

An Exploration of Intergenerational Income Mobility Using the Longitudinal and International Study of Adults for Canada

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The Longitudinal and International Study of Adults (LISA) is a Canadian longitudinal household survey program which started in 2012. LISA is a biennial survey of about 24,000 individuals which is linked to a substantial set of administrative data, mostly from the Canadian income tax system. Although at present, only two cycles of the longitudinal survey are currently available, the linkage to historical tax data permits the examination of longitudinal panels, for some respondents going back to the early 1980s (Hemeon, 2016).

This study proposes to be the first to investigate the potential of a new set of administrative data which has recently been added to the LISA. This new data adds, for adult LISA respondents, tax information about their own parents, measured when the respondents were children. This new data will allow for an examination of intergenerational income mobility using similar high quality administrative data and models to that used in Canadian studies on intergenerational mobility, such as Corak (2013). This new information can be combined with survey information on parental education and immigrant status as well as respondent characteristics gathered through retrospective questions, to paint a detailed portrait of the origins and subsequent life events for LISA respondents. This will allow us to describe intergenerational transmission of economic status in ways that previous Canadian data has not permitted.

The study proposes to use transition matrices and regression models to describe the factors underlying intergenerational transmission of income. Briefly, it will expand upon the models described in Corak (2013) and identify life events associated with climbing up and falling down the intergenerational mobility ladder. As a first step, it will see if LISA provides similar results on intergenerational mobility in Canada as did the earlier studies

for Canada (including Corak, 2013, and Chen, Ostrovsky and Piraino, 2016). Following this it will describe the importance of additional information on parental characteristics (origins) and life events, such as those arising from educational history, partnering and fertility history, and employment history, available in LISA.

References

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