



Intergenerational mobility in Australia

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- ① The good: Australia's high mobility
- ② The nuanced: different Australian experiences of mobility
- ③ The bad: absolute mobility
- ④ The bonus: future directions

Why talk about intergenerational mobility today?

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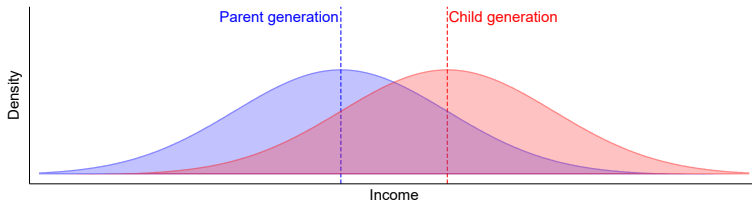
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Measuring intergenerational mobility

Rank-rank slope: b as estimated from:

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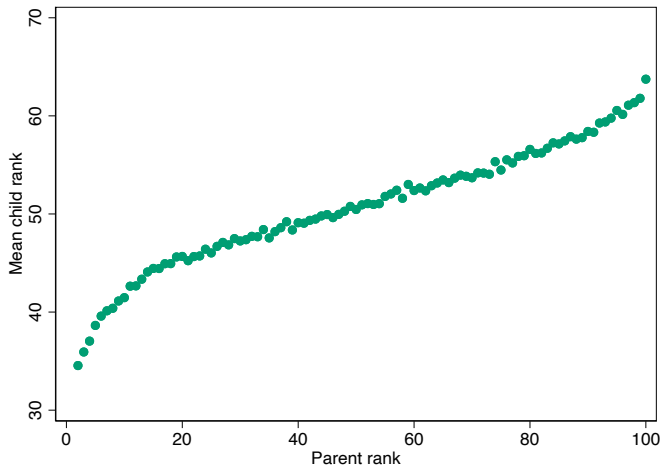
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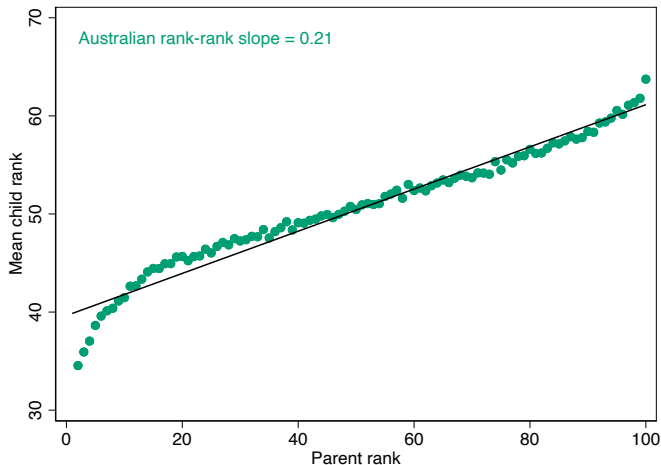
Now illustrate this for around 1 million individuals born in Australia between 1978-82...

Australia among the more mobile countries



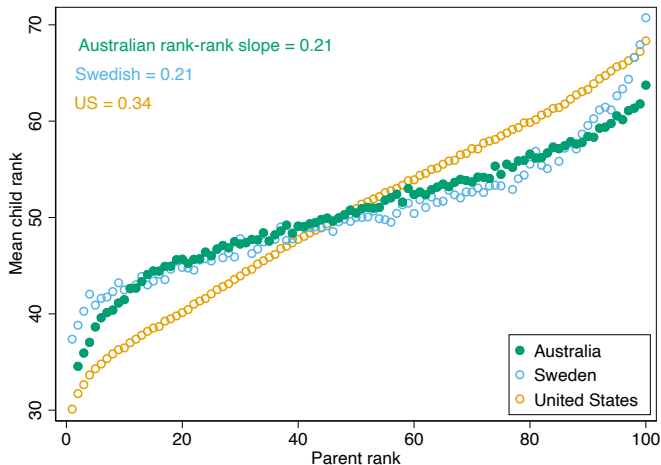
Source: Deutscher and Mazumder (2020) "Intergenerational mobility across Australia..." *Labour Economics*, 66, 101861.

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Source: Deutscher and Mazumder (2020); Bratberg et al (2017) (Sweden); Chetty et al (2014) (United States).

If Australia is so mobile...

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- Geography – over 70% of young adults live in the same labour market they grew up in.
- Family background – Australia's mobility partly reflects 2nd generation migrants, outcomes are more persistent among those whose parents were born here.

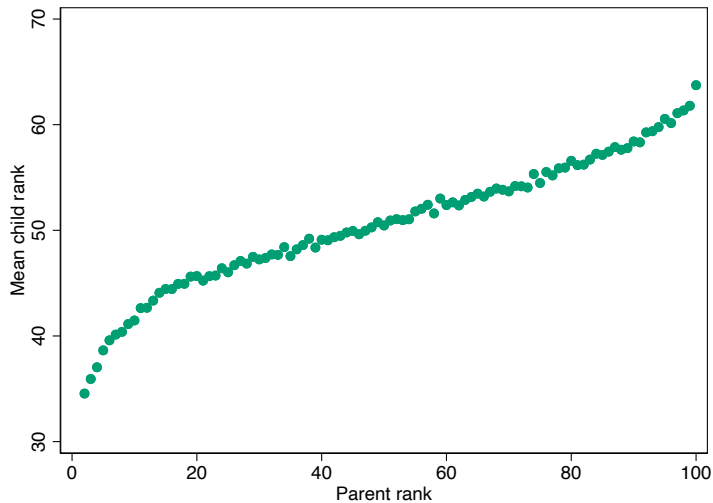
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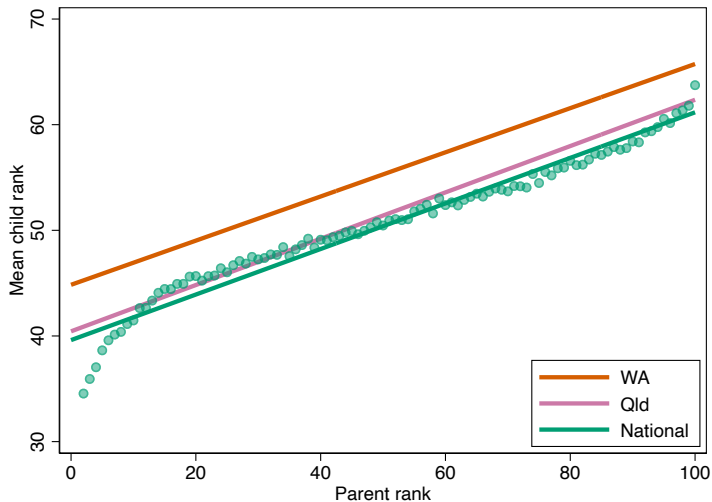
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- ② Mobility is a lagged indicator.
- ③ And different measures of mobility will tell different stories.

Mobility across Australia



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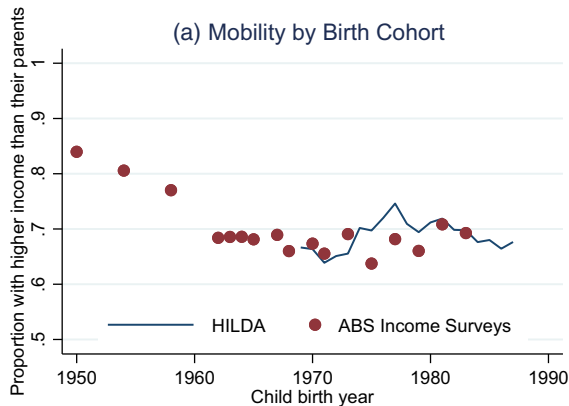
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people's frustrations [... are] rooted in the fear that their kids won't be better off than they were. (Obama 2013)

Absolute mobility has been falling in Australia...



Source: Kennedy and Siminski (2022) "Are we richer than our parents were?..." *Economic Record*, 98(320), pp.22-41.

...and across advanced economies

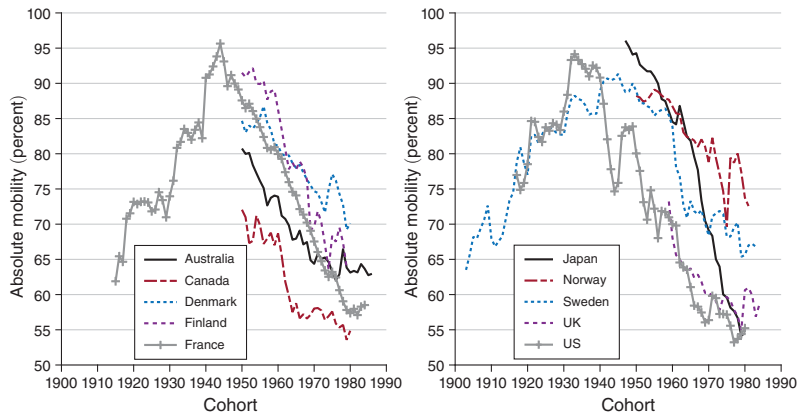


FIGURE 4. THE EVOLUTION OF ABSOLUTE INTERGENERATIONAL MOBILITY IN ADVANCED ECONOMIES

Source: Berman (2022) "The long-run evolution of absolute intergenerational mobility" *American Economic Journal: Applied Economics*, 14(3): 61–83.

Theory of 'absolute mobility'

Absolute mobility falls with:

- Slowing growth
- Rising inequality

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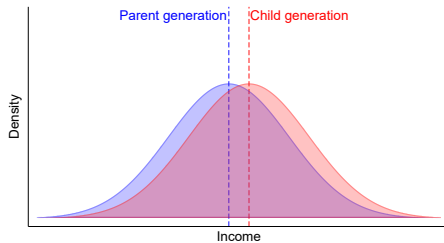
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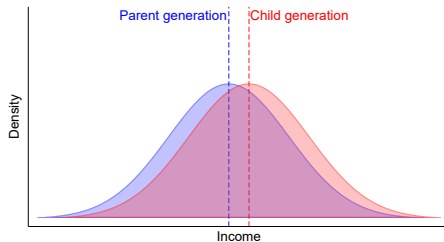
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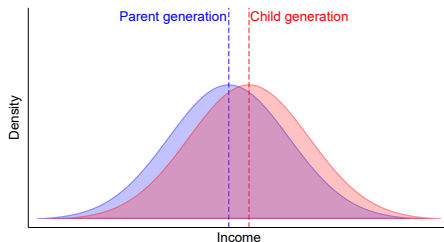


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Chinoy et al (2026) find less upward mobility is associated with more 'zero-sum thinking' – believing gains for an individual or group tend to come at the expense of others.

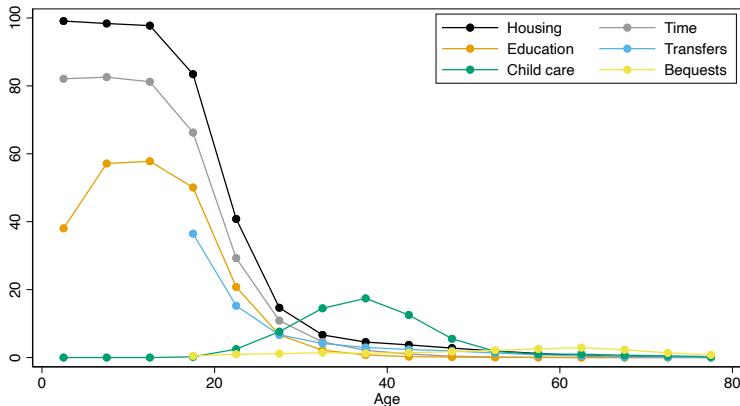
→ Zero-sum thinking is itself strongly associated with more support for interventionist policies (redistribution, affirmative action, restrictive migration, trade protections).

Future directions in mobility

- Becker and Tomes (1979, 1986): children inherit ability, parents invest in human capital and leave bequests.
- Persistence arises from heritability of talent, possibly credit constraints.

But support is across the lifecycle

Figure: Proportion of individuals receiving support from parents (%)



Note: Based on the HILDA panel survey data. This figure shows the average annual incidence of parental support in five-year age bands from 0-4 years, 5-9 years and so on.

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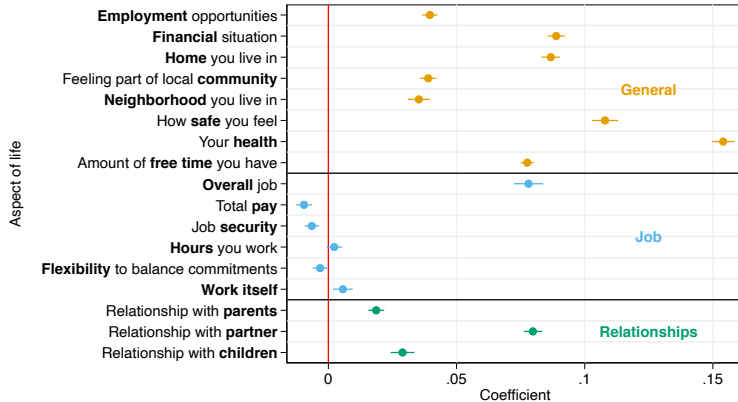
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 - Socio-emotional skills (Attanasio et al 2025).
- Parental support can act as insurance:
 - Parental housing can allow riskier occupational choices for children (Kaplan 2012).
 - Parental income more broadly may allow offspring to choose higher quality occupations (Boar and Lashkari 2025).
 - Parents save to insure children (Boar 2021).
 - Parents often make transfers in response to job loss and divorce (McGarry 2016).

And not just traditional 'economic' outcomes that matter for wellbeing

Figure: Correlations between satisfaction with aspects of life and overall life satisfaction



Notes: Illustrates the coefficients and 95% confidence intervals from a regression of overall life satisfaction on the stated aspects of life, all measured on a 0-10 scale.

Conclusion

- Australia has been one of the more mobile advanced economies.
- But experiences vary a lot, and salient measures of absolute mobility have fallen.
- Future directions include improving our understanding of how (dis)advantage persists across the lifecycle and different dimensions of wellbeing.

These slides use unit record data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey and the Australian Taxation Office (ATO). The unit record data from the HILDA Survey was obtained from the Australian Data Archive, which is hosted by the Australian National University. The HILDA Survey was initiated and is funded by the Australian Government Department of Social Services (DSS) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute). The findings and views based on the data, however, are those of the author and should not be attributed to the Australian Government, DSS, the Melbourne Institute, the Australian Data Archive or the Australian National University and none of those entities bear any responsibility for the analysis or interpretation of the unit record data from the HILDA Survey or the ATO provided by the author.