

ABSTRACT:

INTERGENERATIONAL HEALTH MOBILITY IN GERMANY

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We estimate the intergenerational mobility in health in Germany using rich data of the Socio-Economic Panel and a wide range of subjective and objective health measures. We combine these measurements with methods from Item Response Theory, which allows us to respect the differential mapping of latent health to the different health items. Based on that health index, we calculate rank-rank regressions to measure positional mobility in the long-run health status across generations. Further, we anchor our health metric in permanent earnings to account for the lack of a natural metric. Our analysis reveals that the intergenerational positional mobility is higher than positional mobility in earnings. Further, our anchoring exercises reveals that the returns to health varies across generations. In addition, we find strong non-linearities in the association between long-run health status and permanent earnings. Lastly, we find only small differences in health mobility with respect to a wide range of socioeconomic characteristics of the parents.