Abstract

This study estimated the effects of parental education on cognitive and non-cognitive skills – skills important in determining individual achievements over the life course. To identify causality, we employ an instrumental variables (IV) approach exploiting a reform implemented in West German federal states between 1949 and 1969 that extended compulsory schooling from 8 to 9 years. Using rich data from the German Socio-Economic Panel (SOEP) study, we find that parental education improves some cognitive and non-cognitive skills of the next generation. In particular, both maternal and paternal education increase fluid intelligence, but this positive effect is purely driven by the daughters and not by the sons. The effect of parental education on non-cognitive skills is more mixed. Both higher maternal and paternal education reduce impulsiveness of the next generation. However this effect is shown specifically from mothers to sons, and fathers to daughters. It appears that the effect on other offspring non-cognitive skills comes mostly from fathers. Higher paternal education increases risk aversion and trust of their offspring, while substantially increases patience of their sons.

Presenter

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