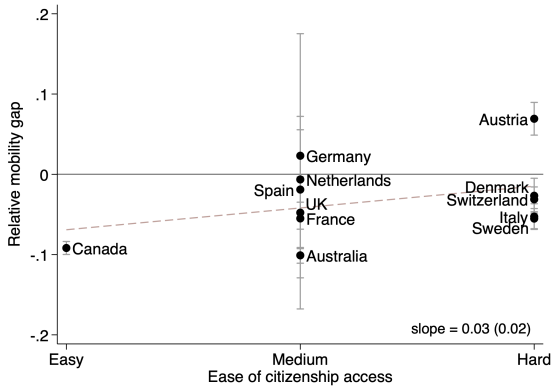
Notes: This figure plots shares of children by education level and parental immigration status. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child education level is measured in 2015. See Appendices A, and C.1 for details on sample construction and on the data from Denmark.

Figure B.19: Intergenerational relative mobility and country characteristics

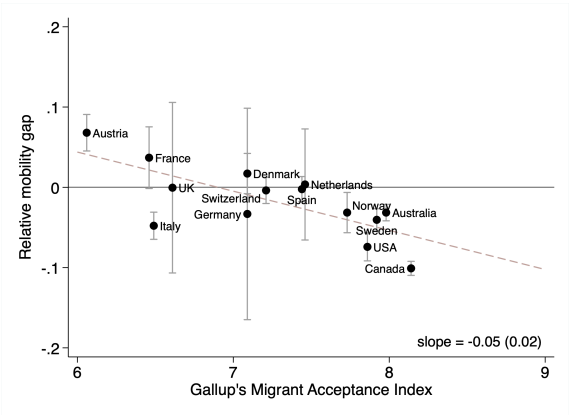
(a) Access to citizenship, sons



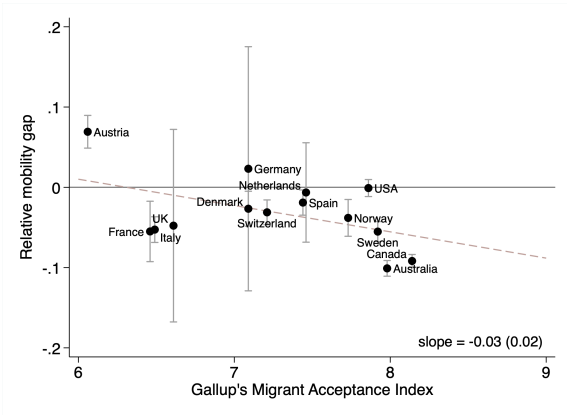
(b) Access to citizenship, daughters



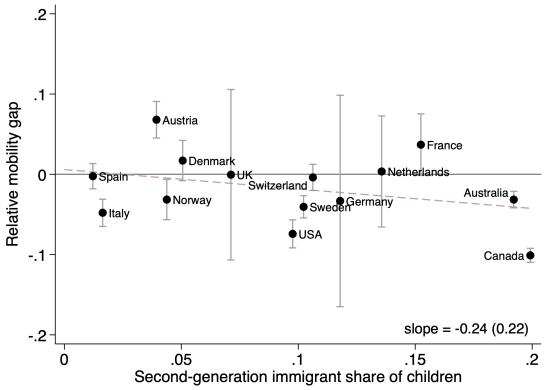
(c) Attitudes towards immigrants, sons



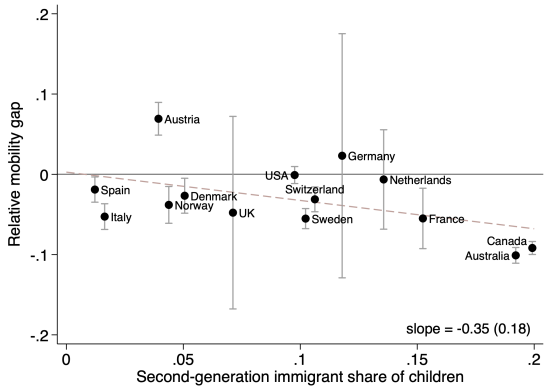
(d) Attitudes towards immigrants, daughters



(e) Share of children of immigrants, sons



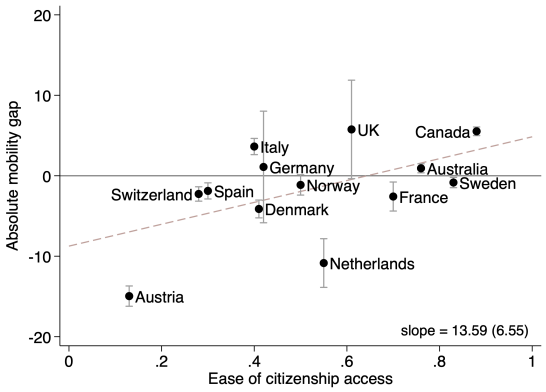
(f) Share of children of immigrants, daughters



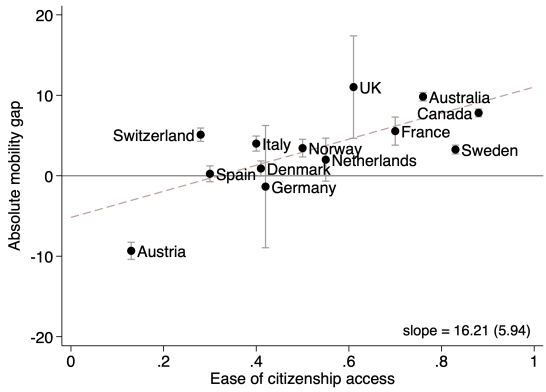
Notes: This figure plots relative mobility gaps in terms of income against various characteristics against for each country (see Figure 5). Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. Ease of access to citizenship is from the CITLAW Indicators, see Honohan et al. (2017); we show the same correlations using ease of access to citizenship measures from MIPEX in Figure B.20. Attitudes towards immigrants are from Gallup's Migrant Acceptance Index, see: https://news.gallup.com/poll/216377/new-index-shows-least-accepting-countries-migrants.aspx and https://news.gallup.com/poll/233147/migrant-acceptance-canada-follows-political-lines.aspx. Shares of children of immigrants are calculated using our primary datasets as described in Section 3; for the US, we calculate this share from the Current Population Survey. 95% confidence intervals indicated.

Figure B.20: Access to citizenship from the Migrant Integration Policy Index 2020

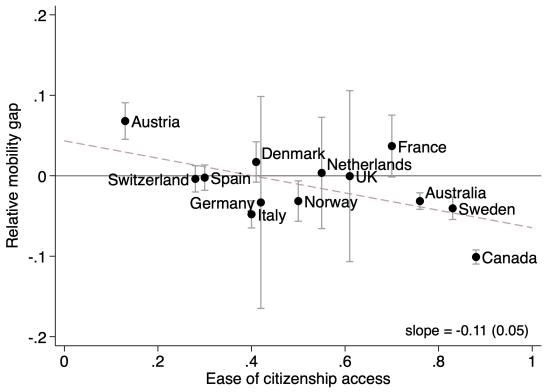
(a) Absolute mobility gaps, sons



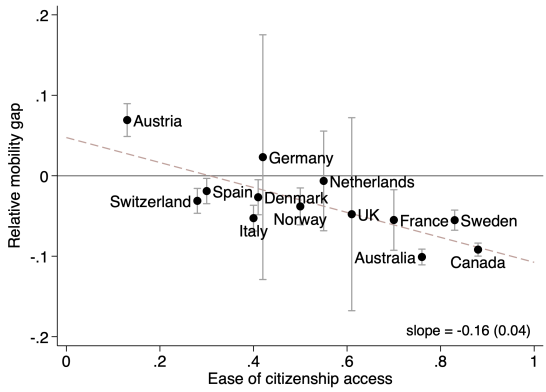
(b) Absolute mobility gaps, daughters



(c) Relative mobility gaps, sons



(d) Relative mobility gaps, daughters

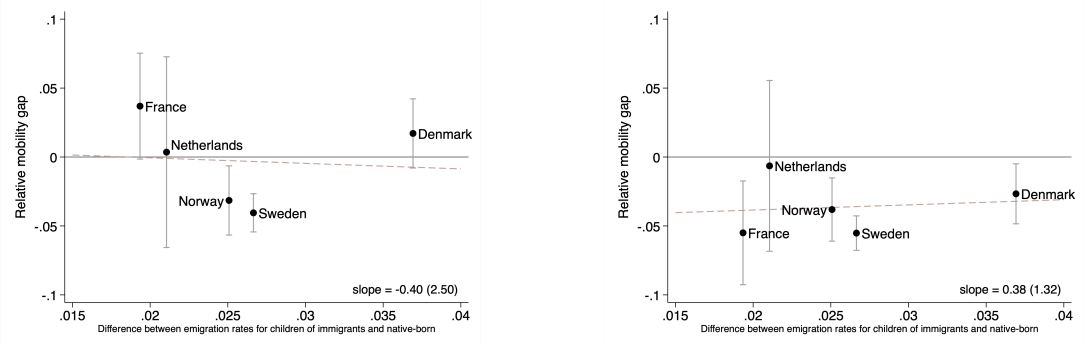


Notes: This figure plots absolute and relative mobility gaps against ease of access to citizenship for each destination country. Ease of access to citizenship is from the Migrant Integration Policy Index 2020, see https://www.mipex.eu/access-nationality. Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.

B.4 Robustness

Figure B.21: Intergenerational relative mobility and emigration

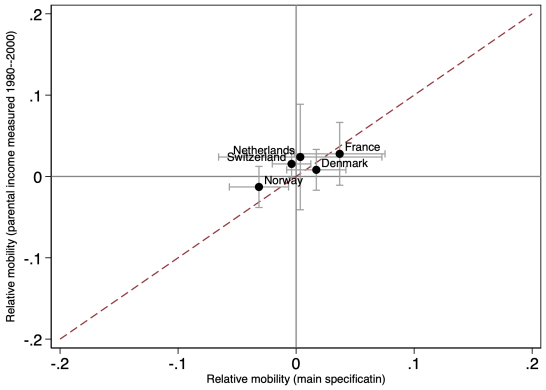
(a) Sons (b) Daughters



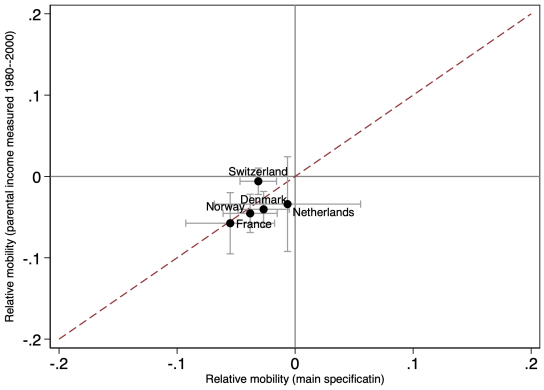
Notes: This figure plots relative mobility gaps in terms of income against differences in emigration rates between children of immigrants and children of locals for each country (see Figure 5). Children are born in 1978-1983. Immigration status is determined by father's country of birth. Child income is measured in 2014-2015, and parental income in 1994-2000. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country.

Figure B.22: Alternative child cohorts and parental income measures, relative mobility

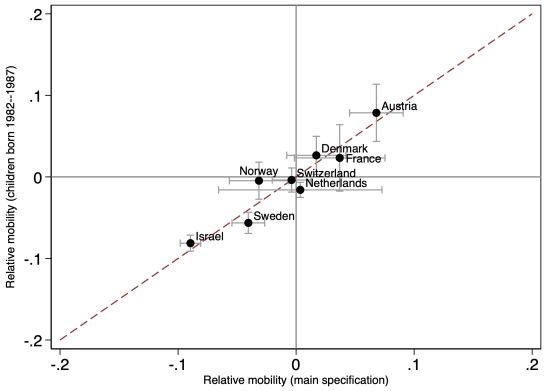
(a) Parental income 1980-2000, sons



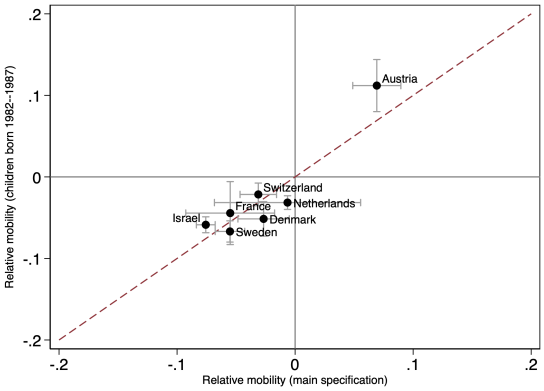
(b) Parental income 1980-2000, daughters



(c) Child cohorts 1982-1987, sons



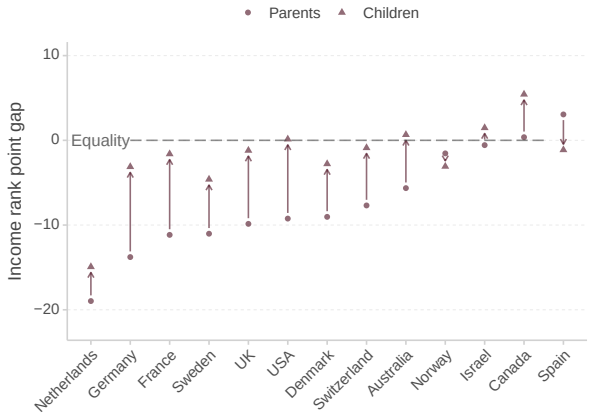
(d) Child cohorts 1982-1987, daughters



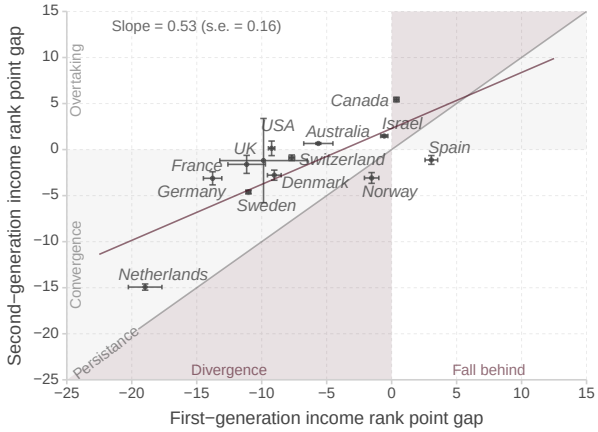
Notes: This figure plots estimates of β_{mp} (relative mobility difference) from Specification 1 for each destination country. Immigration status is determined by father's country of birth. Children are born in 1978-1983 (and 1982-1987 in panels (c) and (d)). Child income is measured in 2014-2015, and parental income in 1994-2000 (and 1980-2000 in panels (a) and (b)). Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country.

Figure B.23: Cross-sectional data on men: Comparing income rank gaps for first- and second-generation

(a) Income rank gaps between immigrants and the local-born



(b) Pattern of convergence across countries



Notes: This figure reports the mean difference in income ranks between immigrants and the local born as well as between their children. In panel (b), we mark the 45-degree line, which represents complete persistence, in gray, and report the estimated regression line in red. Immigration status is determined by father's country of birth. Sample includes men aged 30-50, fathers are observed in 1980 and sons in 2010. Income ranks, 0-100, are determined within cohorts. See Appendices A and C for details on sample construction and on the data from each country. 95% confidence intervals indicated.