

Stepping Stones of Parental Legacy: Intergenerational Perspective on Income Transmission

Outi Sirniö: *Constrained Life Changes: Intergenerational Transmission of Income in Finland*. Helsinki: University of Helsinki, 2016. 98 pp.
ISBN 978-951-51-1098-5

In her academic dissertation *Constrained Life Changes*, Outi Sirniö studies intergenerational transmission of income in four sub-studies. Traditionally, on a grand scale, the research field consists of three main viewpoints where the objectives are to explore how much inequality exists and to determine why the observed inequalities are distributed asymmetrically, while some studies ask whether the state of inequality is justified in a normative sense. Sirniö's dissertation follows the first two research traditions by measuring intergenerational income inequality from the viewpoint of social mobility. Here, social mobility refers to the intergenerational transmission of resources from parents to their offspring. Previous studies on intergenerational transmission and status attainment have usually conceptualized social position as occupation-based social class

(e.g. Erikson-Goldthrope classification), but Sirniö focuses on parental income as a predictor of their offspring's personal income between two genders. Following the theoretical framework of John Goldthrope, Gary Becker, and Richard Breen, the research focuses on how the socioeconomic characteristics of parents and events during early-adulthood life are associated with a person's achieved income level in adulthood.

Sirniö makes a wise decision to anchor the study's literature review not only to a sociological framework, but also to economics, which broadens the perspective of the research. This could also be considered as a mandatory solution because traditionally sociological research has been more interested in social class and socioeconomic transmission while not so much directly observing the gained resources, which are widely studied in economics. Incorporating income as a dependent variable and adopting concepts from the field of economics into sociological discussion is a welcomed addition to the research tradition, which usually revolves around the effects of social status. Sirniö has balanced these two research traditions in a perfect way where both have room to breathe and neither tradition dominates the discussion.

The research utilizes a Statistic Finland's longitudinal register-based dataset, which covers the years 1987–2012. The nature of the dataset offers a unique and marvellous way to conduct intergenerational research from both individual and household perspectives. This can be seen as one of the dissertation's strengths, because high-quality panel data can close the gaps left by previous studies, which have been usually conducted with survey- and cross-sectional data. The methods used in the different sub-studies of the thesis are binary logistic regression models, repeated measures linear regression models, and generalized ordered logit models. They are functional and expertly chosen to serve each sub-study's research question and framework at hand. Still, one could argue that in the first sub-study the methodological choice of using odds ratios could be replaced by the average marginal effects for its capability to compare different models together, although between-model comparison is resolved with the utilization of the *KHB* method.

The main results and contributions of this study can be divided into two major parts.

First, intergeneration transmission was strongest at the ends of income distribution, where the lowest and the highest lev-

els had the most pronounced persistence across generations. In other words, social mobility was maintained by those in the highest positions but on the other end it was hindered among those in the lowest social positions. Although this result is not unknown, in the Finnish context the implications of this disparity are linked to the strong Finnish welfare system, where different equalizing mechanisms are in place to elevate those in more disadvantaged family backgrounds. This raises the question of optimizing the redistribution of income, which the author takes into account by suggesting increasing support on socioeconomic attainment in early life as policy recommendation.

Second, the study provides insight on gender differences in the context of intergenerational income transmission. A main finding indicates that it is more common for women to remain at the lowest income level. This is also supported by previous research, which has shown that men tend to be less mobile than women and that when men move upwards, they tend to move close to their parents' social position. This result raises interesting questions especially on the impact of parental resources on the choices of daughters in later life, who seem to have a more disadvan-

tagged position when it comes to estimated income. With respect to policy, the results are interesting because the Finnish welfare system is strong and has instruments to compensate women when becoming parents, but after controlling these factors, women still have lower returns on income, especially those with parents in more disadvantaged positions. In addition, as the author draws from previous research, she notes that these could also indicate structural effects, which affect the choices and trajectories of women in early life.

The only significant lack of the dissertation relates to the possibilities of register data, which is not used to find causal links behind the different mechanisms. However, this does not become a major issue, because the author upholds rigorous discipline when making interpretations and connections on the possible mechanisms behind the results by quoting relevant research. In addition, one of the dissertation's merits is how openly Sirniö addresses the lack of causality and foreshadows interesting visions for future studies in the form of causal analysis. These could shed light on the underlying processes that explain the structural and micro-level mechanisms. Thus, causal analysis could answer the question why genders dif-

fer on income attainment and intergenerational transmission.

Sirniö's dissertation is a fine addition to intergenerational research on income and it can be recommended to readers intrigued by the study of social mobility from an economic viewpoint and by the issue of how parental heritage influences their offspring's economic prowess. The thesis contributes to the research field by combining sociological and economic thought into clear-cut and well-constructed sub-studies, which bring forth important evidence on how income is transmitted from parents to their sons and daughters.

Esa Karonen