Intergenerational Equity by Educational Attainments in France

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Objective

- Assess the role of educational attainment in intergenerational equity.

- Use NTA for France, decomposed by sex and education.

- In the French educational system, at the end of the secondary system, students pass a national exam, named the *Baccalauréat*, which permits them to obtain a diploma that generally gives access to university studies.

- The share of *Baccalauréat* graduates within cohorts has skyrocketed from around 10% in the 1960's to nearly 80% today.

Variables and data

- French Household Expenditure surveys (Budget de famille, referred to hereafter as BdF) conducted in 1979, 1984, 1989, 1995, 2000, 2005 and 2010 by the French Statistical Institute, INSEE.

- Disposable income and Private consumption

- For the all population and for those who do not have a *Baccalauréat*

Descriptive statistics

Figure 1 Disposable income as a function of age group for groups of cohorts, population without a *Baccalauréat*
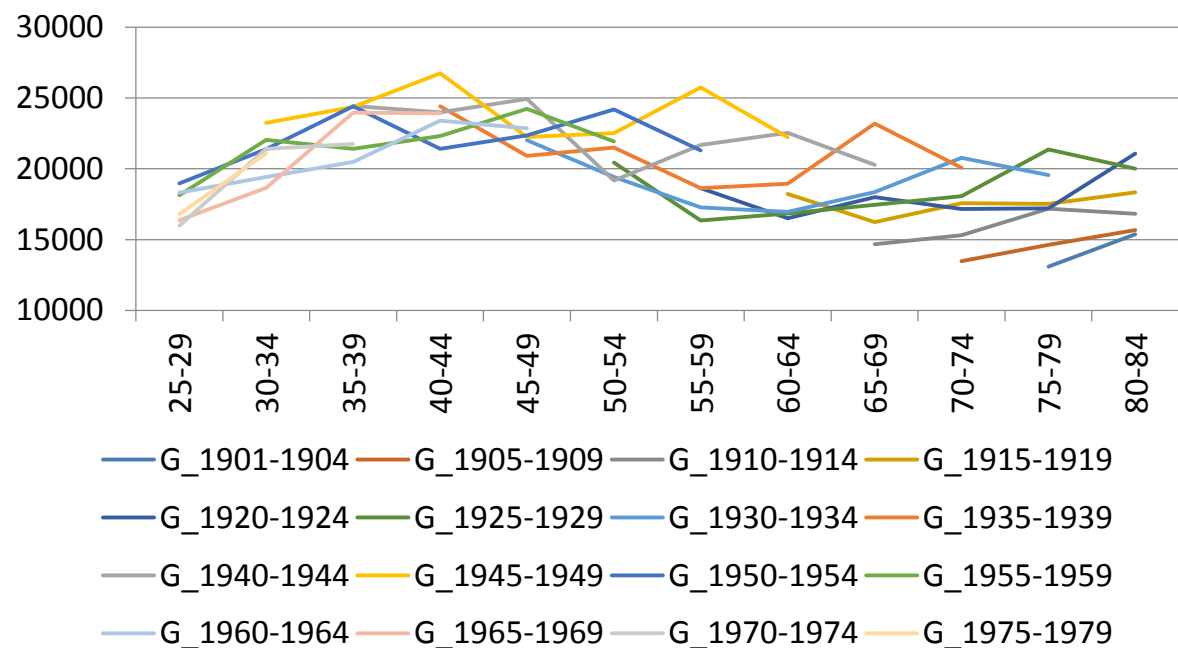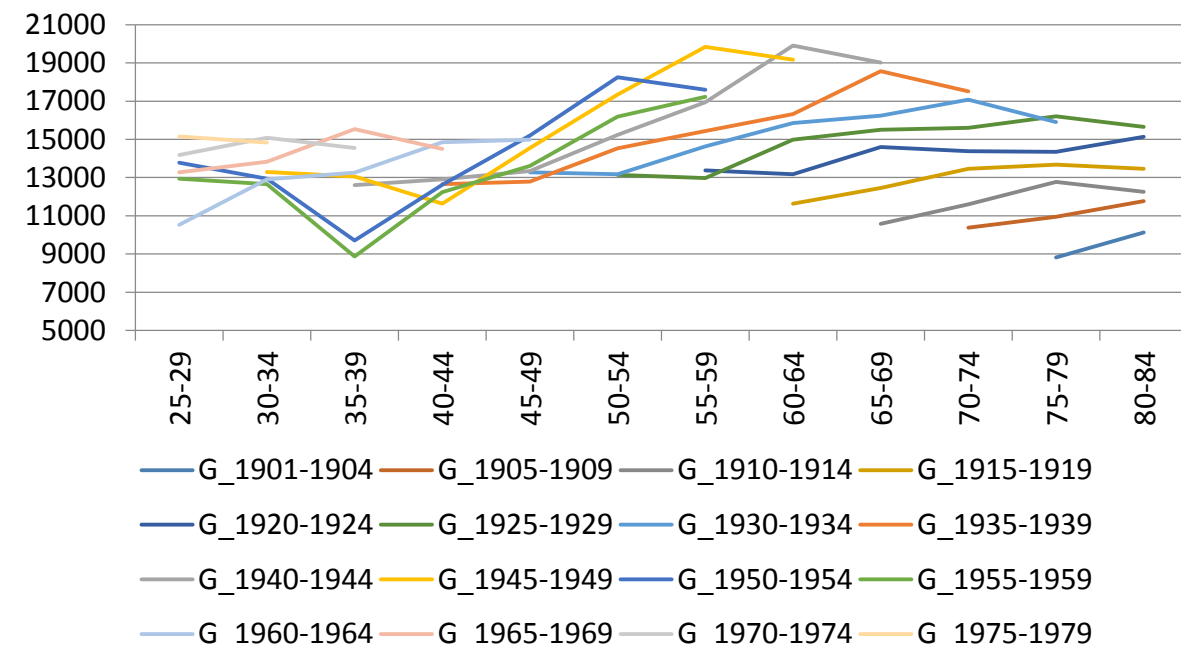
Figure 2 Private consumption as a function of age group for groups of cohorts, population without a *Baccalauréat*

An Age-cohort-period model

The model equation is written as follows:

$$log\bar{y}_{jt} = \mu + \sum_i \alpha_i \, 1_{a_{jt}} + \sum_c \beta_c \, 1_c + \sum_t \gamma_t \, 1_t + \bar{\varepsilon}_{ct},$$

where $\bar{y}_{jt}$ represents the explained variable related to cohort *j = 1901, 1902,…, 1979* and survey dates *t = 1979, 1984,…, 2010*, $1_{a_{jt}}$ represent the indicators of the five-year age brackets from 25-29 years old to 80-84 years old associated with cohort *j* at date *t*, 1_c represent the indicators of the cohorts, and 1_t represent the indicators associated with survey dates *t*.

Cohort effects, whole population

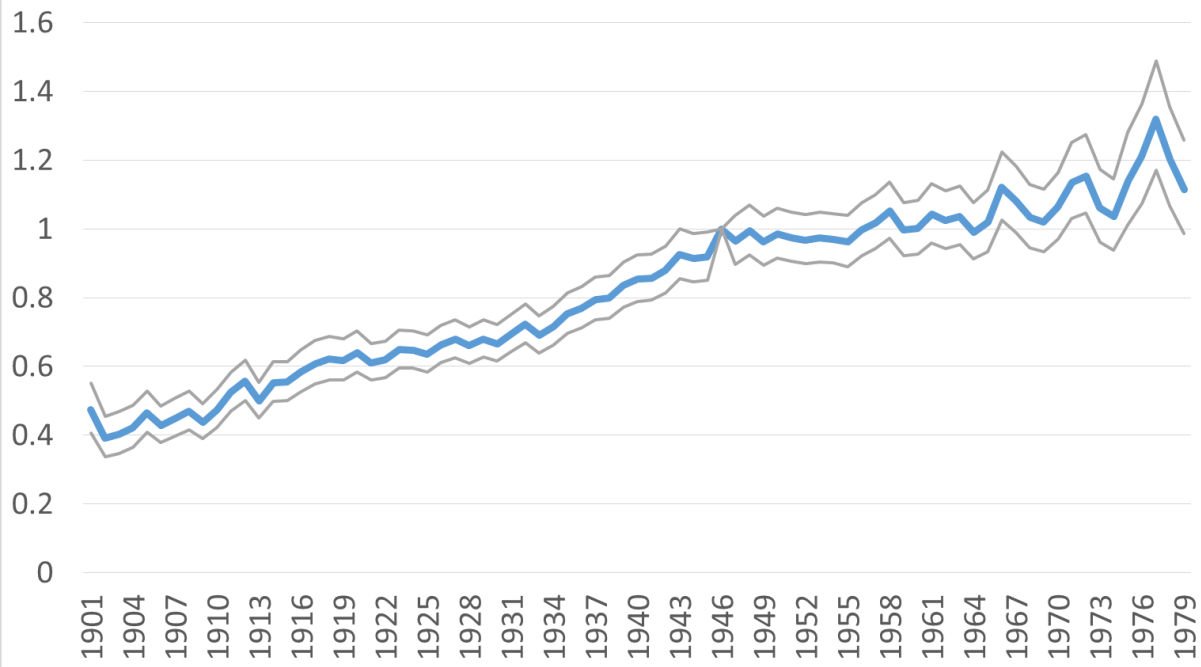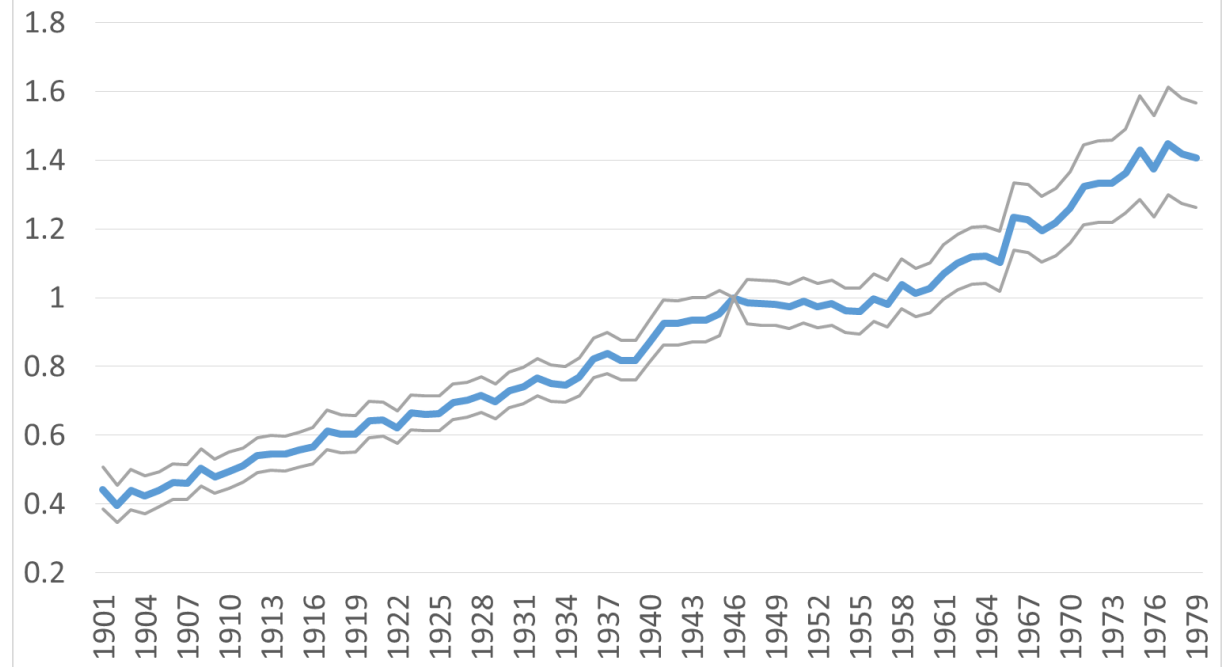Figure 3. Disposable income as a function of the date of birth, whole population

Figure 4. Private consumption as a function of the date of birth, whole population

Note: Estimates of the cohort effects in a model controlled for the age group and the period. 1946=1. Grey lines delimit the confidence interval at 5%.

Population without tertiary education

Figure 5. Disposable income as a function of the date of birth, population without a *Baccalauréat*
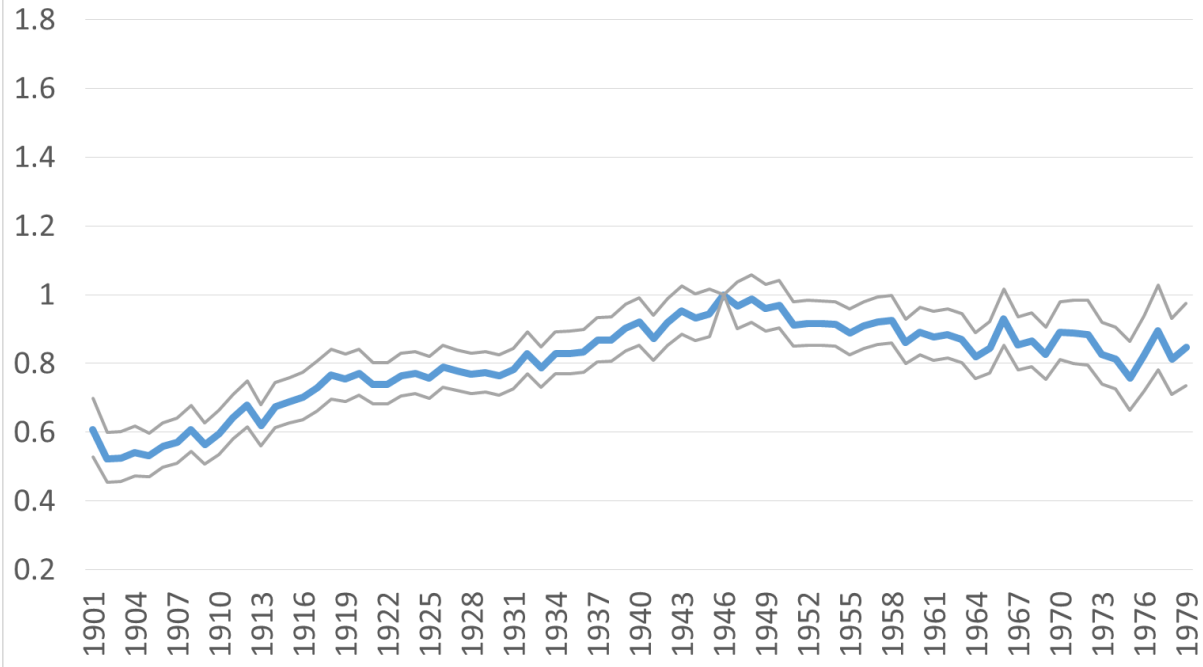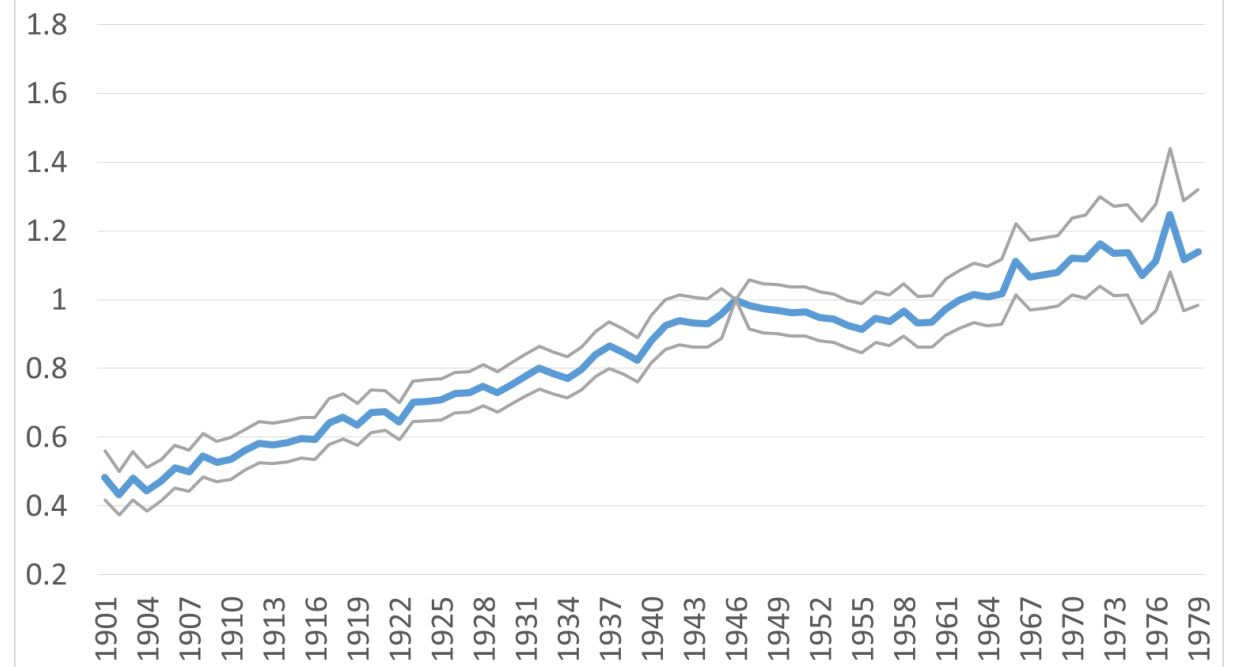
Figure 7. Private consumption as a function of the date of birth, population without a *Baccalauréat*

Distinguishing men and women (for income)

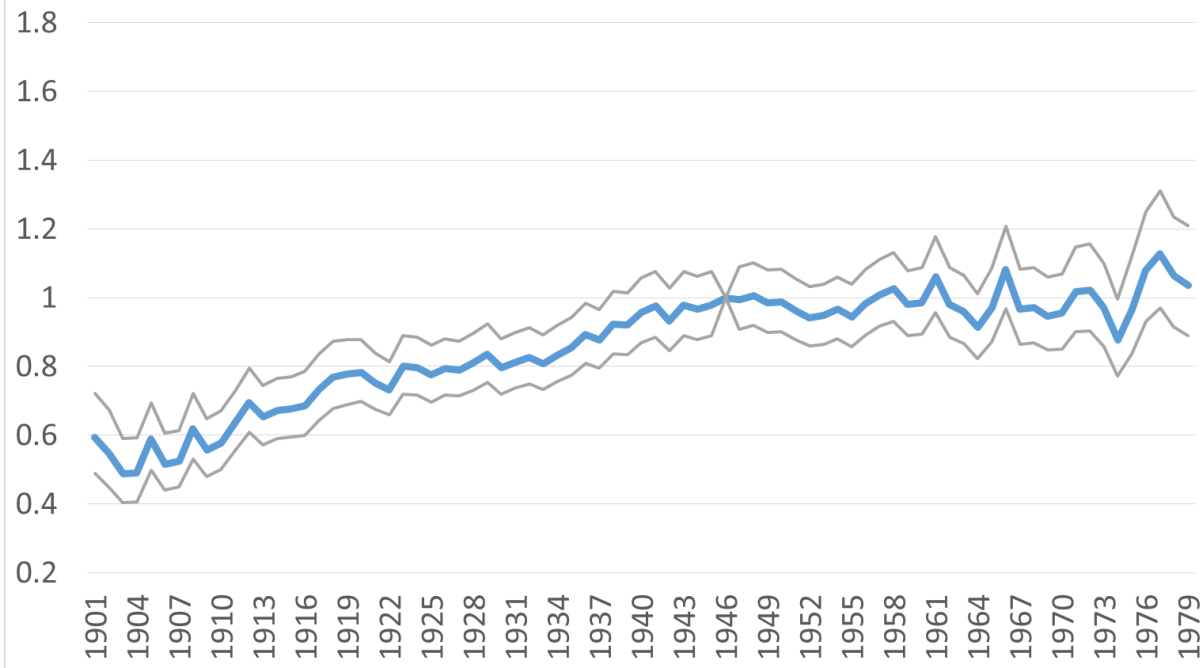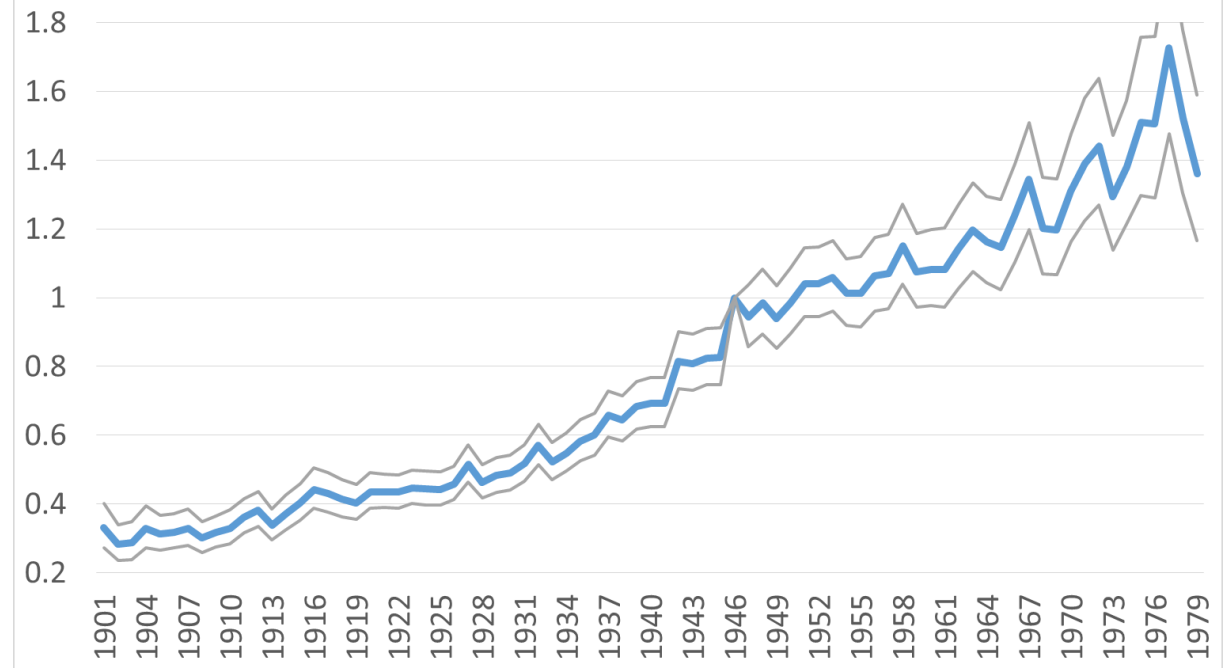Figure 8. Disposable income as a function of the date of birth, men

Figure 10. Disposable income as a function of the date of birth, women

Distinguishing men and women without tertiary education

Figure 11. Disposable income as a function of the date of birth, men without a *Baccalauréat*
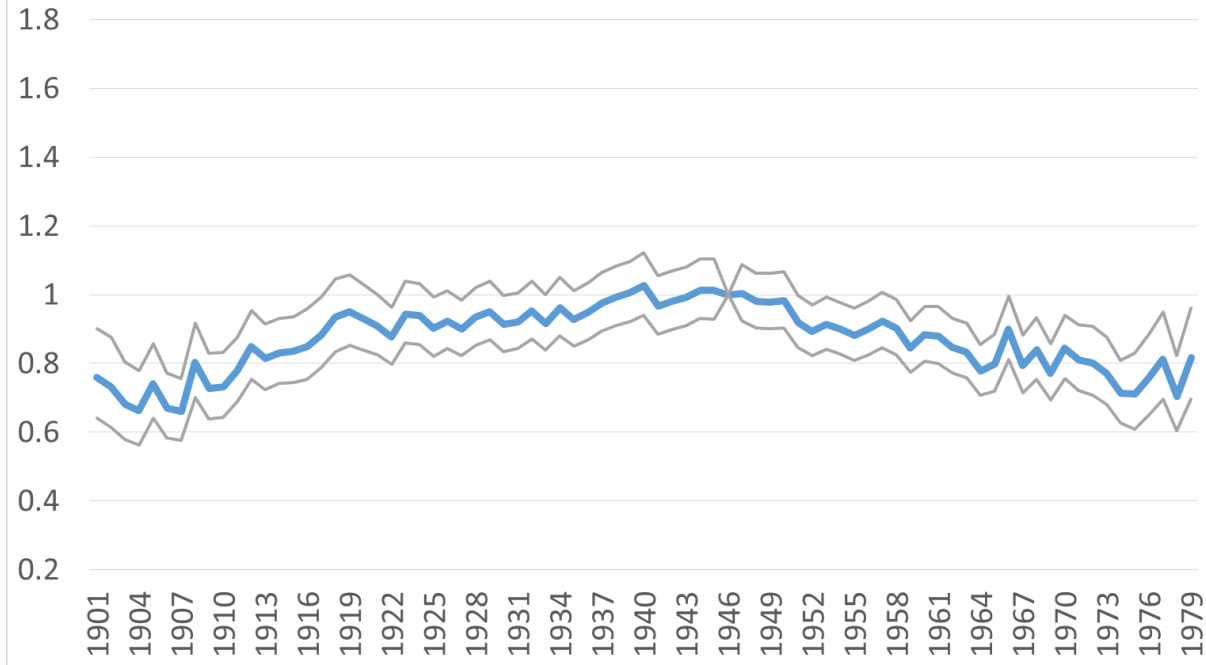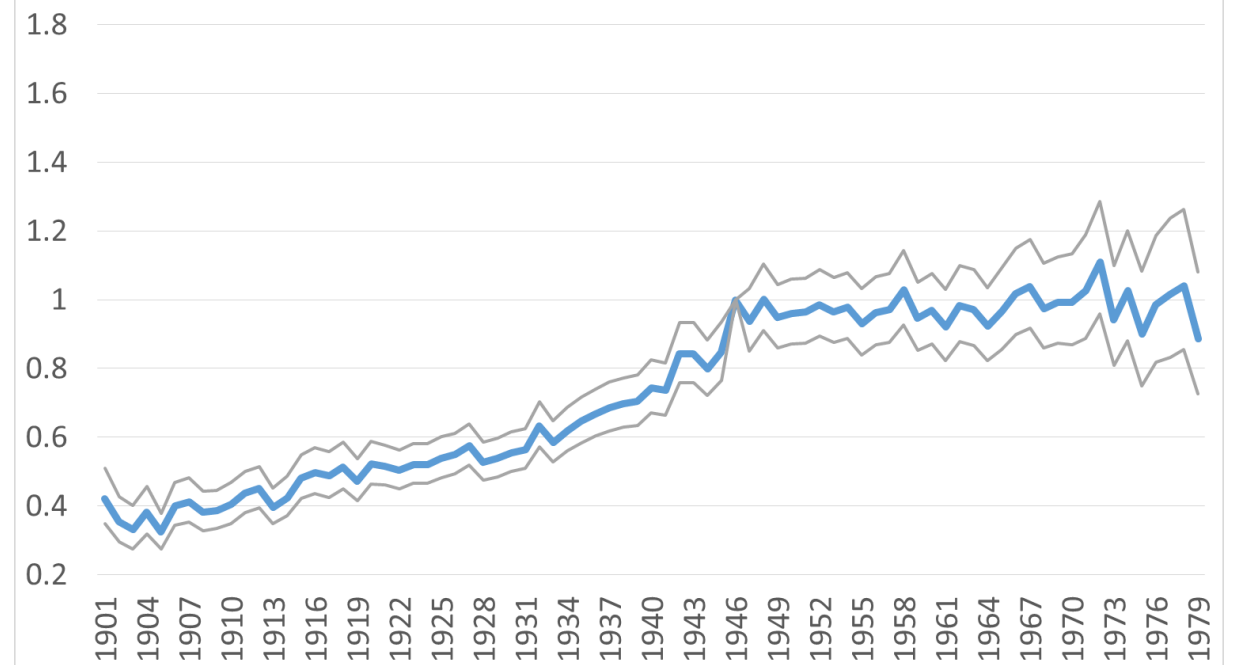

Figure 13. Disposable income as a function of the date of birth, women without a *Baccalauréat*

Conclusion

- Men without tertiary education experienced a decrease in standard of living since cohorts born in the early 1940s. Even the *baby boomers* did loose.

- This work can be complemented by other measures of inequalities.