

Meet the researcher

Philippe Van Kerm

It doesn't take much science to realise that your family background and circumstances during childhood influence a wide range of later life outcomes. Those of us lucky enough to be born into prosperous families are more likely to do well at school, have stimulating and well-paid jobs and accumulate some wealth. Note the emphasis on likely. Not all children born into favourable environments will "do well" in life – whatever your notion of doing well in life is – and, fortunately, many people born into disadvantaged environments enjoy comfortable and fulfilling existences. Yet the odds seem far from even.

The question is what are these odds, and what can we do about it? What are the odds of achieving post-graduate education or of having an above average income if your mother didn't hold a university degree? Or if you grew up with only one parent, or if your parents were born in another country? At this point a bit of research helps. We, social scientists, have long kept ourselves busy researching these questions by collecting data on various dimensions of childhood circumstances and relating these to people's later life outcomes.

What dimensions do we focus on? Sociologists have long documented the correlation between parents and their children's occupational status and educational achievement. Economists look at the transmission of human capital, income and wealth. Demographers analyse the impact of family structures. There's no shortage of candidates. We're currently examining the impact that being born to a teenage mother has on employment, education, income and health. Similarly, some research has demonstrated the long-term impact of your position among your siblings or of your birth month (January babies, count yourselves lucky). The influence of the neighbourhoods you grow up in is another dimension that has gained traction. Some research is now taking advantage of the data available on the genotype of representative samples of individuals to study how genes influence future outcomes, focusing on how genetic predispositions interact with children's environments to influence later life achievements.

The link between a person's family background and adult outcomes is closely connected to broader debates about economic inequality. Most people would agree that some inequality in, say, wages or income is a good thing inasmuch as it rewards effort, creativity, risk-taking, etc. These disparities in income can be considered fair. But disparities in income that arise from your family background or from personal circumstances beyond your control (including your gender)



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can be considered unfair. The latter calls for public intervention or compensation, while intervening in the former is more controversial. Researchers have therefore developed methods to determine how much of today's overall income inequality is unfair. Somewhat surprisingly, the answer usually is... not a lot! How much "not a lot" is depends on the country you look at, the methods used and the number of circumstances analysed, but only in exceptional cases does unfair inequality account for more than a third of the total inequality. It mostly ranges between 5 and 20 percent. Although Luxembourg doesn't have particularly high levels of income inequality, a comparatively large share of this inequality is unfair!

How can institutions and policies mitigate the relationship between family background and later life outcomes? How can policies reduce unfair inequality? Two forms of intervention are possible here. One way of levelling the playing field is to provide early intervention to compensate for disadvantaged backgrounds. The most obvious route is through early education and care intervention (not necessarily targeted to low-income families). Some of our research has shown that this can be effective as it tends to benefit children from low-income families. Schools can, of course, be major equalisers of opportunities, but the evidence here is inconclusive and the educational system can also reproduce social disadvantage instead of dispelling it. So, in the end, a large proportion of public intervention remains corrective *ex post* and works by way of standard social insurance mechanisms. ♦

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