

Date Wednesday 4 November 2015, 13:00 to 14:00  
Location Copenhagen Business School, Department of Economics, Porcelænshaven 16A, 2000 Copenhagen F, room 2.80 (2nd floor)  
Presenter Rasmus Landersø, Rockwool Foundation

## **The Scandinavian Fantasy: The Sources of Intergenerational Mobility in Denmark and the U.S.A.**

### **ABSTRACT**

Recent discussions about inequality and social mobility point to Scandinavia as a model social environment. Income inequality in Scandinavia is lower than in the U.S., while income mobility across generations is estimated to be higher. At the same time, per capita incomes in Scandinavia are among the highest in the world. This paper investigates the sources of the differences in social mobility by comparing data from Denmark and the U.S. Despite Denmark's far more generous welfare state, the relationship between the educational attainment of parents and that of children is similar across the two countries and almost all of the association between parental resources and the educational attainment of children can be explained by factors set in place by age 15. Moreover, estimated intergenerational income mobility varies greatly between linear and nonlinear estimation strategies and across different income definitions. Our results suggest that the higher intergenerational income mobility in Denmark is on average a consequence of compressed wages, high wage floors for low skill workers, and tax and transfer policies.