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**Background  
matters, but  
not whether  
parents are  
immigrants:  
outcomes of  
children born  
in Denmark**

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## **Abstract**

On average, children born in Denmark with immigrant parents (first-generation locals) have lower earnings, higher unemployment, less education, more welfare transfers, and more criminal convictions than children with local-born parents. This is different from the US where first-generation locals often have better unconditional outcomes. However, like the US, when we condition on parental socio-economic characteristics, first-generation locals generally perform as well or better than the children of locals. There is little distinctive about being a child of immigrants, other than the fact that they are more likely to come from deprived backgrounds.

JEL codes: J15; J61; J62; N34

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# I Introduction

The share of the population with at least one immigrant parent is rising in most OECD countries. An OECD/EU (2018) report found that in 2017 around 7% of those aged 15-34 were local-born to two immigrant parents and 5% to one local-born and one immigrant parent. The local-born children of immigrants are often referred to as second-generation immigrants, but they are not migrants. Reflecting this they are also sometimes referred to as people with a migrant background, quite a mouthful and unhelpful as we all are if we go back far enough. In this paper, we prefer to call them first-generation locals as that is what they are.

The economic and social outcomes for first-generation locals are important for a full assessment of the impact of immigration. The most extensive literature is for the United States (e.g., Borjas, 1993; Card et al., 2000; Abramitzky et al., 2021). There, first-generation locals have higher earnings, on average, than those with US-born parents. And, conditional on parental income, the out-performance is more marked especially for those with poor immigrant parents (Abramitzky et al., 2021). But do these results generalise? There are some indications that the outcomes may not be so good in Europe where first-generation locals often have worse education and labour market outcomes than the local-born children of locals (although often better outcomes than their immigrant parents) (OECD / European Union, 2018; Algan et al., 2010; Heath et al., 2008; Sweetman & Van Ours, 2015). For example, the OECD/EU (2018) report found that “EU-wide, the reading score of the 15-year-old native-born with foreign-born parents lags behind that of their peers with no migrant background by 25 points – over half a school year” and that “across the EU, the employment gap between the native-born of native- and foreign-born parentage is 6 points.” These gaps are much bigger than those reported for the US. Education and employment gaps in the EU do vary across immigrant groups and countries (and are not always negative), but generally, the poor outcomes for first-generation locals are seen as something we need to understand and do something about.

This paper investigates the outcomes of first-generation locals in Denmark. Their share in the population has been rising; by 2021 almost 14% of newborns in Denmark have two immigrant parents (Statistics Denmark, 2021). Denmark is an interesting comparison with the US because some research finds that educational and social mobility is similar in the two countries despite more generous welfare policies in Denmark (e.g., Chetty et al., 2014; Landersø & Heckman, 2017; Heckman & Landersø, 2022). We extend previous analyses by considering a wider range of outcomes than most US studies: education, earnings, unemployment, welfare transfers, and involvement with the criminal justice system. For all of those, we show that, unconditionally, first-generation locals have worse outcomes than those with local-born parents. That is different from

the US. But, similar to the US, we find that when one controls for parental socio-economic background, first-generation locals do as well, and often better, than those with local-born parents. First-generation locals have worse outcomes because they come from disadvantaged households which, as we know from the literature on inter-generational mobility, leads to worse average outcomes in later life (e.g., Chetty et al., 2014; Landersø & Heckman, 2017; Heckman & Landersø, 2022).

Different from the US literature, we also consider the impact of a wide range of parental characteristics on the outcomes of their children. We show this matters; for example, parental unemployment predicts the income of their children even after controlling for parental income. And, generally, the wider the set of parental characteristics included, the better the performance of first-generation locals relative to those with local-born parents.

Also different from the US literature, we show it is important to distinguish between those who have two immigrant parents, and those with one immigrant and one local-born parent. The latter group is often omitted in the existing literature or parental migrant status is only defined by the birthplace of one parent (which induces misclassification if different parental migration status is common). In our sample, the group with one immigrant parent is twice as big as the group with two immigrant parents and, as we show, has different outcomes. Unconditionally, the first-generation locals with one immigrant parent generally do better than those with two parents born outside Denmark. Conditional on parental characteristics, however, the opposite is generally true.

Although aggregate estimates of the outcomes of first-generation locals are useful, the outcomes of first-generation locals may vary across subgroups. For example, many of the immigrant parents' countries of origin have lower female labour force participation rates than Denmark, and parental cultural background could potentially affect child outcomes (see e.g., Fernandez & Fogli, 2009). However, we find that conditional on parental characteristics, female first-generation locals tend to do better across outcomes when compared to children of two local-born parents. We also investigate whether the region of birth of the immigrant parents matters for their children's outcomes. We find that first-generation locals with parents from lower-income countries generally have worse unconditional outcomes, but often better conditional outcomes when compared to children of locals.

The plan of the paper is as follows. The next section describes the data and the sample. The third section presents regression results for labour market outcomes, welfare transfers, years of education, and criminal histories of first-generation locals compared to children with local-born parents. The fourth section considers whether there are differences in the effect of being a first-generation local across the distribution

of parental characteristics. The final section considers heterogeneity in outcomes by gender and parental region of birth.

## II Background and data

We use Danish register data (1980 to 2017) to link parents with their children. This allows us to observe both maternal and paternal labour market outcomes throughout children’s upbringing as well as the children’s outcomes in later life.

### II.A The children

Our dataset includes all children born in Denmark in the years 1980-1987 with both parents known.<sup>1</sup> 1980 is chosen because it is the start date of most of the Danish registers, and so this allows us to have complete information on parental circumstances throughout childhood of the individuals in our sample. Our most recent cohort is chosen because our latest available data is from 2017, and we want to observe outcomes of the children in the year they turn 30.

For most of our analyses we split the data into four groups. First, the reference group of 362,460 children with two parents born in Denmark. Second, 10,399 children (2.62% of sample) with two parents born outside Denmark; this share of first-generation locals with two immigrant parents is similar to the 3.1% of the total 2018 population (Statistics Denmark, 2018). Third, 20,908 children (5.27% of sample) with one parent born in Denmark and one parent born outside Denmark. Fourth, we separately consider 2,650 children (0.67% of sample) with at least one parent born in Greenland or the Faroe Islands. Although people from Greenland and the Faroe Islands are Danish citizens, the countries are relatively politically independent of Denmark, and different languages are spoken; and as we will show, their outcomes often look more like those of immigrants. Comparing this group of children with those of immigrant parents is interesting because the value of citizenship and naturalisation has attracted substantial attention in the literature (e.g., Bratsberg et al., 2002; Chiswick, 1978).

In Table I, we further divide our sample to show the regions of origin for the parents of the children in our sample. The parents of first-generation locals are most commonly from the Middle East, the Nordic Countries, the EU-15 (excluding Nordics), and Asia.<sup>2</sup>

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<sup>1</sup>Further details on data cleaning and sample selection in the Appendix A

<sup>2</sup>Most continents or regions of origin are straightforward to define, but the definition of the Middle East varies across contexts. When referring to the Middle East, we mean the combination of the MENAP and MENAT regions, which include some Northern African countries, Israel, Turkey, Pakistan, and Afghanistan. We split the European countries into the Nordics, EU-15 ex. Nordic, EU-13, and non-EU. We categorise Yugoslavia as non-EU because only a subset of the former Yugoslavian republics have joined the EU as part of the EU-13 expansion. Although some definitions of the Middle East include Cyprus, we categorise Cyprus

## II.B The outcomes

We consider a variety of outcomes for the children in our dataset. We analyse earnings and unemployment<sup>3</sup> in the year they turn 30 as well as the levels of transfers/public benefits.<sup>4</sup> We also consider the level of education by age 30 and their involvement with the criminal justice system (the number of offences for which they have been found guilty, whether they have ever received a prison sentence, and the number of charges which were dropped or where they were found not guilty).<sup>5</sup> A dropped charge or being found not guilty of a charge is an important outcome as it may be that first-generation locals are more targeted by the police leading to more criminal convictions but not necessarily more underlying crime.

Using a wide range of outcomes provides a more complete picture of how first-generation locals are doing. Measures of the outcomes are all provided by Danish registers which means that we have population-level data for all outcomes and that measurement error due to self-reporting is not a concern. Appendix A provides more detail on the data.

The top half of Table II presents summary statistics for the children in our sample and whether differences from those with both parents born in Denmark are significant. First-generation locals have worse outcomes than the children of locals; lower earnings, greater reliance on public benefits, more unemployment and lower education. They also have more criminal convictions and are more likely to have been sentenced to prison, though also a higher proportion of criminal charges made against them are dropped or they are found not guilty. Those with two immigrant parents fare worst; those with one immigrant parent tend to be somewhere in between. Those with at least one parent from Greenland/Faroe Islands have many outcomes that are closest to those with two immigrant parents.

Understanding the disadvantage of the first-generation locals is the main motivation of this paper. There are a number of hypotheses for why first-generation locals often do worse than those with local-born parents. First, it may be the fact that the parents are immigrants that is important. It could be that first-generation locals speak a foreign language at home (e.g., Chiswick, 1977; Dustmann et al., 2012), or that the

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as EU-13. A list of countries included in each region is included in Table A.9. If we do not observe any children with parents born in a given country, the country is excluded from the list, e.g. Lithuania, which otherwise would be included in EU-13. We include the United Kingdom in EU-15 as our sample period ends in 2018, i.e. before Brexit.

<sup>3</sup>Unemployment is defined as not working for at least half of the year and not being retired.

<sup>4</sup>Transfers/public benefits is the yearly sum of all transfers primarily financed by government institutions, including all unemployment benefits, child benefits, housing support, student benefits, and all public pensions.

<sup>5</sup>We generally follow the approach in The Danish Institute for Human Rights (2022) when identifying the cases for which individuals have been found not guilty or have had a criminal charge dropped, see Appendix A for more details.

immigrant parents transmit culture and attitudes to their children more appropriate to the parents' country of origin than the country in which their children are growing up (e.g., Borjas, 1993; Rooth & Ekberg, 2003; Fernandez & Fogli, 2009; Blau et al., 2013). Or it could be that first-generation locals face discrimination especially if they are a visible minority (e.g., Bertrand & Mullainathan, 2004; Zschirnt & Ruedin, 2016). But it may also be that it is the socio-economic status of the parents that is more important in explaining outcomes for their children than whether they are immigrants. A number of recent papers find that differences in educational outcomes between the first-generation locals and children of locals are to a large extent driven by differences in parental characteristics (e.g., Belzil & Poinas, 2010; Borjas, 1992; Dustmann et al., 2012; Fekjær, 2007; Matos, 2010; Nielsen et al., 2003; Oberdabernig & Schneebaum, 2017; Schneebaum et al., 2016). A couple of papers have also considered differences in labour market outcomes conditional on some parental characteristics, namely parental occupation and/or education (Belzil & Poinas, 2010; Borjas, 1992; Jonsson, 2007). Card et al. (2000), and more recently, Abramitzky et al. (2021) show that first-generation locals generally experience higher rates of upward mobility compared to children of locals in US.

## II.C The parents

Using Danish register data, we can link children to their parents. We construct the following parental characteristics for both mothers and fathers: I) Aggregate income (inflation adjusted to 2013-levels) during the first 21 years of the child's life; II) Years of unemployment during the first 21 years of the child's life; III) Parental occupation (2-digit ISCO88 code when child is 21 years old, with added categories for retirement, unemployment, or unknown occupation); IV) Years of education when the child is 21 years old.

Education obtained in Denmark appears in the registers for both immigrants and non-immigrants, but any education obtained abroad by immigrants is registered upon arrival by surveying the individuals. However, due to non-responses, there are many missing observations, so we report both specifications that include and exclude parental education.

The bottom half of Table II presents summary statistics for the parents in our sample. Immigrant parents have significantly lower education and earnings, and higher unemployment than the parents born in Denmark. For example, we see that first-generation locals with two parents born abroad grow up in families where both paternal and maternal earnings on average are less than half of that in families with two parents born in Denmark. As we know that parental disadvantage is, on average, transmitted to their children, we are interested in whether this can be the explanation for the

relatively worse outcomes of first-generation locals.

### III Regressions

We start with regressions of child outcomes on dummy variables for whether they have one or two immigrant parents, or more than one parent born in Greenland/Faroe Islands. Next, we add a variety of controls for individual and parental characteristics. The individual characteristics we use are gender and 11 region of residence dummies. The region dummies are important as first-generation locals are more likely to live in Copenhagen (the capital of Denmark) where, for example, earnings are higher. Cohort-year dummies are included in all specifications.

For the parental controls, we need to decide what to include and the functional form to use. Regressions of child outcomes on parental outcomes are most commonly done in the literature on intergenerational mobility, and we use this to guide our approach. Commonly only one parental outcome is considered, the same as the child outcome and the coefficient interpreted as a one-dimensional measure of the extent of intergenerational mobility (see e.g., Solon, 1999, for a review).

Chetty et al. (2014) show that the relationship between child and parental log income in the US is non-linear while the rank-rank relationship is close to linear (see their Figure II), so the rank-rank model is preferred. Figure I shows the rank-rank relationship for Denmark; it can be seen that it is non-linear. Because of the non-linear rank-rank relationship for Denmark, we choose to control for parental income flexibly by including parental income percentile dummies, rather than imposing a linear relationship. This specification does not allow us to estimate a one-dimensional measure of intergenerational mobility, but that is not our focus; we simply want to control for parental characteristics in the best way possible.

The literature on intergenerational mobility typically only controls for one parental characteristic, which is the same as the child outcome; a practice that helps to provide a one-dimensional estimate of intergenerational mobility. However, many parental characteristics may have explanatory power for child outcomes. To illustrate this, Figure I shows how the rank-rank income relationship changes when other parental controls are included; unemployment, occupation, and education. One can see that the inclusion of parental unemployment noticeably alters the relationship, indicating that parental unemployment has some extra explanatory power for child outcomes. The impact of subsequently controlling for parental occupation and education is much smaller.

In the light of this, the specifications we consider include percentile parental income dummies as well as dummies for parental years of unemployment (rounded to the



nearest year). When relevant, we also include dummies for parent’s 2-digit occupation and for years of education. We always include controls for both mothers and fathers.

In our basic specification, we estimate models of the following form:

$$Y_i = \beta_0 + \sum_{j=1}^3 \beta_1^j d_i^j + \sum_{p=2}^{100} (\beta_2^p m_i^p + \beta_3^p f_i^p) + \sum_k (\beta_4^k m_i^k + \beta_5^k f_i^k) + \beta_6 X_i + t_i + \epsilon_i \quad (1)$$

Where  $Y_i$  is outcome of interest,  $d_i^j$  is an indicator equal to 1 if individual  $i$  is categorised as a first-generation local in group  $j$ ,  $m_i^p$  is an indicator equal to 1 if the income of the mother of individual  $i$  is in percentile  $p$ ,  $f_i^p$  is an indicator equal to 1 if the income of the father of individual  $i$  is in percentile  $p$ ,  $m_i^k$  and  $f_i^k$  are other maternal and paternal characteristics,  $X_i$  is a set of individual controls, and  $t_i$  cohort-year fixed effects. The coefficients  $\beta_1^1$ ,  $\beta_1^2$ , and  $\beta_1^3$  are the coefficients of interest; they give us the estimate of the differences in outcomes between the three groups of first-generation locals and children of locals that cannot be explained by differences in parental characteristics.

### III.A Earnings

Table III presents our results for earnings. In the first panel, the dependent variable is total annual labour income at age 30. The reported coefficients are the differences between the different categories of first-generation locals and those with two local-born parents. So the first column shows that those with both parents born outside Denmark earn, on average, about 51k DKK less ( $\approx 9$ k USD, 2013-level) than children with two local-born parents. The gap for those with a parent from Greenland/Faroe Islands is similar while the gap for those with only one immigrant parent is smaller at 21k DKK ( $\approx 3.8$ k USD, 2013-level).

The estimates in the second column now add in individual characteristics of the child; gender and region of residence dummies. The income gaps are now larger, primarily because the first-generation locals are more likely to live in Copenhagen where earnings are higher.

The third column adds controls for parental income (dummies for the percentiles as explained earlier). What is most striking is that, conditional on parental income, those with two immigrant parents are now found to earn significantly more than the children of local-born parents. For those with one immigrant parent or at least one from Greenland/Faroe Islands, the income gaps are still negative but much smaller than when there are no controls for parental background.

The fourth column now adds extra controls for parental unemployment in childhood. For those with two immigrant parents, this increases their earnings advantage, though

the extra impact of adding unemployment is smaller than using parental income alone. For the other two immigrant groups, the estimated gaps in earnings become smaller, but remain negative.

The fifth column adds additional controls for parental occupation and the sixth column parental education. Sample sizes are smaller here especially when parental education is included (and the reduction in sample size is mostly among first-generation locals), but the pattern remains. Once one controls for the socio-economic background of first-generation locals, those with two immigrant parents out-perform those with two local-born parents and the under-performance of those with one immigrant parent and those with parents from Greenland/Faroe Islands is much reduced.

This conclusion is robust to the way in which we measure the earnings outcomes of the children. The second panel uses the income rank as in Chetty et al. (2014). The third panel uses the inverse hyperbolic sine which approximates the log but allows for zero values. The fourth panel uses the log of annual earnings which excludes the zeroes. The final panel uses an estimate of the log hourly wage where hourly wages are calculated from employers' monthly reports of hours and earnings to the tax authorities.<sup>6</sup> The conclusions are always the same. For example, if we included only individual characteristics, those with immigrant parents are estimated to have 4.5% lower hourly earnings but this becomes an earnings premium of 5.4% when all parental controls are included.

### III.B Transfers, unemployment, and education

In Table IV, we analyse gaps between first-generation locals and children with two local-born parents in transfers from the welfare system, unemployment rates, and completed years of education.

The first panel of Table IV considers welfare transfers. Columns 1 and 2 show that without any parental controls, all types of first-generation locals receive significantly more transfers than the children of local-born parents. But, once we include parental controls, these differentials are greatly reduced and, as for earnings, change sign for those who have two parents born outside Denmark. Once we control for parental characteristics this group is likely to receive a lower level of public transfers.

The second panel looks at unemployment. Again, Columns 1 and 2 show that without any parental controls, all types of first-generation locals are significantly more likely to be unemployed than the children of local-born parents. The differences are

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<sup>6</sup>See e.g., Jensen (2021) for more details on the monthly employment register. This data is available from 2008, and thus, covers the entirety of our sample period of the children. All income measures, but hourly wages, include self-employed, but as self-employed are not required to report hours to the tax authorities we cannot compute their hourly wages. Measures of annual labour market income, including income from self-employment, is available from 1980.

large, e.g. 12 ppt for first-generation locals with two immigrant parents. But, including parental controls reduces the magnitudes of the differentials and, again, those with two immigrant parents are 2 ppt less likely to be unemployed once we control for all parental characteristics. For this outcome, controlling for parental unemployment is very important in changing the sign of the differential for first-generation locals with two immigrant parents.

Finally, the third panel looks at years of education. Yet again, Columns 1 and 2 show that without any parental controls, all types of first-generation locals have significantly less education than the children of local-born parents. However, once we control for parental characteristics, these differentials again change sign for both those with one and two immigrant parents and are much reduced for the group with at least one parent from Greenland/Faroe Islands.

### **III.C Involvement with the criminal justice system**

This section considers involvement with the criminal justice system. It is important to remember this is not exactly the same as crime, as not all crimes are solved and some of those found guilty of an offence may be innocent. This is particularly important given common accusations of discrimination in the criminal justice system.

The first panel of Table V considers the number of guilty charges received by age 30 for all offences, excluding traffic offences. Without any parental controls, first-generation locals have significantly more guilty charges. However, as before, the difference between first-generation locals and those with two local-born parents disappears when we control for parental background; again, controlling for a wide range of parental characteristics matters here.

Most of the offences included in the first panel are not serious crimes, punished by a fine. The second panel considers convictions for more serious offences where a prison sentence (including a suspended sentence) was given. Columns 1 and 2 show that without any parental controls, all types of first-generation locals are more likely to have received a prison sentence than the children of two local-born parents. In line with previous results, these differentials are greatly reduced when including parental controls, but unlike most other outcomes, we do not observe sign reversal for any of groups of children with parents born abroad.

That first-generation locals are more likely to have been sentenced to prison, even conditional on parental characteristics, could be driven by at least two different factors. First, it could be that they are more likely to commit crimes than children with two local-born parents. Secondly, it could be the case that the criminal justice system discriminates against them, e.g. if the police target visible minorities or certain neighbourhoods where first-generation locals are more likely to live. We cannot measure

criminal activity not uncovered by the police.

As suggestive evidence, the third panel of Table V considers the number of charges which were dropped or where the individual was found not guilty. The first-generation locals have more dropped charges, an effect that is reduced but does not disappear when we control for parental characteristics. Finally, the fourth panel looks at the share of charges that are dropped. This is higher for those with two immigrant parents and affected much less by parental characteristics.

Our results on dropped charges provide suggestive evidence that police targeting may play a role in generating the results in the first panel of Table V. Further research is warranted to decompose these results further, but that is beyond the scope of this paper.

## IV Heterogeneity by parental characteristics

For the estimates reported so far, we assume that the impact of parental country of birth is the same whatever the levels of parental characteristics. For the US, e.g. Card et al. (2000) and Abramitzky et al. (2021) show that the out-performance of first-generation locals is higher for those with low-income parents. Figure II provides a first check of whether the same is true in Denmark by visually examining the relationship between child and parental incomes for our groups. As can be seen, the relationships are relatively parallel, although the estimates are noisy for the immigrant groups at higher income levels as there are relatively few immigrant parents with high incomes.

To examine this more formally, Appendix B presents Oaxaca-Blinder decompositions to assign the observed gaps to explained and unexplained gaps (following the terminology of Fortin et al., 2011). In general, we find that differences in the slope coefficients on parental characteristics are small and do not matter much, so that estimating separate regressions makes little difference. The group-level differences in parental characteristics are indeed driving our results.

## V Heterogeneity by gender and parental country of birth

The outcomes of first-generation locals could differ across a number of dimensions. For example, female labour force participation rates are lower in most other countries than in Denmark, and this could lead to lower female labour force participation for first-generation locals (see e.g., Fernandez & Fogli, 2009; Giavazzi et al., 2019). In addition to heterogeneity by gender, parental country of birth may matter; as Table I shows

those with immigrant parents come from a set of very different regions.

To examine the gender differences in outcomes further, we first allow the estimated gaps in outcomes to differ by gender in the specifications from Section III. We report only two specifications: the unadjusted gaps and the gaps after including individual controls and controls for parental income and unemployment. This corresponds to the specifications from Columns 1 and 4 in Tables III to V, but with an added gender dummy and added gender interactions with the first-generation locals' group indicators. We prefer the specification with controls for parental income and unemployment as it maintains the largest sample size and because these parental characteristics matter the most for the child outcomes we consider.

Similarly, we split our first-generation locals into those with immigrant parents from countries with GDP per capita in 1980 less than 4,000 current USD which approximates the standard split for dividing lower middle and upper middle income countries. We define first-generation locals as "low income origin" if at least one parent is from a low income country. Using this definition, 94.6% of the children with two immigrant parents are categorised as being of low income origin and 28.5% of the children with one immigrant parent. Because the vast majority of first-generation locals with two immigrant parents are of low income origin our earlier results are likely to pertain mostly to this group.

Table VI, Columns 1 to 4, report the estimates of differences in earnings split by gender and the income of parental origin country. We see that the positive earnings differentials conditional on parental characteristics for first-generation locals with two parents born abroad are almost entirely driven by female children. In other words, female children with two parents born abroad tend to outperform children of locals with similar parental background, whereas male children with two parents born abroad tend to do as well as children of locals with similar parental background. When considering children with only one parent born abroad, female children tend to do as well as children of locals conditional on parental characteristics. This is not the case for male children with one parent born abroad; even conditional on parental characteristics, they experience lower earnings compared to children of locals, although the gap in earnings is reduced substantially when controlling for parental characteristics. Columns 5 to 8 in Table VI consider earnings for first-generational split by income of parental origin. For all the three groups of first-generation locals, those with parents from low income countries have higher unconditional gaps in earnings compared to those with parents from high income countries. First-generation locals with two parents born outside Denmark in the low income group have particularly low earnings, but, once parental characteristics are controlled for, they out-perform both those with two local-born parents and those with immigrant parents from higher income countries. We

also see that, conditional on parental characteristics, the lower earnings amongst first-generation locals with one parent born outside Denmark are driven by those with a immigrant parent from one of the high income countries.

We consider transfers, unemployment, and years of education in Table VII. These results confirm the picture that female first-generation locals with two parents born abroad are perform best relative to children of locals conditional on parental characteristics, but also male first-generation locals with two parents born abroad tend to outperform children of locals with similar parental characteristics for these outcomes. Both female and male children with one parent born abroad have more years of education but are slightly more likely to be unemployed than children of locals conditional on parental characteristics. We also find that, unconditional on parental characteristics, first-generation locals with parents from low income countries do worse than those with parents from high income countries across all the outcomes considered in Table VII. However, conditional on parental characteristics, we find that first-generation locals with parents from low income origins do no worse and often better than those with parents from high income origins.

The results for female children are generally mirrored when considering crime outcomes in Table VIII. For male children, however, this is where we find the largest contrast in outcomes. Male children with two parents born abroad are much more likely to have a criminal conviction and more likely to have been sentenced to prison when compared with the children of locals. This gap is reduced but remains significantly different from zero after controlling for parental characteristics. However, male first-generation locals are also more likely to have a higher share of charges dropped or charges for which they are found not guilty. It may be that men with immigrant parents are simply more likely to get caught when committing a crime; for example, if they are more likely to be subjected to traffic stops and stop-and-frisk. The estimates by income of parental country of origin show a similar picture; the children with parents from low income countries are more likely to have received a prison sentence even after controlling for parental characteristics though the gap is much smaller than the unconditional difference. However, children with parents from low income countries also have, on average, a higher fraction of charges which are dropped or where they are found not guilty.

There could be interactions between gender and parental country of origin. And also more heterogeneity by parental region of origin. Appendix C presents additional heterogeneity analyses along these lines and, in addition, heterogeneity by parental gender. Unconditionally there is substantial variation across groups (because the average levels of parental characteristics vary by group), but conditional on parental characteristics, it is hard to establish clear patterns from the large number of estimates, some

of which may be significant by chance.

Figure III illustrates what we generally find, showing average income by different maternal regions of origin. Those with mothers born in the Middle East (the largest group of first-generation locals and a group often singled out for particular concern) have lower incomes on average, but this can be explained by low parental income and this group is not noticeably off the regression line.

## VI Conclusion

Understanding outcomes for first-generation locals is very important for a full assessment of the impact of immigration, arguably more than the impact of the immigrant parents themselves, as descendants will be around longer than the original immigrants.

Popular and political discussions on the outcomes of first-generation locals often centres around whether or not the integration of immigrants and their children has been successful. Concerns about the integration of first-generation locals are often based on the poor economic and educational outcomes for some groups. We show that, unconditionally, first-generation locals in Denmark have lower earnings, lower rates of employment, lower levels of education, and higher levels of criminal convictions (albeit also a higher number of charges which do not lead to a conviction). The unconditional gaps in outcomes between first-generation locals and children of locals are different to the findings from the US where first-generation locals have higher earnings, on average, than those with US-born parents (e.g., Borjas, 1993; Card et al., 2000; Abramitzky et al., 2021).

However, it makes little sense to compare the outcomes of first-generation locals and children of locals unconditionally when their parental backgrounds are very different. We show that in Denmark most differences between first-generation locals and children of locals in a wide range of outcomes can be explained by parental characteristics. We add to the literature by showing that this result holds across many different outcomes. We also contribute by showing that is important to control for a wide range of parental characteristics, not just earnings, when estimated differences in outcomes of first-generation locals and children of locals. Lastly, distinguishing between those with two and one immigrant parents is also important. Conditional on parental characteristics, first-generation locals generally perform as well as or outperform children of locals. For the outcomes we consider, there seems little distinctive about being a child of immigrants, other than differences in average levels of parental characteristics.

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## VII Figures and tables

Table I: Parental region of birth

Mother's region of birth	Father's region of birth												Total
	Africa	Asia	Denmark	EU-13	EU-15, ex. Nordic	Europe, non-EU	Greenland/Faroe Is.	Middle East	Nordic	North America	Oceania	South and Mid. America	
Africa	62	8	284	-	-	-	-	12	-	-	-	-	369
Asia	5	923	949	-	16	7	-	33	5	-	-	-	1,946
Denmark	531	588	362,460	304	3,207	1,510	859	1,781	2,376	654	87	367	374,724
EU-13	-	-	531	305	16	32	-	20	6	-	-	-	924
EU-15, ex. Nordic	11	13	1,987	7	156	13	-	20	25	9	-	5	2,248
Europe, non-EU	-	9	847	10	19	841	-	21	14	-	-	-	1,772
Greenland/Faroe Is.	5	-	1,572	-	12	15	112	19	33	7	-	-	1,781
Middle East	14	79	212	-	5	9	-	7,185	6	-	-	-	7,515
Nordic	8	12	3,440	-	53	27	-	53	136	16	-	-	3,755
North America	-	-	742	5	11	-	-	-	8	-	-	-	780
Oceania	-	-	109	-	-	-	-	-	-	-	-	-	112
South and Middle America	-	-	402	-	7	-	-	-	-	-	-	67	491
Total	647	1,642	373,535	640	3,503	2,459	981	9,148	2,614	702	92	454	396,417

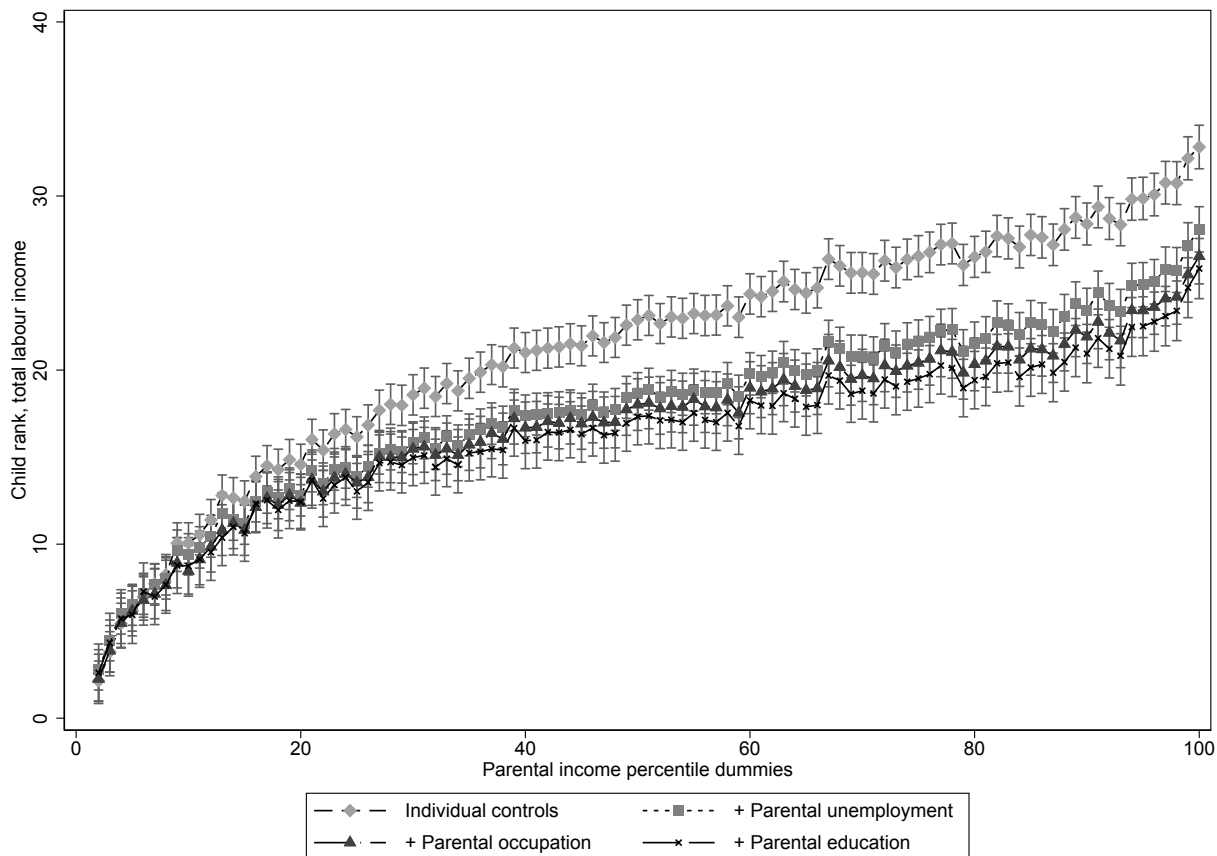
Notes: This table shows the parental region of origin for children born in Denmark from 1980-1987. We drop individuals for whom one or both parents are unknown or if parental origin is unknown. We also drop observations of children with missing information on education or if they are not liable to pay taxes in Denmark in the year they turn 30. Please see Appendix A for more details on the sample. Because of data confidentiality rules at Statistics Denmark, we are not allowed to show the counts in cells with fewer than 5 individuals. However, they remain in the sample, which explains why the sum of the counts in the columns can be smaller than the reported total.

Table II: Summary statistics

	Non-immigrant	1 parent born outside DK	2 parents born outside DK	>0 parents born in Greenland/Faroe Is.
Female	0.492	0.488	0.498	0.492
Married	0.244	0.208***	0.430***	0.195***
Parent	0.421	0.368***	0.470***	0.403
Total labour market income (1000 DKK)	268.776	247.479***	218.530***	214.970***
Labour income rank	50.468	46.958***	42.035***	41.190***
Inv. hyp. sine trans., total labour income	5.444	5.154***	4.710***	4.757***
ln(total labour income)	5.435	5.319***	5.217***	5.158***
ln(hourly wage)	5.226	5.229	5.197***	5.189***
Public transfers/benefits (1000 DKK)	45.481	48.937***	59.947***	58.791***
Unemployed	0.160	0.207***	0.279***	0.269***
Years of education	14.516	14.452***	13.684***	13.965***
Guilty charges	0.670	0.974***	1.779***	1.257***
Any prison	0.055	0.071***	0.144***	0.093***
Charges dropped / not guilty	0.181	0.299***	0.771***	0.330***
Share of charges dropped / not guilty	0.181	0.191*	0.258***	0.177
Mother				
Labour income during child's first 21 years (1000 DKK)	4475.312	4121.374***	1725.892***	3378.988***
Labour income rank	51.219	46.241***	18.113***	38.094***
Years of unemployment during child's first 21 years	2.696	4.296***	9.854***	5.289***
Years of education when child aged 21	13.219	13.655***	11.620***	13.191
Father				
Labour income during child's first 21 years (1000 DKK)	7704.955	6649.231***	3504.944***	5934.641***
Labour income rank	51.404	42.475***	19.064***	38.764***
Years of unemployment during child's first 21 years	1.168	2.583***	4.858***	2.981***
Years of education when child aged 21	13.512	14.056***	11.524***	13.554
N	362460	20908	10399	2650

Notes: This table shows characteristics of children born in Denmark from 1980-1987 in the year they turn 30. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. We drop individuals for whom one or both parents are unknown or if parental origin is unknown. We also drop observations of children with missing information on education or if they are not liable to pay taxes in Denmark in the year they turn 30. Please see Appendix A for more details on the sample. \* indicates whether or not levels are significantly different from the children with 2 parents born in Denmark, \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Figure I: Rank-rank relationship between parental and child income



Notes: Parental income is measured as the mother’s and father’s aggregated income (inflation adjusted, 2013-levels) during the first 21 years of the child’s life. The parental income rank is determined from the full set of parents in the sample described in section II. For children, we consider their income in the year they turn 30 in 2013-level, and the rank is similarly determined from the full set of children. The reference group is children of parents in the first parental income percentile. Individual controls: *gender dummy, and 11 home region dummies*. Parental unemployment: *dummies for years of unemployment for mother and father during the first 21 years of the child’s life*. Parental occupation: *mother’s and father’s 2-digit ISCO88 codes when child is 21 years old, with added categories for retirement, unemployment, or unknown occupation*. Parental education: *dummies for years of education of mother and father when child is 21 years old*. All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. See Table III for sample sizes. 95%-confidence intervals indicated, derived from robust standard errors.

Table III: Regressions: Earnings

Dependent variable		(1)	(2)	(3)	(4)	(5)	(6)
Total labour income (1000 DKK)	No. of parents born outside DK=2	-50.97*** (1.901)	-62.12*** (1.928)	10.86*** (1.973)	14.82*** (1.989)	17.70*** (2.113)	22.87*** (4.509)
	No. of parents born outside DK=1	-21.42*** (1.351)	-28.98*** (1.344)	-10.20*** (1.315)	-7.477*** (1.323)	-8.242*** (1.407)	-9.293*** (1.588)
	Parents from Greenland/Faroe Is.>0	-54.10*** (3.574)	-57.24*** (3.526)	-28.63*** (3.408)	-25.23*** (3.407)	-24.39*** (3.731)	-24.13*** (4.114)
	Adjusted $R^2$	0.00311	0.0394	0.0787	0.0806	0.0802	0.0788
	N	396417	396417	396417	396417	368806	347344
Rank total labour income	No. of parents born outside DK=2	-8.546*** (0.300)	-10.46*** (0.303)	1.790*** (0.312)	2.446*** (0.314)	2.968*** (0.333)	3.691*** (0.667)
	No. of parents born outside DK=1	-3.530*** (0.211)	-4.805*** (0.208)	-1.636*** (0.204)	-1.169*** (0.205)	-1.308*** (0.219)	-1.401*** (0.249)
	Parents from Greenland/Faroe Is.>0	-9.329*** (0.559)	-9.851*** (0.551)	-5.065*** (0.531)	-4.472*** (0.530)	-4.359*** (0.581)	-4.335*** (0.657)
	Adjusted $R^2$	0.00443	0.0583	0.112	0.115	0.116	0.115
	N	396417	396417	396417	396417	368806	347344
Inv. hyp. sine trans., total labour income	No. of parents born outside DK=2	-0.735*** (0.0264)	-0.826*** (0.0267)	0.116*** (0.0277)	0.177*** (0.0278)	0.209*** (0.0295)	0.187*** (0.0538)
	No. of parents born outside DK=1	-0.289*** (0.0170)	-0.352*** (0.0169)	-0.104*** (0.0167)	-0.0630*** (0.0167)	-0.0820*** (0.0177)	-0.0982*** (0.0197)
	Parents from Greenland/Faroe Is.>0	-0.689*** (0.0506)	-0.714*** (0.0503)	-0.338*** (0.0487)	-0.284*** (0.0487)	-0.282*** (0.0519)	-0.281*** (0.0575)
	Adjusted $R^2$	0.00443	0.0181	0.0672	0.0709	0.0700	0.0676
	N	396417	396417	396417	396417	368806	347344
ln(total labour income)	No. of parents born outside DK=2	-0.219*** (0.0142)	-0.255*** (0.0143)	0.0341* (0.0149)	0.0537*** (0.0150)	0.0696*** (0.0158)	0.0957*** (0.0273)
	No. of parents born outside DK=1	-0.116*** (0.00920)	-0.134*** (0.00919)	-0.0609*** (0.00917)	-0.0476*** (0.00920)	-0.0468*** (0.00968)	-0.0438*** (0.0107)
	Parents from Greenland/Faroe Is.>0	-0.278*** (0.0303)	-0.286*** (0.0302)	-0.182*** (0.0299)	-0.165*** (0.0299)	-0.159*** (0.0320)	-0.138*** (0.0345)
	Adjusted $R^2$	0.00241	0.0160	0.0342	0.0357	0.0366	0.0364
	N	350598	350598	350598	350598	327684	310258
ln(hourly wage)	No. of parents born outside DK=2	-0.0222*** (0.00343)	-0.0446*** (0.00343)	0.0295*** (0.00355)	0.0304*** (0.00356)	0.0369*** (0.00376)	0.0541*** (0.00741)
	No. of parents born outside DK=1	0.00395 (0.00231)	-0.0140*** (0.00224)	0.00215 (0.00222)	0.00273 (0.00222)	0.00277 (0.00235)	0.00168 (0.00262)
	Parents from Greenland/Faroe Is.>0	-0.0338*** (0.00648)	-0.0425*** (0.00629)	-0.0177** (0.00615)	-0.0171** (0.00615)	-0.0201** (0.00655)	-0.0212** (0.00715)
	Adjusted $R^2$	0.00315	0.0853	0.117	0.117	0.122	0.125
	N	337799	337799	337799	337799	315829	299257
Individual controls		No	Yes	Yes	Yes	Yes	Yes
Parental income		No	No	Yes	Yes	Yes	Yes
Parental unemployment		No	No	No	Yes	Yes	Yes
Parental occupation		No	No	No	No	Yes	Yes
Parental education		No	No	No	No	No	Yes

Notes: The table shows the estimated differences in outcomes between the three groups of first-generation locals and the children of two local-born parents, i.e. the coefficients  $\beta_1^1$ ,  $\beta_1^2$ , and  $\beta_1^3$  from Equation 1. Individual controls: *gender dummy, and 11 home region dummies*. Parental income: *percentile dummies for mother's and father's income during the first 21 years of the child's life*. Parental unemployment: *dummies for years of unemployment for mother and father during the first 21 years of the child's life*. Parental occupation: *mother's and father's 2-digit ISCO88 codes when child is 21 years old, with added categories for retirement, unemployment, or unknown occupation*. Parental education: *dummies for years of education of mother and father when child is 21 years old*. All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. For the regressions of ln(hourly wages), observations are weighted by full-time equivalents, number of hours worked / 1,923.96. Statistics Denmark defines 1,923.96 hours of work per year as full-time employment. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Robust standard errors in parentheses, \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table IV: Regressions: Transfers, unemployment and education

Dependent variable		(1)	(2)	(3)	(4)	(5)	(6)
Transfers (1000 DKK)	No. of parents born outside DK=2	14.59*** (0.728)	18.35*** (0.715)	-6.543*** (0.743)	-7.752*** (0.748)	-8.598*** (0.792)	-9.346*** (1.411)
	No. of parents born outside DK=1	3.474*** (0.467)	6.495*** (0.451)	-0.00160 (0.448)	-0.943* (0.449)	-0.303 (0.474)	0.884 (0.529)
	Parents from Greenland/Faroe Is.>0	13.38*** (1.360)	14.63*** (1.306)	4.714*** (1.273)	3.440** (1.275)	4.315** (1.376)	4.243** (1.500)
Adjusted $R^2$		0.00189	0.0794	0.121	0.123	0.124	0.124
Unemployed=1	No. of parents born outside DK=2	0.118*** (0.00444)	0.123*** (0.00448)	0.00134 (0.00463)	-0.00942* (0.00467)	-0.0134** (0.00493)	-0.0183* (0.00896)
	No. of parents born outside DK=1	0.0474*** (0.00287)	0.0511*** (0.00287)	0.0186*** (0.00285)	0.0118*** (0.00286)	0.0133*** (0.00302)	0.0134*** (0.00336)
	Parents from Greenland/Faroe Is.>0	0.109*** (0.00863)	0.110*** (0.00860)	0.0621*** (0.00840)	0.0535*** (0.00838)	0.0487*** (0.00895)	0.0477*** (0.00990)
Adjusted $R^2$		0.00442	0.00974	0.0393	0.0429	0.0424	0.0398
Years of education	No. of parents born outside DK=2	-0.868*** (0.0271)	-1.045*** (0.0272)	0.412*** (0.0277)	0.462*** (0.0279)	0.633*** (0.0292)	0.830*** (0.0553)
	No. of parents born outside DK=1	-0.0817*** (0.0188)	-0.281*** (0.0181)	0.0865*** (0.0173)	0.121*** (0.0174)	0.0641*** (0.0181)	-0.0220 (0.0200)
	Parents from Greenland/Faroe Is.>0	-0.577*** (0.0516)	-0.657*** (0.0491)	-0.0896 (0.0461)	-0.0448 (0.0461)	-0.139** (0.0483)	-0.157** (0.0538)
Adjusted $R^2$		0.00413	0.0828	0.191	0.194	0.218	0.234
N		396417	396417	396417	396417	368806	347344
Individual controls		No	Yes	Yes	Yes	Yes	Yes
Parental income		No	No	Yes	Yes	Yes	Yes
Parental unemployment		No	No	No	Yes	Yes	Yes
Parental occupation		No	No	No	No	Yes	Yes
Parental education		No	No	No	No	No	Yes

Notes: The table shows the estimated differences in outcomes between the three groups of first-generation locals and the children of two local-born parents, i.e. the coefficients  $\beta_1^1$ ,  $\beta_1^2$ , and  $\beta_1^3$  from Equation 1. Individual controls: *gender dummy, and 11 home region dummies*. Parental income: *percentile dummies for mother's and father's income during the first 21 years of the child's life*. Parental unemployment: *dummies for years of unemployment for mother and father during the first 21 years of the child's life*. Parental occupation: *mother's and father's 2-digit ISCO88 codes when child is 21 years old, with added categories for retirement, unemployment, or unknown occupation*. Parental education: *dummies for years of education of mother and father when child is 21 years old*. All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Robust standard errors in parentheses, \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

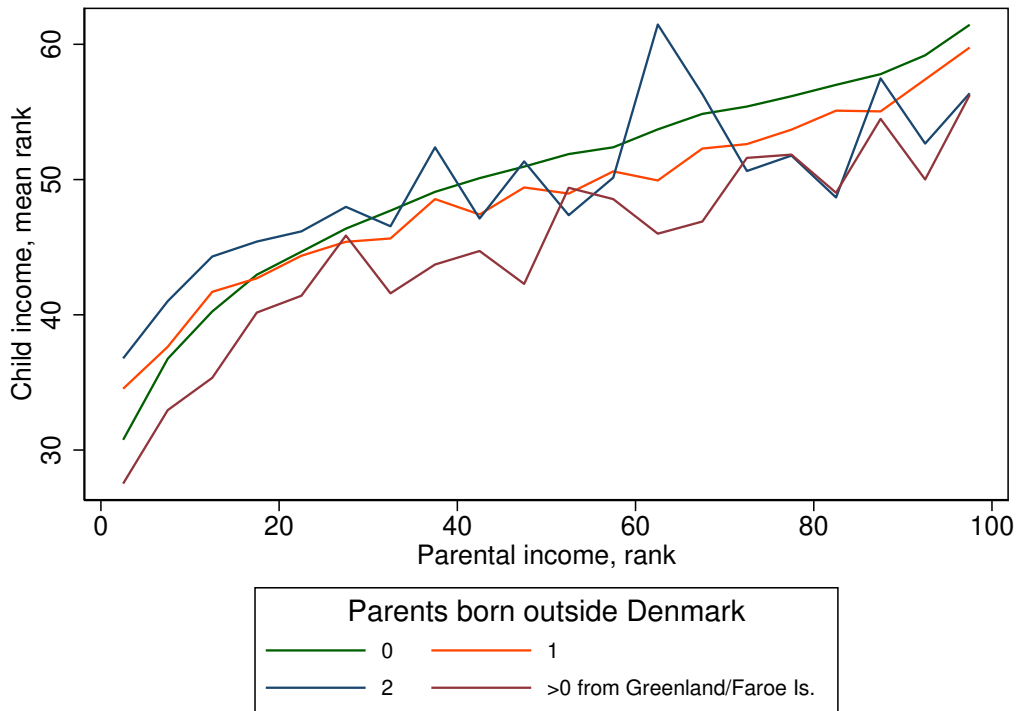
Table V: Regressions: Interactions with the criminal justice system

Dependent variable		(1)	(2)	(3)	(4)	(5)	(6)
Guilty charges	No. of parents born outside DK=2	1.110*** (0.0648)	1.135*** (0.0643)	0.171* (0.0677)	0.0682 (0.0685)	0.0266 (0.0709)	-0.114 (0.0920)
	No. of parents born outside DK=1	0.305*** (0.0327)	0.339*** (0.0325)	0.0639* (0.0323)	0.00498 (0.0325)	0.0252 (0.0325)	0.00250 (0.0308)
	Parents from Greenland/Faroe Is.>0	0.588*** (0.108)	0.602*** (0.107)	0.190 (0.106)	0.114 (0.107)	0.207 (0.116)	0.347** (0.129)
Adjusted $R^2$		0.00204	0.0200	0.0355	0.0381	0.0376	0.0352
N		396417	396417	396417	396417	368806	347344
Any prison	No. of parents born outside DK=2	0.0885*** (0.00347)	0.0921*** (0.00338)	0.0332*** (0.00348)	0.0275*** (0.00350)	0.0215*** (0.00367)	0.0124* (0.00633)
	No. of parents born outside DK=1	0.0158*** (0.00182)	0.0199*** (0.00178)	0.00333 (0.00178)	-0.0000788 (0.00178)	0.00160 (0.00185)	0.00253 (0.00198)
	Parents from Greenland/Faroe Is.>0	0.0378*** (0.00566)	0.0395*** (0.00551)	0.0154** (0.00545)	0.0110* (0.00544)	0.0149* (0.00582)	0.0281*** (0.00662)
Adjusted $R^2$		0.00416	0.0448	0.0635	0.0658	0.0658	0.0632
N		396417	396417	396417	396417	368806	347344
Charges dropped / not guilty	No. of parents born outside DK=2	0.590*** (0.0328)	0.593*** (0.0328)	0.297*** (0.0330)	0.267*** (0.0331)	0.247*** (0.0336)	0.138** (0.0497)
	No. of parents born outside DK=1	0.119*** (0.0147)	0.126*** (0.0147)	0.0439** (0.0145)	0.0269 (0.0145)	0.0327* (0.0149)	0.00972 (0.0122)
	Parents from Greenland/Faroe Is.>0	0.149*** (0.0432)	0.153*** (0.0430)	0.0288 (0.0432)	0.00678 (0.0431)	0.0336 (0.0482)	0.0847 (0.0572)
Adjusted $R^2$		0.00335	0.0129	0.0219	0.0236	0.0236	0.0199
N		396417	396417	396417	396417	368806	347344
Share of charges dropped / not guilty	No. of parents born outside DK=2	0.0780*** (0.00566)	0.0784*** (0.00577)	0.0646*** (0.00605)	0.0633*** (0.00608)	0.0617*** (0.00657)	0.0503*** (0.0137)
	No. of parents born outside DK=1	0.0104* (0.00476)	0.0120* (0.00478)	0.00767 (0.00482)	0.00704 (0.00483)	0.00580 (0.00529)	0.00498 (0.00636)
	Parents from Greenland/Faroe Is.>0	-0.00332 (0.0113)	-0.00316 (0.0113)	-0.0101 (0.0113)	-0.0114 (0.0113)	-0.0146 (0.0127)	-0.0197 (0.0140)
Adjusted $R^2$		0.00346	0.00416	0.00534	0.00535	0.00591	0.00391
N		70634	70634	70634	70634	63867	57637
Individual controls	No	Yes	Yes	Yes	Yes	Yes	Yes
Parental income	No	No	Yes	Yes	Yes	Yes	Yes
Parental unemployment	No	No	No	Yes	Yes	Yes	Yes
Parental occupation	No	No	No	No	Yes	Yes	Yes
Parental education	No	No	No	No	No	No	Yes

Notes: The table shows the estimated differences in outcomes between the three groups of first-generation locals and the children of two local-born parents, i.e. the coefficients  $\beta_1^1$ ,  $\beta_1^2$ , and  $\beta_1^3$  from Equation 1. Individual controls: *gender dummy*, and *11 home region dummies*. Parental income: *percentile dummies for mother's and father's income during the first 21 years of the child's life*. Parental unemployment: *dummies for years of unemployment for mother and father during the first 21 years of the child's life*. Parental occupation: *mother's and father's 2-digit ISCO88 codes when child is 21 years old, with added categories for retirement, unemployment, or unknown occupation*. Parental education: *dummies for years of education of mother and father when child is 21 years old*. All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. Robust standard errors in parentheses, \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$



Figure II: Children's mean income rank by parental income rank



Notes: We split the sample into ventiles by parental income rank, and mean child income rank calculated for each ventile, separately for each parental origin group. For children, we consider their income in the year they turn 30 in 2013-level, and the rank is similarly determined from the full set of children. For parents, we consider the aggregate labour market income during the 21st years of the child's life in 2013-level. The parental income ranks are determined across the entire sample, i.e. across years and parental origins. See Table II for sample sizes.

Table VI: Regressions: Earnings, by gender and the income of parental country of birth

Dependent variable		Women		Men		Low income		High income	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total labour income (1000 DKK)	No. of parents born outside DK=2	-35.21*** (2.506)	30.70*** (2.592)	-65.73*** (2.821)	-0.831 (2.844)	-52.13*** (1.955)	16.14*** (2.050)	-30.77*** (7.800)	-4.804 (7.692)
	No. of parents born outside DK=1	-14.52*** (1.673)	-0.323 (1.629)	-28.44*** (2.066)	-14.30*** (2.038)	-30.63*** (2.507)	-3.628 (2.458)	-17.75*** (1.572)	-8.961*** (1.525)
	Parents from Greenland/Faroe Is.>0	-43.47*** (4.383)	-14.05*** (4.191)	-64.30*** (5.540)	-36.06*** (5.313)	-108.4*** (30.48)	-54.61 (29.91)	-53.50*** (3.595)	-24.85*** (3.428)
	Adjusted $R^2$	0.0292	0.0808	0.0292	0.0808	0.00316	0.0806	0.00316	0.0806
	N	396417	396417	396417	396417	396417	396417	396417	396417
Rank total labour income	No. of parents born outside DK=2	-5.734*** (0.394)	5.272*** (0.404)	-11.18*** (0.446)	-0.341 (0.453)	-8.751*** (0.308)	2.651*** (0.323)	-4.994*** (1.274)	-0.625 (1.260)
	No. of parents born outside DK=1	-2.069*** (0.278)	0.333 (0.270)	-4.999*** (0.309)	-2.603*** (0.303)	-5.107*** (0.395)	-0.576 (0.387)	-2.901*** (0.246)	-1.398*** (0.236)
	Parents from Greenland/Faroe Is.>0	-7.368*** (0.722)	-2.413*** (0.687)	-11.21*** (0.837)	-6.467*** (0.800)	-16.42*** (5.482)	-7.432 (5.406)	-9.251*** (0.562)	-4.432*** (0.533)
	Adjusted $R^2$	0.0442	0.115	0.0442	0.115	0.00451	0.115	0.00451	0.115
	N	396417	396417	396417	396417	396417	396417	396417	396417
Inv. hyp. sine trans., total labour income	No. of parents born outside DK=2	-0.648*** (0.0373)	0.271*** (0.0384)	-0.816*** (0.0373)	0.0845* (0.0380)	-0.754*** (0.0273)	0.188*** (0.0288)	-0.406*** (0.103)	-0.00114 (0.101)
	No. of parents born outside DK=1	-0.238*** (0.0244)	-0.00982 (0.0239)	-0.341*** (0.0236)	-0.114*** (0.0232)	-0.462*** (0.0330)	-0.0616 (0.0327)	-0.220*** (0.0195)	-0.0634*** (0.0190)
	Parents from Greenland/Faroe Is.>0	-0.620*** (0.0718)	-0.208** (0.0692)	-0.755*** (0.0712)	-0.358*** (0.0682)	-1.415** (0.519)	-0.714 (0.521)	-0.681*** (0.0508)	-0.279*** (0.0489)
	Adjusted $R^2$	0.0114	0.0710	0.0114	0.0710	0.00459	0.0709	0.00459	0.0709
	N	396417	396417	396417	396417	396417	396417	396417	396417
ln(total labour income)	No. of parents born outside DK=2	-0.171*** (0.0202)	0.105*** (0.0207)	-0.261*** (0.0198)	0.00409 (0.0204)	-0.223*** (0.0146)	0.0599*** (0.0155)	-0.157** (0.0538)	-0.0308 (0.0535)
	No. of parents born outside DK=1	-0.0942*** (0.0131)	-0.0253 (0.0130)	-0.136*** (0.0129)	-0.0683*** (0.0128)	-0.147*** (0.0177)	-0.0229 (0.0177)	-0.104*** (0.0106)	-0.0567*** (0.0105)
	Parents from Greenland/Faroe Is.>0	-0.214*** (0.0394)	-0.0988* (0.0388)	-0.336*** (0.0455)	-0.228*** (0.0448)	-0.285 (0.196)	-0.0459 (0.191)	-0.277*** (0.0305)	-0.166*** (0.0301)
	Adjusted $R^2$	0.0132	0.0358	0.0132	0.0358	0.00242	0.0357	0.00242	0.0357
	N	350598	350598	350598	350598	350598	350598	350598	350598
ln(hourly wage)	No. of parents born outside DK=2	0.000684 (0.00459)	0.0531*** (0.00467)	-0.0395*** (0.00495)	0.00943 (0.00506)	-0.0241*** (0.00352)	0.0320*** (0.00366)	0.00945 (0.0149)	0.00983 (0.0148)
	No. of parents born outside DK=1	0.0162*** (0.00299)	0.0153*** (0.00286)	-0.00676* (0.00337)	-0.00824* (0.00329)	0.00464 (0.00448)	0.0138** (0.00432)	0.00369 (0.00267)	-0.00137 (0.00254)
	Parents from Greenland/Faroe Is.>0	-0.0186* (0.00789)	0.00104 (0.00735)	-0.0466*** (0.00977)	-0.0331*** (0.00956)	-0.112 (0.0764)	-0.0912 (0.0779)	-0.0331*** (0.00650)	-0.0164** (0.00617)
	Adjusted $R^2$	0.0524	0.118	0.0524	0.118	0.00316	0.117	0.00316	0.117
	N	337799	337799	337799	337799	337799	337799	337799	337799
Individual controls	No	Yes	No	Yes	No	Yes	No	Yes	
Parental income	No	Yes	No	Yes	No	Yes	No	Yes	
Parental unemployment	No	Yes	No	Yes	No	Yes	No	Yes	
Parental occupation	No	No	No	No	No	No	No	No	
Parental education	No	No	No	No	No	No	No	No	

Notes: For women/men: Reference group is children of the same gender, but of parents born in Denmark. For low/high income: Reference group is children with two parents born in Denmark. We group children as low income if at least one parent is immigrated from a country with a low GDP per capita. See Appendix A for more details. Individual controls: *gender dummy, and 11 home region dummies*. Parental income: *percentile dummies for mother's and father's income during the first 21 years of the child's life*. Parental unemployment: *dummies for years of unemployment for mother and father during the first 21 years of the child's life*. Parental occupation: *mother's and father's 2-digit ISCO88 codes when child is 21 years old, with added categories for retirement, unemployment, or unknown occupation*. Parental education: *dummies for years of education of mother and father when child is 21 years old*. All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. For the regressions of ln(hourly wages), observations are weighted by full-time equivalents, number of hours worked / 1,923.96. Statistics Denmark defines 1,923.96 hours of work per year as full-time employment. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Robust standard errors in parentheses, \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table VII: Regressions: Transfers, unemployment and education,  
by gender and income of parental country of birth

Dependent variable		Women		Men		Low income		High income	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Transfers (1000 DKK)	No. of parents born outside DK=2	14.42*** (1.092)	-7.939*** (1.106)	14.35*** (0.909)	-7.568*** (0.941)	15.43*** (0.754)	-7.768*** (0.777)	-0.0889 (2.534)	-8.242*** (2.422)
	No. of parents born outside DK=1	2.605*** (0.717)	-1.950** (0.697)	4.509*** (0.567)	0.0200 (0.562)	5.710*** (0.880)	-2.940*** (0.847)	2.583*** (0.543)	-0.164 (0.516)
	Parents from Greenland/Faroe Is.>0	12.88*** (2.029)	2.645 (1.929)	13.80*** (1.713)	4.213* (1.669)	23.03 (14.11)	5.107 (13.30)	13.27*** (1.366)	3.407** (1.280)
	Adjusted $R^2$	0.0641	0.123	0.0641	0.123	0.00199	0.123	0.00199	0.123
Unemployed=1	No. of parents born outside DK=2	0.116*** (0.00643)	-0.0126 (0.00658)	0.120*** (0.00611)	-0.00631 (0.00624)	0.121*** (0.00458)	-0.0105* (0.00482)	0.0709*** (0.0177)	0.00878 (0.0174)
	No. of parents born outside DK=1	0.0444*** (0.00424)	0.00881* (0.00419)	0.0505*** (0.00386)	0.0146*** (0.00385)	0.0749*** (0.00552)	0.0139* (0.00552)	0.0364*** (0.00330)	0.0109*** (0.00327)
	Parents from Greenland/Faroe Is.>0	0.108*** (0.0126)	0.0516*** (0.0123)	0.110*** (0.0118)	0.0553*** (0.0114)	0.184* (0.0876)	0.0793 (0.0903)	0.108*** (0.00867)	0.0532*** (0.00842)
	Adjusted $R^2$	0.00801	0.0429	0.00801	0.0429	0.00456	0.0429	0.00456	0.0429
Years of education	No. of parents born outside DK=2	-0.703*** (0.0376)	0.643*** (0.0383)	-1.038*** (0.0380)	0.283*** (0.0382)	-0.919*** (0.0278)	0.470*** (0.0287)	0.0202 (0.114)	0.355** (0.110)
	No. of parents born outside DK=1	-0.0450 (0.0265)	0.157*** (0.0246)	-0.113*** (0.0262)	0.0868*** (0.0243)	-0.231*** (0.0356)	0.208*** (0.0335)	-0.0221 (0.0217)	0.0872*** (0.0199)
	Parents from Greenland/Faroe Is.>0	-0.521*** (0.0727)	0.0326 (0.0655)	-0.633*** (0.0721)	-0.120 (0.0647)	-0.935* (0.458)	-0.317 (0.416)	-0.573*** (0.0519)	-0.0411 (0.0464)
	Adjusted $R^2$	0.0174	0.194	0.0174	0.194	0.00438	0.194	0.00438	0.194
N	396417	396417	396417	396417	396417	396417	396417	396417	396417
Individual controls	No	Yes	No	Yes	No	Yes	No	Yes	
Parental income	No	Yes	No	Yes	No	Yes	No	Yes	
Parental unemployment	No	Yes	No	Yes	No	Yes	No	Yes	
Parental occupation	No	No	No	No	No	No	No	No	
Parental education	No	No	No	No	No	No	No	No	

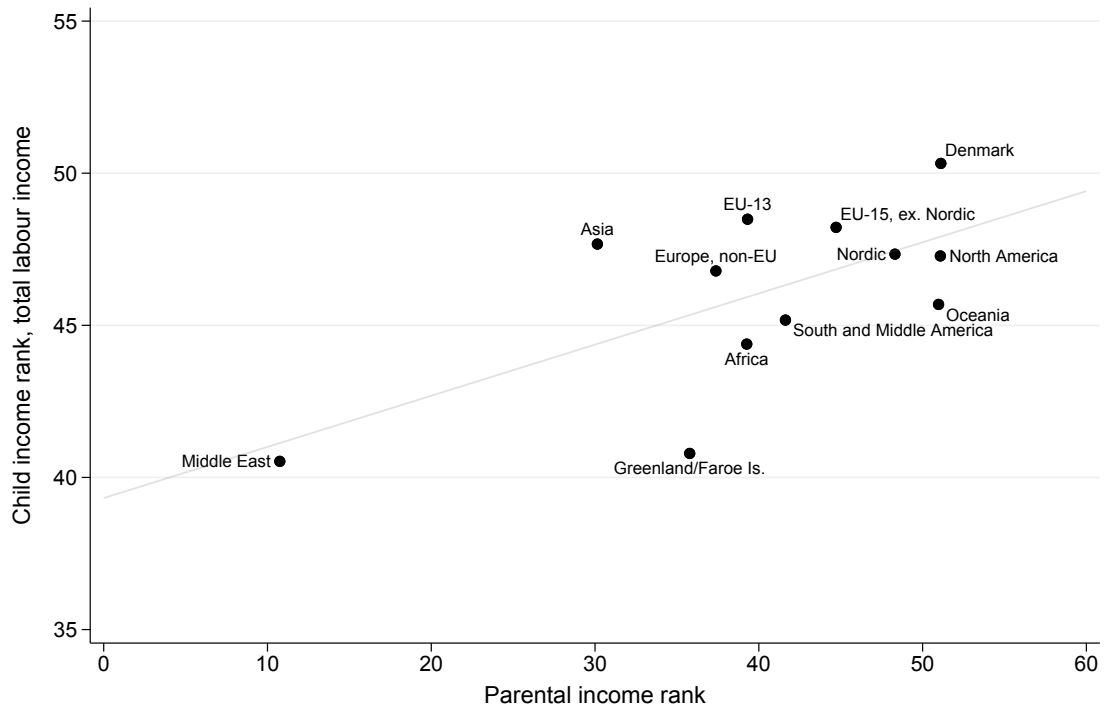
Notes: For women/men: Reference group is children of the same gender, but of parents born in Denmark. For low/high income: Reference group is children with two parents born in Denmark. We group children as low income if at least one parent is immigrated from a country with a low GDP per capita. See Appendix A for more details. Individual controls: *gender dummy, and 11 home region dummies*. Parental income: *percentile dummies for mother's and father's income during the first 21 years of the child's life*. Parental unemployment: *dummies for years of unemployment for mother and father during the first 21 years of the child's life*. Parental occupation: *mother's and father's 2-digit ISCO88 codes when child is 21 years old, with added categories for retirement, unemployment, or unknown occupation*. Parental education: *dummies for years of education of mother and father when child is 21 years old*. All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Robust standard errors in parentheses. \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table VIII: Regressions: Interactions with the criminal justice system,  
by gender and income of parental country of birth

Dependent variable		Women		Men		Low income		High income	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Guilty charges	No. of parents born outside DK=2	0.132*** (0.0215)	-0.935*** (0.0347)	2.091*** (0.124)	1.058*** (0.126)	1.157*** (0.0667)	0.0882 (0.0709)	0.293 (0.270)	-0.194 (0.262)
	No. of parents born outside DK=1	0.0856*** (0.0168)	-0.213*** (0.0194)	0.508*** (0.0611)	0.213*** (0.0603)	0.653*** (0.0764)	0.152* (0.0749)	0.166*** (0.0335)	-0.0520 (0.0334)
	Parents from Greenland/Faroe Is.>0	0.237*** (0.0536)	-0.246*** (0.0561)	0.930*** (0.204)	0.463* (0.202)	2.159 (1.431)	1.361 (1.420)	0.571*** (0.108)	0.102 (0.107)
	Adjusted $R^2$ N	0.0202 396417	0.0396 396417	0.0202 396417	0.0396 396417	0.00224 396417	0.0381 396417	0.00224 396417	0.0381 396417
Any prison	No. of parents born outside DK=2	0.0142*** (0.00228)	-0.0484*** (0.00260)	0.163*** (0.00611)	0.103*** (0.00614)	0.0926*** (0.00361)	0.0299*** (0.00365)	0.0173 (0.0109)	-0.00657 (0.0108)
	No. of parents born outside DK=1	0.00524*** (0.00134)	-0.0104*** (0.00140)	0.0254*** (0.00324)	0.00977** (0.00319)	0.0349*** (0.00374)	0.00757* (0.00362)	0.00818*** (0.00203)	-0.00303 (0.00199)
	Parents from Greenland/Faroe Is.>0	0.0172*** (0.00472)	-0.0101* (0.00470)	0.0579*** (0.00988)	0.0315** (0.00967)	0.0476 (0.0564)	0.0120 (0.0559)	0.0377*** (0.00569)	0.0111* (0.00547)
	Adjusted $R^2$ N	0.0429 396417	0.0685 396417	0.0429 396417	0.0685 396417	0.00443 396417	0.0659 396417	0.00443 396417	0.0659 396417
Charges dropped / not guilty	No. of parents born outside DK=2	0.0377*** (0.00842)	-0.294*** (0.0140)	1.141*** (0.0633)	0.820*** (0.0628)	0.621*** (0.0345)	0.299*** (0.0349)	0.0535 (0.0545)	-0.0988 (0.0533)
	No. of parents born outside DK=1	0.0238*** (0.00580)	-0.0681*** (0.00681)	0.207*** (0.0281)	0.117*** (0.0276)	0.262*** (0.0380)	0.108** (0.0371)	0.0612*** (0.0137)	-0.00419 (0.0137)
	Parents from Greenland/Faroe Is.>0	0.0735** (0.0247)	-0.0721** (0.0254)	0.224** (0.0813)	0.0828 (0.0811)	1.028 (0.732)	0.783 (0.730)	0.140** (0.0429)	-0.000770 (0.0428)
	Adjusted $R^2$ N	0.0152 396417	0.0265 396417	0.0152 396417	0.0265 396417	0.00367 396417	0.0237 396417	0.00367 396417	0.0237 396417
Share of charges dropped / not guilty	No. of parents born outside DK=2	-0.00391 (0.0128)	-0.0159 (0.0129)	0.101*** (0.00625)	0.0856*** (0.00665)	0.0797*** (0.00574)	0.0650*** (0.00618)	0.0288 (0.0313)	0.0231 (0.0315)
	No. of parents born outside DK=1	0.00962 (0.0111)	0.00692 (0.0112)	0.0103* (0.00520)	0.00703 (0.00527)	0.0211** (0.00804)	0.0155 (0.00814)	0.00499 (0.00575)	0.00291 (0.00580)
	Parents from Greenland/Faroe Is.>0	-0.0200 (0.0227)	-0.0279 (0.0225)	0.00192 (0.0130)	-0.00559 (0.0130)	0.0446 (0.0982)	0.0380 (0.101)	-0.00418 (0.0113)	-0.0122 (0.0113)
	Adjusted $R^2$ N	0.00433 70634	0.00611 70634	0.00433 70634	0.00611 70634	0.00350 70634	0.00536 70634	0.00350 70634	0.00536 70634
Individual controls	No	Yes	No	Yes	No	Yes	No	Yes	
Parental income	No	Yes	No	Yes	No	Yes	No	Yes	
Parental unemployment	No	Yes	No	Yes	No	Yes	No	Yes	
Parental occupation	No	No	No	No	No	No	No	No	
Parental education	No	No	No	No	No	No	No	No	

Notes: For women/men: Reference group is children of the same gender, but of parents born in Denmark. For low/high income: Reference group is children with two parents born in Denmark. We group children as low income if at least one parent is immigrated from a country with a low GDP per capita. See Appendix A for more details. Individual controls: *gender dummy, and 11 home region dummies*. Parental income: *percentile dummies for mother's and father's income during the first 21 years of the child's life*. Parental unemployment: *dummies for years of unemployment for mother and father during the first 21 years of the child's life*. Parental occupation: *mother's and father's 2-digit ISCO88 codes when child is 21 years old, with added categories for retirement, unemployment, or unknown occupation*. Parental education: *dummies for years of education of mother and father when child is 21 years old*. All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. Robust standard errors in parentheses, \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Figure III: Average income ranks by mother's region of birth



Notes: Parental income is measured as the mother's and father's aggregated income (inflation adjusted, 2013-levels) during the first 21 years of the child's life. The parental income rank is determined from the full set of parents in the sample described in section II. For children, we consider their income in the year they turn 30 in 2013-level, and the rank is similarly determined from the full set of children. See Table II for sample sizes.

## A Data

All the data utilised in the paper is register data from Denmark supplied by Statistics Denmark. Some of the primary advantages of the register data are that we have access to population-level data on all outcomes and controls, and that these do not suffer from measurement error from self-reporting. Statistics Denmark collect data from various Danish institutions. For example, when a person is sentenced to prison in Denmark, this is always recorded by the police. These records are subsequently supplied to us by Statistics Denmark. Income data is based on tax returns, and taxes in Denmark are for the vast majority of people reported directly by employers to the tax authorities. Again, these data are passed onto Statistics Denmark. Similarly, when someone graduates from primary school or university, this data is also collected in a population-level dataset.

Our baseline sample is all people born in Denmark from 1980 to 1987. We only keep observations from the year in which they turn 30, if they are fully liable to pay taxes in Denmark (this information is available in the AKM-register), and if they are observed in the Danish population register, i.e. if they reside in Denmark (this information is available in the BEF-register).

Importantly, the BEF-register provides child-parent linkages for both mothers and fathers. In order to determine parental origin, we drop observations of children with only one or zero known parents. We also drop children with two known parents, but the parental origin is unknown. Together this accounts for 3,451 dropped individuals. The BEF-register provides information on the country of birth of both the children and parents, and from this, we can construct regions or continents of birth. Most regions or continents are straightforward to define, but the definition of the Middle East varies across contexts. When referring to the Middle East, we mean the combination of the MENAP and MENAT regions, which include some Northern African countries, Israel, Turkey, Pakistan, and Afghanistan. We split the European countries into the Nordics, EU-15 ex. Nordic, EU-13, and non-EU. We categorise Yugoslavia as non-EU because only a subset of the former Yugoslavian republics have joined the EU as part of the EU-13 expansion. Although some definitions of the Middle East include Cyprus, we categorise Cyprus as EU-13. A list of countries in each region is available in Table A.9. If we do not observe any children with parents born in a given country, the country is excluded from the list, e.g. Lithuania, which otherwise would be included in EU-13. We include the United Kingdom in EU-15 as our sample period ends in 2018, i.e. before Brexit.

For the analysis in Section V, we categorise parental origin countries as

low or high income countries. We use 1980-GDP per capita data from the World Bank,<sup>7</sup> and categorise countries as high income if their 1980-GDP per capita was higher than 4,000 USD (in 2022-levels). Some countries, e.g. the countries that previously were part of the Soviet Union, lack GDP-data from 1980. We categorise them based on later years' GDP per capita. We classify 94.6% of the children with two immigrant parents and 28.5% of the children with one immigrant parent as low income. For a very small subset of first-generation locals, 0.004% of our sample, we only observe continent and not country of birth for one or both of their parents. We group these parents into low/high income origin depending on the majority of observations in the respective continent.

We obtain information on the labour market income of both parents and children and on children's transfers/public benefits from the IND-register. All measures of income and transfers are inflation-adjusted to 2013-levels. We consider aggregate labour market income which includes both wage income and profits from self-employment. When calculating parental income during the 21st years of a child's life, we adjust yearly for inflation, so all income is in 2013-levels before aggregating. Transfers/public benefits are the yearly sum of all transfers that are primarily financed by government institutions, including all unemployment benefits, child benefits, housing support, student benefits, and all public pensions. We obtain information on the education level of both parents and children from the UDDA-register. Education obtained in Denmark appears in the registers for both immigrants and non-immigrants, but any education obtained abroad by immigrants is registered upon arrival by surveying the individuals. However, due to non-responses, there are many missing observations, so we report both specifications that include and exclude parental education.

Data on unemployment and parental occupation are from the AKM-register. Unemployment is defined as not working for at least half of the year and not being retired, and the occupation code is for the primary job. Occupation codes are missing for some employees working at smaller firms, as these firms are not required to report occupational codes for their employees to the authorities; hence the smaller sample size for the specification including controls for parental occupation.

The outcome of a criminal charge, that is whether the person is found guilty or not, and whether charge is dropped or not, as well as the punishment is available in the KRAF-register. First, we simply construct an indicator variable that is equal to one if the child has ever been sentenced to prison by the end of the year in which they turn 30. We include both suspended and unsuspended prison sentences.

All criminal charges are available in the KRSI- and KRKO-registers. We generally follow the approach in The Danish Institute for Human Rights (2022) when identifying

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<sup>7</sup><https://data.worldbank.org/indicator/NY.GDP.PCAP.CD>

the cases for which individuals have been found not guilty or have had a criminal charge dropped, although we count all charges that are dropped without conditions as “charge dropped / not guilty”. Some criminal charges are dropped with conditions, e.g. the payment of a fine, we count them as “guilty” charges. We construct counts of the total number of guilty and dropped/not-guilty charges for each child by the end of the year in which they turn 30. When counting the number of charges, we exclude charges due to traffic offences covered by the Danish Highway Code / Traffic Law (DA: “Færdselsloven”). These account for 45,7% of all criminal charges and include fines for speeding. We exclude them because this subset of charges are rarely dropped and most are processed without court hearings.

For the subset of individuals with at least one criminal charge, we also calculate the share of dropped/not-guilty charges. If this measure is particularly high for certain groups, we interpret this as suggestive evidence of police targeting.

We drop 3,112 children with missing information on any of the outcomes or controls used in the analysis, but we allow for missing information on parental occupation and education. The largest share of the dropped children are missing data on education (2,218 individuals), e.g. because of qualifications obtained abroad.

We calculate hourly wages from the BFL-register which includes information on both monthly hours and monthly earnings for employees. Hourly wages are also inflation-adjusted to 2013-levels. When considering hourly wages, we also exclude children with missing or implausible earnings defined as:

1. Abnormal reported hourly wages ( $>5,000$  DKK,  $<30$  DKK, per job)
2. Abnormal reported hours worked ( $>3,500$  hours,  $<7.4$  hours per year, per job)
3. Abnormal reported total wages ( $>10,000,000$  DKK,  $<1,000$  DKK, per job)



Table A.9: List of countries included in regions of birth

Region	Country
Africa	Angola
Africa	Benin
Africa	Botswana
Africa	Burundi
Africa	Cameroon
Africa	Cape Verde
Africa	Comores
Africa	Congo, Democratic Republic
Africa	Congo, Republic
Africa	Eritrea
Africa	Eswatini
Africa	Ethiopia
Africa	Gambia
Africa	Ghana
Africa	Guinea
Africa	Guinea-Bissau
Africa	Ivory Coast
Africa	Kenya
Africa	Lesotho
Africa	Liberia
Africa	Madagascar
Africa	Malawi
Africa	Mali
Africa	Mauritius
Africa	Mozambique
Africa	Nigeria
Africa	Rwanda
Africa	Senegal
Africa	Sierra Leone
Africa	South Africa
Africa	Tanzania
Africa	Togo
Africa	Uganda
Africa	Zambia
Africa	Zimbabwe
Asia	Asia, unspecified
Asia	Azerbaijan
Asia	Bangladesh
Asia	Cambodia
Asia	China
Asia	India

Region	Country
Asia	Indonesia
Asia	Japan
Asia	Laos
Asia	Malaysia
Asia	Myanmar
Asia	Nepal
Asia	Phillipines
Asia	Singapore
Asia	South Korea
Asia	Sri Lanka
Asia	Taiwan
Asia	Thailand
Asia	Uzbekistan
Asia	Vietnam
Denmark	Denmark
EU-13	Bulgaria
EU-13	Croatia
EU-13	Cyprus
EU-13	Czech Republic
EU-13	Czechoslovakia
EU-13	Hungary
EU-13	Latvia
EU-13	Malta
EU-13	Poland
EU-13	Romania
EU-15, ex. Nordic	Austria
EU-15, ex. Nordic	Belgium
EU-15, ex. Nordic	France
EU-15, ex. Nordic	Germany
EU-15, ex. Nordic	Greece
EU-15, ex. Nordic	Ireland
EU-15, ex. Nordic	Italy
EU-15, ex. Nordic	Luxembourg
EU-15, ex. Nordic	Netherlands
EU-15, ex. Nordic	Portugal
EU-15, ex. Nordic	Spain
Europe, non-EU	Belarus
Europe, non-EU	Bosnia Herzegovina
Europe, non-EU	Europe, unspecified
Europe, non-EU	North Macedonia
Europe, non-EU	Russia

Region	Country
Europe, non-EU	Soviet Union
Europe, non-EU	Switzerland
Europe, non-EU	United Kingdom
Europe, non-EU	Yugoslavia
Europe, non-EU	Yugoslavia, Federal Republic
Greenland/Faroe Is.	Faroe Islands
Greenland/Faroe Is.	Greenland
Middle East	Afghanistan
Middle East	Algeria
Middle East	Bahrain
Middle East	Djibouti
Middle East	Egypt
Middle East	Iran
Middle East	Iraq
Middle East	Israel
Middle East	Jordan
Middle East	Kuwait
Middle East	Lebanon
Middle East	Libya
Middle East	Mauritania
Middle East	Middle East, unspecified
Middle East	Morocco
Middle East	Pakistan
Middle East	Saudi Arabia
Middle East	Somalia
Middle East	Sudan
Middle East	Syria
Middle East	Tunisia
Middle East	Turkey
Middle East	Yemen
Nordic	Finland
Nordic	Iceland
Nordic	Norway
Nordic	Sweden
North America	Canada
North America	North America, unspecified
North America	USA
Oceania	Australia
Oceania	Fiji
Oceania	Marshall Islands
Oceania	New Zealand

Region	Country
Oceania	Tonga
South and Middle America	Argentina
South and Middle America	Barbados
South and Middle America	Bolivia
South and Middle America	Brazil
South and Middle America	Chile
South and Middle America	Colombia
South and Middle America	Costa Rica
South and Middle America	Cuba
South and Middle America	Dominican Republic
South and Middle America	Ecuador
South and Middle America	El Salvador
South and Middle America	Grenada
South and Middle America	Guatemala
South and Middle America	Guyana
South and Middle America	Haiti
South and Middle America	Honduras
South and Middle America	Jamaica
South and Middle America	Mexico
South and Middle America	Nicaragua
South and Middle America	Panama
South and Middle America	Paraguay
South and Middle America	Peru
South and Middle America	South and Middle America, unspecified
South and Middle America	Surinam
South and Middle America	Trinidad and Tobago
South and Middle America	Uruguay
South and Middle America	Venezuela
South and Middle America	West Indies

Notes: Most continents or regions of origin are straightforward to define, but the definition of the Middle East varies across contexts. When referring to the Middle East, we mean the combination of the MENAP and MENAT regions, which include some Northern African countries, Israel, Turkey, Pakistan, and Afghanistan. We split the European countries into the Nordics, EU-15 ex. Nordic, EU-13, and non-EU. We categorise Yugoslavia as non-EU because only a subset of the former Yugoslavian republics have joined the EU as part of the EU-13 expansion. Although some definitions of the Middle East include Cyprys, we categorise Cyprus as EU-13. If we do not observe any children with parents born in a given country, the country is excluded from the list, e.g. Lithuania, which otherwise would be included in EU-13. We include the United Kingdom in EU-15 as our sample period ends in 2018, i.e. before Brexit

## **B Oaxaca Decomposition**

### **B.A Oaxaca-Blinder decompositions**

#### **B.A.A Reference group: Children of two parents born in Denmark**

In this Appendix we present results from Oaxaca-Blinder decompositions of the gaps in outcomes for first-generation locals. The results of this exercise for those with two immigrant parents compared to those with two local-born parents are in Table B.10. We obtain the same pattern of results as before: Those with immigrant parents have worse outcomes unconditionally, but that around or more than 100% of these differences can be explained by the socio-economic situation of their parents. The unexplained part of the differential is always in favour of the children of immigrants, with exception of the crime outcomes.

Table B.10: Oaxaca-Blinder decompositions: 2 vs. 0 parent born outside Denmark

	(1) Total labour income <sup>†</sup>	(2) Rank labour income	(3) Inv. hyp. sine trans., total labour income	(4) ln(total labour income)	(5) ln(hourly wage), all jobs	(6) Public transfers/ benefits <sup>†</sup>	(7) Unemployed	(8) Years of education	(9) of Guilty charges	(10) Any prison	(11) Charges dropped / not guilty	(12) Share of charges dropped / not guilty
2 parents born outside DK	218.5*** (1.886)	42.03*** (0.299)	4.710*** (0.0265)	5.217*** (0.0142)	5.220*** (0.00342)	59.95*** (0.729)	0.279*** (0.00445)	13.68*** (0.0265)	1.779*** (0.0653)	0.144*** (0.00349)	0.771*** (0.0331)	0.258*** (0.00571)
0 parents born outside DK	268.8*** (0.338)	50.47*** (0.0477)	5.444*** (0.00365)	5.435*** (0.00192)	5.240*** (0.000495)	45.48*** (0.107)	0.160*** (0.000608)	14.52*** (0.00405)	0.670*** (0.00685)	0.0553*** (0.000380)	0.181*** (0.00261)	0.181*** (0.00127)
Difference	-50.25*** (1.916)	-8.434*** (0.303)	-0.735*** (0.0267)	-0.218*** (0.0144)	-0.0200*** (0.00345)	14.47*** (0.736)	0.119*** (0.00449)	-0.832*** (0.0268)	1.109*** (0.0657)	0.0890*** (0.00351)	0.590*** (0.0332)	0.0770*** (0.00585)
Total explained	-43.39*** (5.245)	-7.212*** (0.780)	-0.584*** (0.0631)	-0.185*** (0.0320)	-0.0201* (0.00853)	18.54*** (1.647)	0.102*** (0.0106)	-0.914*** (0.0671)	0.888*** (0.128)	0.0444*** (0.00812)	0.566*** (0.0631)	0.0459*** (0.0131)
- Individual charac.	4.750* (2.163)	0.674 (0.365)	0.0273 (0.0317)	0.0358* (0.0169)	0.0196*** (0.00416)	-0.837 (0.859)	0.00230 (0.00525)	0.0606 (0.0365)	-0.0849 (0.0755)	-0.00874* (0.00439)	0.00512 (0.0313)	0.00109 (0.00703)
- Parental charac.	-48.14*** (4.812)	-7.885*** (0.689)	-0.611*** (0.0544)	-0.220*** (0.0275)	-0.0397*** (0.00741)	19.37*** (1.401)	0.100*** (0.00912)	-0.974*** (0.0566)	0.973*** (0.107)	0.0532*** (0.00690)	0.561*** (0.0523)	0.0448*** (0.0109)
Total unexplained	-6.855 (5.606)	-1.222 (0.823)	-0.151* (0.0654)	-0.0330 (0.0331)	2.78e-05 (0.00891)	-4.070* (1.687)	0.0167 (0.0109)	0.0819 (0.0699)	0.222 (0.123)	0.0446*** (0.00837)	0.0238 (0.0528)	0.0311* (0.0135)
Observations	372,859	372,859	372,859	330,507	318,567	372,859	372,859	372,859	372,859	372,859	372,859	65,312

Notes: Coefficients of children with 0 parents born outside Denmark used as reference level. † indicates 1000 DKK, 2013-levels. Individual characteristics: *gender dummy*, and *11 home region dummies*. Parental characteristics: *percentile dummies for mother's and father's income during the first 21 years of the child's life*, *dummies for years of unemployment for mother and father during the first 21 years of the child's life*. All parental characteristics are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. For the regressions of ln(hourly wages), observations are weighted by full-time equivalents, number of hours worked / 1,923.96. Statistics Denmark defines 1,923.96 hours of work per year as full-time employment. Robust standard errors in parentheses, \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table B.11: Oaxaca-Blinder decompositions: 1 vs. 0 parent born outside Denmark

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Total labour income <sup>†</sup>	Rank labour income	Inv. hyp. sine trans., total labour income	ln(total labour income)	ln(hourly wage), all jobs	Public transfers/ benefits <sup>†</sup>	Unemployed	Years of ed- ucation	Guilty charges	Any prison	Charges dropped / not guilty	Share of charges dropped / not guilty
1 parents born outside DK	247.5*** (1.314)	46.96*** (0.207)	5.154*** (0.0167)	5.319*** (0.00906)	5.244*** (0.00226)	48.94*** (0.458)	0.207*** (0.00282)	14.45*** (0.0181)	0.974*** (0.0322)	0.0713*** (0.00179)	0.299*** (0.0146)	0.191*** (0.00471)
0 parents born outside DK	268.8*** (0.338)	50.47*** (0.0477)	5.444*** (0.00365)	5.435*** (0.00192)	5.240*** (0.000495)	45.48*** (0.107)	0.160*** (0.000608)	14.52*** (0.00405)	0.670*** (0.00685)	0.0553*** (0.000380)	0.181*** (0.00261)	0.181*** (0.00127)
Difference	-21.30*** (1.357)	-3.511*** (0.212)	-0.290*** (0.0171)	-0.115*** (0.00927)	0.00444 (0.00231)	3.456*** (0.470)	0.0477*** (0.00288)	-0.0643*** (0.0185)	0.305*** (0.0329)	0.0160*** (0.00183)	0.118*** (0.0148)	0.0103* (0.00488)
Total explained	-9.001*** (0.941)	-1.633*** (0.146)	-0.155*** (0.0118)	-0.0525*** (0.00632)	0.00621*** (0.00162)	1.561*** (0.326)	0.0278*** (0.00196)	-0.0908*** (0.0138)	0.234*** (0.0229)	0.0108*** (0.00127)	0.0831*** (0.0111)	0.00397 (0.00353)
- Individual charac.	4.915*** (0.522)	0.758*** (0.0824)	0.0492*** (0.00668)	0.00951* (0.00372)	0.0135*** (0.000953)	-2.957*** (0.191)	-0.00134 (0.00113)	0.122*** (0.00807)	-0.0415** (0.0128)	-0.00447*** (0.000723)	-0.0132* (0.00519)	-0.00433* (0.00178)
- Parental charac.	-13.92*** (0.774)	-2.391*** (0.122)	-0.204*** (0.0101)	-0.0620*** (0.00543)	-0.00731*** (0.00131)	4.518*** (0.274)	0.0292*** (0.00167)	-0.213*** (0.0110)	0.276*** (0.0212)	0.0153*** (0.00110)	0.0962*** (0.00992)	0.00830** (0.00302)
Total unexplained	-12.30*** (1.505)	-1.878*** (0.240)	-0.135*** (0.0188)	-0.0630*** (0.0103)	-0.00176 (0.00260)	1.895*** (0.538)	0.0199*** (0.00317)	0.0265 (0.0191)	0.0707* (0.0298)	0.00515** (0.00196)	0.0353** (0.0122)	0.00629 (0.00584)
Observations	383,368	383,368	383,368	340,142	327,857	383,368	383,368	383,368	383,368	383,368	383,368	66,510

Notes: Coefficients of children with 0 parents born outside Denmark used as reference level. † indicates 1000 DKK, 2013-levels. Individual characteristics: *gender dummy, and 11 home region dummies*. Parental characteristics: *percentile dummies for mother's and father's income during the first 21 years of the child's life, dummies for years of unemployment for mother and father during the first 21 years of the child's life*. All parental characteristics are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. For the regressions of ln(hourly wages), observations are weighted by full-time equivalents, number of hours worked / 1,923.96. Statistics Denmark defines 1,923.96 hours of work per year as full-time employment. Robust standard errors in parentheses, \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table B.12: Oaxaca-Blinder decompositions: &gt;0 parents born in Greenland/Faroe Islands vs. 0 parents born outside Denmark

	(1) Total labour income <sup>†</sup>	(2) Rank labour income	(3) Inv. hyp. sine trans., total labour income	(4) ln(total labour income)	(5) ln(hourly wage), all jobs	(6) Public transfers/ benefits <sup>†</sup>	(7) Unemployed	(8) Years of education	(9) Guilty charges	(10) Any prison	(11) Charges dropped / not guilty	(12) Share of charges dropped / not guilty
>0 parents born in Greenland/Faroe Is.	215.0*** (3.715)	41.19*** (0.582)	4.757*** (0.0527)	5.158*** (0.0320)	5.207*** (0.00662)	58.79*** (1.415)	0.269*** (0.00900)	13.96*** (0.0521)	1.257*** (0.113)	0.0932*** (0.00590)	0.330*** (0.0453)	0.177*** (0.0130)
0 parents born outside DK	268.8*** (0.338)	50.47*** (0.0477)	5.444*** (0.00365)	5.435*** (0.00192)	5.240*** (0.000495)	45.48*** (0.107)	0.160*** (0.000608)	14.52*** (0.00405)	0.670*** (0.00685)	0.0553*** (0.000380)	0.181*** (0.00261)	0.181*** (0.00127)
Difference	-53.81*** (3.730)	-9.278*** (0.584)	-0.687*** (0.0528)	-0.276*** (0.0320)	-0.0329*** (0.00664)	13.31*** (1.419)	0.109*** (0.00902)	-0.551*** (0.0523)	0.588*** (0.113)	0.0379*** (0.00591)	0.149*** (0.0453)	-0.00340 (0.0131)
Total explained	-26.75*** (3.159)	-4.280*** (0.493)	-0.358*** (0.0436)	-0.0762** (0.0266)	-0.0192*** (0.00559)	7.114*** (1.171)	0.0548*** (0.00751)	-0.400*** (0.0459)	0.410*** (0.0939)	0.0272*** (0.00478)	0.122** (0.0375)	-0.000774 (0.0136)
- Individual charac.	2.441** (0.893)	0.352* (0.143)	0.0220 (0.0125)	0.0223** (0.00822)	0.00761*** (0.00185)	-1.433*** (0.366)	-0.00288 (0.00216)	0.0473* (0.0185)	-0.00874 (0.0342)	-0.000988 (0.00161)	-0.00549 (0.0106)	-0.00285 (0.00356)
- Parental charac.	-29.19*** (3.011)	-4.632*** (0.464)	-0.380*** (0.0409)	-0.0986*** (0.0249)	-0.0268*** (0.00519)	8.547*** (1.105)	0.0576*** (0.00708)	-0.448*** (0.0410)	0.419*** (0.0860)	0.0282*** (0.00442)	0.128*** (0.0367)	0.00208 (0.0133)
Total unexplained	-27.05*** (4.677)	-4.998*** (0.702)	-0.329*** (0.0574)	-0.200*** (0.0388)	-0.0138 (0.00765)	6.195*** (1.578)	0.0544*** (0.00991)	-0.151** (0.0559)	0.178 (0.0955)	0.0107 (0.00579)	0.0269 (0.0307)	-0.00263 (0.0159)
Observations	365,110	365,110	365,110	324,351	312,751	365,110	365,110	365,110	365,110	365,110	365,110	62,650

Notes: Coefficients of children with 0 parents born outside Denmark used as reference level. † indicates 1000 DKK, 2013-levels. Individual characteristics: *gender dummy*, and *11 home region dummies*. Parental characteristics: *percentile dummies for mother's and father's income during the first 21 years of the child's life*, *dummies for years of unemployment for mother and father during the first 21 years of the child's life*. All parental characteristics are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. For the regressions of ln(hourly wages), observations are weighted by full-time equivalents, number of hours worked / 1,923.96. Statistics Denmark defines 1,923.96 hours of work per year as full-time employment. Robust standard errors in parentheses, \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$



**B.A.B Reference group: First-generation locals**

Table B.13: Oaxaca-Blinder decompositions: 2 vs. 0 parents born outside Denmark

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Total labour income <sup>†</sup>	Rank labour income	Inv. hyp. sine trans., total labour income	ln(total labour income)	ln(hourly wage), all jobs	Public transfers/benefits <sup>†</sup>	Unemployed	Years of education	Guilty charges	Any prison	Charges dropped / not guilty	Share of charges dropped / not guilty
2 parents born outside DK	218.5*** (1.886)	42.03*** (0.299)	4.710*** (0.0265)	5.217*** (0.0142)	5.220*** (0.00342)	59.95*** (0.729)	0.279*** (0.00445)	13.68*** (0.0265)	1.779*** (0.0653)	0.144*** (0.00349)	0.771*** (0.0331)	0.258*** (0.00571)
0 parents born outside DK	268.8*** (0.338)	50.47*** (0.0477)	5.444*** (0.00365)	5.435*** (0.00192)	5.240*** (0.000495)	45.48*** (0.107)	0.160*** (0.000608)	14.52*** (0.00405)	0.670*** (0.00685)	0.0553*** (0.000380)	0.181*** (0.00261)	0.181*** (0.00127)
Difference	-50.25*** (1.916)	-8.434*** (0.303)	-0.735*** (0.0267)	-0.218*** (0.0144)	-0.0200*** (0.00345)	14.47*** (0.736)	0.119*** (0.00449)	-0.832*** (0.0268)	1.109*** (0.0657)	0.0890*** (0.00351)	0.590*** (0.0332)	0.0770*** (0.00585)
Total explained	-67.14*** (0.860)	-11.21*** (0.136)	-0.943*** (0.0123)	-0.274*** (0.00625)	-0.0508*** (0.00143)	23.24*** (0.348)	0.131*** (0.00193)	-1.220*** (0.0139)	1.044*** (0.0295)	0.0620*** (0.00131)	0.307*** (0.0110)	0.0124*** (0.00265)
- Individual charac.	7.159*** (0.340)	1.272*** (0.0536)	0.0534*** (0.00394)	0.0251*** (0.00202)	0.0174*** (0.000649)	-2.680*** (0.123)	0.000224 (0.000649)	0.161*** (0.00757)	0.00845 (0.00742)	0.000102 (0.000446)	0.00804** (0.00311)	-0.000406 (0.00131)
- Parental charac.	-74.29*** (0.777)	-12.48*** (0.123)	-0.996*** (0.0116)	-0.300*** (0.00599)	-0.0682*** (0.00126)	25.92*** (0.323)	0.131*** (0.00181)	-1.381*** (0.0114)	1.036*** (0.0291)	0.0619*** (0.00123)	0.299*** (0.0106)	0.0128*** (0.00224)
Total unexplained	16.89*** (2.021)	2.773*** (0.321)	0.208*** (0.0288)	0.0568*** (0.0156)	0.0308*** (0.00367)	-8.775*** (0.796)	-0.0119* (0.00483)	0.389*** (0.0279)	0.0651 (0.0726)	0.0271*** (0.00375)	0.283*** (0.0352)	0.0646*** (0.00639)
Observations	372,859	372,859	372,859	330,507	318,567	372,859	372,859	372,859	372,859	372,859	372,859	65,312

Notes: Coefficients of children with 2 parents born outside Denmark used as reference level. † indicates 1000 DKK, 2013-levels. Individual characteristics: *gender dummy*, and *11 home region dummies*. Parental characteristics: *percentile dummies for mother's and father's income during the first 21 years of the child's life*, *dummies for years of unemployment for mother and father during the first 21 years of the child's life*. All parental characteristics are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. For the regressions of ln(hourly wages), observations are weighted by full-time equivalents, number of hours worked / 1,923.96. Statistics Denmark defines 1,923.96 hours of work per year as full-time employment. Robust standard errors in parentheses, \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table B.14: Oaxaca-Blinder decompositions: 1 vs. 0 parent born outside Denmark

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Total labour income <sup>†</sup>	Rank labour income	Inv. hyp. sine trans., total labour income	ln(total labour income)	ln(hourly wage), all jobs	Public transfers/ benefits <sup>†</sup>	Unemployed	Years of ed- ucation	Guilty charges	Any prison	Charges dropped / not guilty	Share of charges dropped / not guilty
1 parents born outside DK	247.5*** (1.314)	46.96*** (0.207)	5.154*** (0.0167)	5.319*** (0.00906)	5.244*** (0.00226)	48.94*** (0.458)	0.207*** (0.00282)	14.45*** (0.0181)	0.974*** (0.0322)	0.0713*** (0.00179)	0.299*** (0.0146)	0.191*** (0.00471)
0 parents born outside DK	268.8*** (0.338)	50.47*** (0.0477)	5.444*** (0.00365)	5.435*** (0.00192)	5.240*** (0.000495)	45.48*** (0.107)	0.160*** (0.000608)	14.52*** (0.00405)	0.670*** (0.00685)	0.0553*** (0.000380)	0.181*** (0.00261)	0.181*** (0.00127)
Difference	-21.30*** (1.357)	-3.511*** (0.212)	-0.290*** (0.0171)	-0.115*** (0.00927)	0.00444 (0.00231)	3.456*** (0.470)	0.0477*** (0.00288)	-0.0643*** (0.0185)	0.305*** (0.0329)	0.0160*** (0.00183)	0.118*** (0.0148)	0.0103* (0.00488)
Total explained	-14.86*** (0.454)	-2.514*** (0.0730)	-0.240*** (0.00568)	-0.0706*** (0.00232)	0.000617 (0.000698)	4.976*** (0.160)	0.0372*** (0.000804)	-0.199*** (0.00921)	0.302*** (0.0102)	0.0159*** (0.000491)	0.0870*** (0.00359)	0.00254* (0.00102)
- Individual charac.	4.136*** (0.172)	0.716*** (0.0258)	0.0327*** (0.00164)	0.00781*** (0.000871)	0.0128*** (0.000369)	-1.974*** (0.0581)	0.000174 (0.000260)	0.123*** (0.00464)	-0.0162*** (0.00266)	-0.00248*** (0.000168)	-0.00269** (0.00101)	-0.00134* (0.000538)
- Parental charac.	-19.00*** (0.407)	-3.229*** (0.0667)	-0.272*** (0.00540)	-0.0784*** (0.00219)	-0.0122*** (0.000555)	6.950*** (0.146)	0.0370*** (0.000766)	-0.323*** (0.00745)	0.318*** (0.0101)	0.0184*** (0.000463)	0.0897*** (0.00350)	0.00388*** (0.000872)
Total unexplained	-6.436*** (1.351)	-0.997*** (0.209)	-0.0502** (0.0171)	-0.0448*** (0.00939)	0.00383 (0.00229)	-1.520** (0.469)	0.0105*** (0.00291)	0.135*** (0.0172)	0.00317 (0.0345)	5.26e-05 (0.00186)	0.0313* (0.0153)	0.00772 (0.00496)
Observations	383,368	383,368	383,368	340,142	327,857	383,368	383,368	383,368	383,368	383,368	383,368	66,510

Notes: Coefficients of children with 1 parent born outside Denmark used as reference level. † indicates 1000 DKK, 2013-levels. Individual characteristics: *gender dummy, and 11 home region dummies*. Parental characteristics: *percentile dummies for mother's and father's income during the first 21 years of the child's life, dummies for years of unemployment for mother and father during the first 21 years of the child's life*. All parental characteristics are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. For the regressions of ln(hourly wages), observations are weighted by full-time equivalents, number of hours worked / 1,923.96. Statistics Denmark defines 1,923.96 hours of work per year as full-time employment. Robust standard errors in parentheses, \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table B.15: Oaxaca-Blinder decompositions: &gt;0 parents born in Greenland/Faroe Islands vs. 0 parents born outside Denmark

	(1) Total labour income <sup>†</sup>	(2) Rank labour income	(3) Inv. hyp. sine trans., total labour income	(4) ln(total labour come)	(5) ln(hourly in- wage), in- jobs	(6) Public transfers/ benefits <sup>†</sup>	(7) Unemployed	(8) Years of edu- cation	(9) Guilty charges	(10) Any prison	(11) Charges dropped not guilty	(12) Share of charges dropped not guilty
>0 parents born in Greenland/Faroe Is.	215.0*** (3.715)	41.19*** (0.582)	4.757*** (0.0527)	5.158*** (0.0320)	5.207*** (0.00662)	58.79*** (1.415)	0.269*** (0.00900)	13.96*** (0.0521)	1.257*** (0.113)	0.0932*** (0.00590)	0.330*** (0.0453)	0.177*** (0.0130)
0 parents born outside DK	268.8*** (0.338)	50.47*** (0.0477)	5.444*** (0.00365)	5.435*** (0.00192)	5.240*** (0.000495)	45.48*** (0.107)	0.160*** (0.000608)	14.52*** (0.00405)	0.670*** (0.00685)	0.0553*** (0.000380)	0.181*** (0.00261)	0.181*** (0.00127)
Difference	-53.81*** (3.730)	-9.278*** (0.584)	-0.687*** (0.0528)	-0.276*** (0.0320)	-0.0320*** (0.00664)	13.31*** (1.419)	0.109*** (0.00902)	-0.551*** (0.0523)	0.588*** (0.113)	0.0379*** (0.00591)	0.149*** (0.0453)	-0.00340 (0.0131)
Total explained	-29.70*** (1.185)	-4.992*** (0.198)	-0.421*** (0.0159)	-0.115*** (0.00552)	-0.0165*** (0.00167)	10.47*** (0.437)	0.0574*** (0.00205)	-0.545*** (0.0250)	0.481*** (0.0222)	0.0272*** (0.00113)	0.138*** (0.00721)	0.00761*** (0.00163)
- Individual charac.	2.095*** (0.278)	0.358*** (0.0473)	0.0160*** (0.00242)	0.00542*** (0.00115)	0.00704*** (0.000863)	-0.942*** (0.116)	-4.55e-05 (0.000286)	0.0358** (0.0118)	-0.00569* (0.00239)	-0.000861*** (0.000254)	-0.00118 (0.000767)	-0.000328 (0.000573)
- Parental charac.	-31.80*** (1.111)	-5.350*** (0.185)	-0.437*** (0.0154)	-0.120*** (0.00530)	-0.0235*** (0.00128)	11.42*** (0.407)	0.0574*** (0.00202)	-0.581*** (0.0207)	0.487*** (0.0220)	0.0280*** (0.00109)	0.139*** (0.00717)	0.00794*** (0.00151)
Total unexplained	-24.10*** (3.592)	-4.286*** (0.560)	-0.267*** (0.0512)	-0.162*** (0.0317)	-0.0165* (0.00648)	2.836* (1.377)	0.0518*** (0.00881)	-0.00624 (0.0468)	0.106 (0.114)	0.0107 (0.00586)	0.0109 (0.0456)	-0.0110 (0.0131)
Observations	365,110	365,110	365,110	324,351	312,751	365,110	365,110	365,110	365,110	365,110	365,110	62,650

Notes: Coefficients of children children with >0 parent born in Greenland/Faroe Islands used as reference level. † indicates 1000 DKK, 2013-levels. Individual characteristics: *gender dummy, and 11 home region dummies*. Parental characteristics: *percentile dummies for mother's and father's income during the first 21 years of the child's life, dummies for years of unemployment for mother and father during the first 21 years of the child's life*. All parental characteristics are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. For the regressions of ln(hourly wages), observations are weighted by full-time equivalents, number of hours worked / 1,923.96. Statistics Denmark defines 1,923.96 hours of work per year as full-time employment. Robust standard errors in parentheses, \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

## C Different immigrant groups and gender

This appendix considers in more detail how results differ by gender and the region of origin of the immigrant parents. It also investigates whether the origin of the father or mother matters more. There are many results here which are hard to summarize as there are few consistent patterns. One should be aware that some of these results will be significant purely by chance.

We divide first-generation locals into three groups. First, we consider children with a mother born abroad, and a father born in Denmark. Second, we consider children with a father born abroad, and a mother born in Denmark. Third, we consider first-generation locals with two parents born abroad. To keep the main text to a manageable length, we only discuss a subset of outcomes though Appendix C contains the results for all outcomes. We report only two specifications; the unadjusted gaps and the gaps after including individual controls and controls for parental income and unemployment. This is the specifications from Columns 1 and 4 in Tables III to V. We prefer the specification with controls for parental income and unemployment as it maintains the largest sample size and because these parental characteristics matter the most for the child outcomes we consider.

Table C.16 presents the results for total labour market earnings. Panel A consider children with a mother born abroad and father born in Denmark. The first column shows the gap in earnings without controls for parental background between a first-generation local woman with mother born in different regions and a woman with both parents born in Denmark. Most of the gaps are negative, but only a couple are significant. The second column shows the gaps when we control for parental income and unemployment. Now the only significant negative gap is for those with mothers from Greenland or the Faroe Islands. Many of the other estimated gaps are small and not significantly different from zero. For those with mothers from Asia and the Middle East, the gap is now positive, but insignificant. The variation in the gaps between Columns 1 and 2 can be explained by the fact that first-generation locals from some with mother born abroad are more likely to have disadvantaged parents.

The third and fourth columns in Panel A present similar results for male children of a mother born abroad and a father born in Denmark. Column 3 shows that the raw gaps for the male children of immigrants are generally significantly negative and noticeably larger than the gaps for female children. An exception is that male children with a mother born in Middle East perform as well as children with two parents born in Denmark, even unconditionally on parental characteristics. When we control for parental background, a few of the gaps remain significantly different from zero and negative which offers some of explanation of the mixed results for children with one parent born outside Denmark in Table III.

Panel B of Table C.16 consider children of a father born abroad and mother born in Denmark. The results are generally similar to those of Panel A where we instead consider children of mothers born abroad. The most noticeable difference is that, unconditionally, both female and male children of a father born in the Middle East perform significantly worse than children of two local-born children. However, Columns 2 and 4 show that this differential is driven by difference in parental characteristics, namely than fathers born in the Middle East generally have lower level of earnings and are more likely to be unemployed.

Panel C of Table C.16 includes the equivalent results for children with two parents born abroad in the same region. Columns 1 and 3 show that, unconditionally, children with two

parents born abroad generally have much lower earnings than children of two local-born parents, the only exceptions being female children of parents from Asia and the EU. The differentials are larger and negative for male children across all parental regions of birth. Columns 2 and 4 reveal that, when controlling for parental income and unemployment, all the earnings differentials between first-generation locals and children of local-born parents are either positive and significant or insignificant. We see that the positive earnings differentials conditional on parental characteristics are almost entirely driven by female children. In other words, female children with two parents born abroad tend to outperform children of locals with similar parental background, whereas male children with two parents born abroad tend to do as well as children of locals with similar parental background.

Overall, there is some heterogeneity between men and women, and for children with parents from different regions. But the general point remains; most, often all of the apparent disadvantage of first-generation locals can be ascribed to the poor socio-economic background of their parents, but less so for male children with only one parent born abroad. Perhaps most interestingly, the groups that are popularly perceived as doing badly often are not the worst-performing groups after adjusting for parental background. Table C.22 does the same exercise for unemployment. Columns 1 and 3 in Panels A to C show that for both women and men, the vast majority of groups of children with parent(s) born abroad have higher unemployment rates than the children of locals. There is variation in these gaps; not all of these gaps are significantly different from zero but some of them are very large. For example, male children with a mother born in the Middle East have unemployment rates about 12ppt higher than those with parents born in Denmark. But, again, we see the pattern that, after controlling for parental background, the gaps are not significantly positive (with the exception of those with parents from Greenland/Faroe Islands and male children of with one parent born in North America).

Table C.23 repeats the exercise for years of education. For this outcome the first-generation locals sometimes out-perform those with local parents even when parental controls are excluded (Columns 1 and 3). But, in most cases, this positive gap is even bigger once parental controls are included. And groups where the unadjusted performance is worse tend not to under-perform once we control for parental background. Particularly striking are the results for first-generation locals with a father or both parents from the Middle East; after controls for parental background they out-perform the children of locals though the negative gap without controls is very large.

We consider two additional outcomes split by gender and parental region of birth in the main text, namely whether the children have ever been sentenced to prison at age 30, and whether they have ever had a criminal charge dropped or found not guilty in court. First, we consider prison sentences in Table C.25. The main and most consistent take-away from this table is that, unconditional on parental characteristics, children with parent(s) from the Middle East are more likely to have been sentenced to prison at age 30 (although not significant if the mother is born in the Middle East and the father born in Denmark). However, when controlling for parental characteristics, female children of parents from the Middle East are significantly less likely to have received a prison sentence by age 30, whereas male children with parents born in the Middle East remain much more likely to have been sentenced to prison.

To shed more light on the mechanisms driving this result, in Table C.26, we also consider whether the children have ever had a criminal charge dropped or found not guilty in court. We find that the results in Table C.26 align very well with those in Table C.25. We interpret this as suggestive evidence of police targeting driving part of the increased probability of having been sentenced to prison for male children with parents from the Middle East. This can potentially be driven both by targeting of visible minorities, but also by targeting of neighbourhoods in which children of parents from the Middle East are more likely to live. The results in Tables C.26 and C.25 also align for children with parents from other regions, e.g. "Europe, non-EU".

We include the results on whether the children have ever had a criminal charge dropped or found not guilty in court to caution the reader from interpreting the results in Table C.25 as if male children with Middle Eastern parents are indeed more criminal than children of locals conditional on parental characteristics. It may well be that children with Middle Eastern parents are simply more likely to get caught when committing a crime; for example, if they are more likely to be subject traffic stops and stop-and-frisk, which the aligning results for dropped/not-guilty charges suggest.

Appendix C also contains the equivalent results for all the outcomes considered elsewhere in the paper.

Table C.16: Total labour market earnings (1000 DKK) by parental region of birth

Parental region of birth	Panel A: Mother born abroad, father born in DK				Panel B: Father born abroad, mother born in DK				Panel C: Father and mother born abroad, same region			
	Women		Men		Women		Men		Women		Men	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Africa	-6.546 (14.80)	9.373 (14.05)	-42.44* (18.52)	-28.94 (18.24)	-6.227 (10.14)	21.01* (9.892)	-43.51** (13.45)	-17.32 (12.60)	-66.54* (30.15)	-11.63 (29.69)	-93.91** (35.97)	-36.00 (31.43)
Asia	-1.329 (7.282)	13.80 (7.428)	-43.43*** (8.866)	-29.30*** (8.854)	-14.81 (9.514)	12.22 (9.281)	-28.75* (12.56)	-0.0744 (12.05)	20.11* (8.054)	77.15*** (8.216)	-37.80*** (8.852)	16.06 (8.935)
EU-13	-3.235 (10.00)	12.09 (9.796)	2.903 (13.25)	10.46 (12.73)	-1.221 (13.34)	5.021 (13.17)	1.919 (15.62)	13.18 (15.12)	7.817 (13.98)	42.05** (13.67)	-39.07* (17.26)	-1.344 (17.11)
EU-15, ex. Nordic	-7.619 (5.311)	1.164 (4.993)	-18.72** (6.600)	-7.483 (6.494)	-24.51*** (4.027)	-7.003 (3.885)	-35.45*** (4.966)	-14.45** (4.867)	15.02 (18.18)	42.10* (17.34)	-53.42* (21.35)	-23.47 (21.48)
Europe, non-EU	-2.737 (8.168)	-4.073 (7.876)	-27.00** (9.315)	-21.24* (9.054)	-14.89* (6.863)	1.660 (6.683)	-41.15*** (6.908)	-26.85*** (6.809)	-23.00** (7.606)	15.02* (7.297)	-40.39*** (10.08)	-5.974 (9.639)
Greenland/Faroe Is.	-43.14*** (5.424)	-15.61** (5.270)	-58.40*** (6.996)	-30.94*** (6.591)	-33.91*** (8.320)	-7.911 (7.813)	-59.40*** (9.672)	-36.07*** (9.546)	-83.33*** (16.90)	-11.91 (16.12)	-109.0*** (25.10)	-42.64 (24.88)
Middle East	-15.64 (15.18)	6.024 (14.55)	0.346 (24.64)	17.16 (24.26)	-42.11*** (5.878)	2.773 (5.822)	-51.68*** (6.883)	-4.881 (6.715)	-47.23*** (2.852)	30.72*** (2.971)	-74.40*** (3.338)	1.676 (3.375)
Nordic	-10.69** (3.917)	-5.378 (3.715)	-24.87*** (4.506)	-21.75*** (4.371)	-9.515* (4.570)	-1.292 (4.519)	-11.31* (5.627)	-3.133 (5.462)	-2.441 (20.02)	36.17 (19.34)	-26.85 (22.67)	-6.155 (23.44)
North America	-2.364 (8.481)	0.954 (8.152)	-35.38*** (10.36)	-35.31*** (9.841)	-7.828 (9.257)	-1.195 (8.956)	-25.71 (13.94)	-26.58 (13.89)				
Oceania	-20.94 (21.05)	-18.76 (20.46)	-32.35 (21.87)	-34.01 (21.99)	7.475 (23.14)	33.00 (22.17)	45.63 (42.40)	62.78 (40.85)				
South and Middle America	-29.90* (13.74)	-13.59 (13.38)	-21.17 (14.70)	-8.734 (14.27)	-25.15* (11.94)	-5.845 (11.62)	-31.64 (21.15)	-17.33 (20.95)	-42.72 (26.90)	17.92 (27.45)	-69.50 (38.11)	-3.011 (37.36)
Adjusted $R^2$	0.0285	0.0806	0.0285	0.0806	0.0288	0.0804	0.0288	0.0804	0.0297	0.0806	0.0297	0.0806
N	373535	373535	373535	373535	374724	374724	374724	374724	372284	372284	372284	372284
Prob > F, Wald test	0.000	0.074	0.000	0.033	0.000	0.198	0.000	0.009	0.000	0.000	0.000	0.316
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Reference group is children of the same gender but of parents born in Denmark. Controls include: Individual controls (*gender dummy, and 11 home region dummies*), parental income (*percentile dummies for mother's and father's income during the first 21 years of the child's life*), and parental unemployment (*dummies for years of unemployment for mother and father during the first 21 years of the child's life*). All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Prob > F, Wald test, refers to the probability that all of the coefficients in the column are equal. See Table I for sample sizes by region. Groups with fewer than 5 observations are dropped. \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$



Table C.17: Rank of labour market income by parental region of birth

Parental region of birth	Panel A: Mother born abroad, father born in DK				Panel B: Father born abroad, mother born in DK				Panel C: Father and mother born abroad, same region			
	Women		Men		Women		Men		Women		Men	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Africa	-0.471 (2.418)	2.224 (2.272)	-7.327** (2.767)	-5.032 (2.760)	-0.193 (1.704)	4.398** (1.647)	-7.792*** (2.067)	-3.388 (1.940)	-10.93* (4.730)	-1.709 (4.609)	-15.34* (6.125)	-5.571 (5.294)
Asia	0.451 (1.271)	3.003* (1.296)	-7.432*** (1.414)	-5.003*** (1.416)	-2.340 (1.594)	2.201 (1.549)	-5.780** (1.923)	-0.969 (1.849)	3.703** (1.368)	13.28*** (1.395)	-6.567*** (1.429)	2.521 (1.455)
EU-13	-0.598 (1.693)	2.021 (1.655)	-0.696 (1.992)	0.686 (1.918)	0.828 (2.302)	1.945 (2.262)	0.389 (2.540)	2.260 (2.479)	2.784 (2.451)	8.537*** (2.393)	-7.236** (2.732)	-0.903 (2.727)
EU-15, ex. Nordic	-1.067 (0.911)	0.457 (0.856)	-2.951** (0.947)	-0.964 (0.934)	-4.013*** (0.676)	-1.074 (0.650)	-5.854*** (0.774)	-2.363** (0.755)	3.777 (3.152)	8.361** (2.995)	-8.932* (3.535)	-3.911 (3.561)
Europe, non-EU	0.0448 (1.412)	-0.0689 (1.355)	-4.478** (1.446)	-3.366* (1.403)	-2.813** (1.005)	-0.0521 (0.962)	-6.832*** (1.099)	-4.444*** (1.085)	-3.208* (1.326)	3.136* (1.268)	-6.822*** (1.612)	-1.071 (1.534)
Greenland/Faroe Is.	-7.500*** (0.906)	-2.854** (0.877)	-10.03*** (1.072)	-5.385*** (1.003)	-5.487*** (1.363)	-1.062 (1.271)	-10.86*** (1.464)	-6.946*** (1.457)	-14.01*** (2.761)	-1.893 (2.605)	-19.29*** (3.584)	-8.115* (3.496)
Middle East	-2.111 (2.638)	1.502 (2.546)	-3.055 (3.280)	-0.178 (3.244)	-6.271*** (0.940)	1.237 (0.932)	-9.471*** (1.048)	-1.614 (1.021)	-7.854*** (0.465)	5.208*** (0.482)	-12.63*** (0.532)	0.123 (0.541)
Nordic	-1.557* (0.661)	-0.650 (0.625)	-3.854*** (0.734)	-3.264*** (0.711)	-1.117 (0.789)	0.332 (0.776)	-2.203* (0.872)	-0.779 (0.845)	-0.330 (3.368)	6.089 (3.276)	-3.389 (3.849)	0.105 (3.958)
North America	-0.154 (1.422)	0.563 (1.353)	-6.186*** (1.624)	-6.175*** (1.543)	-0.954 (1.554)	0.178 (1.488)	-5.889*** (1.730)	-6.019*** (1.685)				
Oceania	-3.318 (3.535)	-2.943 (3.439)	-5.123 (3.946)	-5.463 (3.965)	2.273 (4.183)	6.470 (3.984)	4.447 (4.201)	7.382 (4.138)				
South and Middle America	-4.090 (2.112)	-1.334 (2.062)	-4.588* (2.280)	-2.467 (2.214)	-2.980 (2.059)	0.213 (1.990)	-6.823** (2.340)	-4.447 (2.308)	-6.702 (4.439)	3.539 (4.490)	-12.53* (5.663)	-1.405 (5.551)
Adjusted $R^2$	0.0443	0.117	0.0443	0.117	0.0446	0.117	0.0446	0.117	0.0459	0.117	0.0459	0.117
N	373535	373535	373535	373535	374724	374724	374724	374724	372284	372284	372284	372284
Prob > F, Wald test	0.000	0.020	0.000	0.017	0.000	0.065	0.000	0.000	0.000	0.000	0.000	0.178
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Reference group is children of the same gender but of parents born in Denmark. Controls include: Individual controls (*gender dummy, and 11 home region dummies*), parental income (*percentile dummies for mother's and father's income during the first 21 years of the child's life*), and parental unemployment (*dummies for years of unemployment for mother and father during the first 21 years of the child's life*). All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Prob > F, Wald test, refers to the probability that all of the coefficients in the column are equal. See Table I for sample sizes by region. Groups with fewer than 5 observations are dropped. \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table C.18: Inverse hyperbolic sine transformation of labour market earnings by parental region of birth

Parental region of birth	Panel A: Mother born abroad, father born in DK				Panel B: Father born abroad, mother born in DK				Panel C: Father and mother born abroad, same region			
	Women		Men		Women		Men		Women		Men	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Africa	-0.368 (0.207)	-0.0681 (0.202)	-0.598** (0.228)	-0.322 (0.232)	-0.328* (0.157)	0.0841 (0.156)	-0.684*** (0.164)	-0.260 (0.152)	-1.126* (0.452)	-0.318 (0.440)	-0.999* (0.509)	-0.121 (0.436)
Asia	-0.0233 (0.103)	0.223* (0.104)	-0.382*** (0.108)	-0.154 (0.110)	-0.145 (0.134)	0.236 (0.131)	-0.528*** (0.150)	-0.117 (0.144)	0.118 (0.106)	0.873*** (0.109)	-0.426*** (0.110)	0.286* (0.112)
EU-13	-0.113 (0.143)	0.140 (0.143)	-0.194 (0.146)	-0.0232 (0.140)	-0.269 (0.205)	-0.100 (0.205)	-0.0104 (0.175)	0.202 (0.176)	0.00263 (0.183)	0.527** (0.184)	-0.750*** (0.226)	-0.207 (0.226)
EU-15, ex. Nordic	-0.201** (0.0779)	-0.0474 (0.0755)	-0.178* (0.0702)	0.00980 (0.0697)	-0.326*** (0.0608)	-0.0772 (0.0593)	-0.410*** (0.0603)	-0.121* (0.0594)	0.171 (0.230)	0.584** (0.223)	-0.540 (0.278)	-0.116 (0.278)
Europe, non-EU	-0.104 (0.117)	-0.0515 (0.114)	-0.233* (0.107)	-0.0956 (0.104)	-0.226* (0.0891)	0.0145 (0.0863)	-0.409*** (0.0835)	-0.203* (0.0824)	-0.478*** (0.123)	0.0447 (0.119)	-0.603*** (0.134)	-0.137 (0.128)
Greenland/Faroe Is.	-0.539*** (0.0907)	-0.163 (0.0879)	-0.689*** (0.0909)	-0.312*** (0.0851)	-0.666*** (0.131)	-0.284* (0.125)	-0.643*** (0.120)	-0.308* (0.120)	-1.045*** (0.312)	0.00467 (0.301)	-1.347*** (0.310)	-0.353 (0.315)
Middle East	0.0282 (0.199)	0.384* (0.192)	-0.498* (0.251)	-0.194 (0.249)	-0.671*** (0.0915)	-0.0355 (0.0899)	-0.681*** (0.0864)	-0.0255 (0.0849)	-0.812*** (0.0460)	0.274*** (0.0476)	-0.914*** (0.0453)	0.144** (0.0464)
Nordic	-0.188** (0.0576)	-0.0803 (0.0552)	-0.231*** (0.0546)	-0.144** (0.0534)	-0.0846 (0.0671)	0.0624 (0.0661)	-0.135* (0.0638)	0.0172 (0.0618)	0.0737 (0.241)	0.663** (0.225)	-0.374 (0.310)	0.0101 (0.316)
North America	-0.0477 (0.121)	0.0758 (0.116)	-0.516*** (0.135)	-0.461*** (0.130)	-0.185 (0.138)	-0.0219 (0.133)	-0.383** (0.127)	-0.307* (0.125)				
Oceania	-0.277 (0.330)	-0.205 (0.328)	-0.293 (0.324)	-0.285 (0.338)	0.211 (0.321)	0.520 (0.329)	0.256 (0.274)	0.556* (0.279)				
South and Middle America	-0.565** (0.191)	-0.260 (0.188)	-0.326* (0.165)	-0.0846 (0.159)	-0.340 (0.175)	-0.0210 (0.167)	-0.396* (0.174)	-0.151 (0.177)	-0.516 (0.427)	0.444 (0.450)	-1.037* (0.472)	-0.101 (0.470)
Adjusted $R^2$	0.00819	0.0701	0.00819	0.0701	0.00866	0.0702	0.00866	0.0702	0.0107	0.0708	0.0107	0.0708
N	373535	373535	373535	373535	374724	374724	374724	374724	372284	372284	372284	372284
Prob > F, Wald test	0.005	0.057	0.001	0.082	0.000	0.163	0.000	0.018	0.000	0.000	0.001	0.144
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Reference group is children of the same gender but of parents born in Denmark. Controls include: Individual controls (*gender dummy, and 11 home region dummies*), parental income (*percentile dummies for mother's and father's income during the first 21 years of the child's life*), and parental unemployment (*dummies for years of unemployment for mother and father during the first 21 years of the child's life*). All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Prob > F, Wald test, refers to the probability that all of the coefficients in the column are equal. See Table I for sample sizes by region. Groups with fewer than 5 observations are dropped. \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table C.19: ln(total labour income)

Parental region of birth	Panel A: Mother born abroad, father born in DK				Panel B: Father born abroad, mother born in DK				Panel C: Father and mother born abroad, same region			
	Women		Men		Women		Men		Women		Men	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Africa	-0.122 (0.126)	-0.0345 (0.120)	-0.230 (0.126)	-0.143 (0.126)	-0.0142 (0.0767)	0.128 (0.0750)	-0.233* (0.0975)	-0.115 (0.0951)	-0.519 (0.294)	-0.245 (0.296)	-0.520 (0.323)	-0.293 (0.297)
Asia	-0.0500 (0.0551)	0.0305 (0.0557)	-0.233*** (0.0612)	-0.155* (0.0611)	-0.150* (0.0762)	-0.0246 (0.0760)	-0.0888 (0.0701)	0.0278 (0.0688)	0.0626 (0.0564)	0.313*** (0.0573)	-0.157** (0.0568)	0.0838 (0.0569)
EU-13	-0.0162 (0.0696)	0.0667 (0.0674)	0.123* (0.0541)	0.161** (0.0542)	0.0346 (0.0945)	0.0882 (0.0949)	-0.0188 (0.0954)	0.0499 (0.0942)	-0.0240 (0.0970)	0.140 (0.0942)	-0.0665 (0.0911)	0.110 (0.0905)
EU-15, ex. Nordic	-0.0363 (0.0419)	0.00998 (0.0414)	-0.0757* (0.0361)	-0.0160 (0.0359)	-0.119*** (0.0310)	-0.0397 (0.0306)	-0.181*** (0.0354)	-0.0915** (0.0353)	0.0278 (0.115)	0.156 (0.112)	-0.216 (0.152)	-0.0708 (0.153)
Europe, non-EU	-0.0271 (0.0593)	-0.0152 (0.0588)	-0.206** (0.0649)	-0.170** (0.0638)	-0.126* (0.0519)	-0.0492 (0.0511)	-0.194*** (0.0449)	-0.121** (0.0446)	-0.0604 (0.0635)	0.0925 (0.0623)	-0.118 (0.0660)	0.00942 (0.0646)
Greenland/Faroe Is.	-0.183*** (0.0467)	-0.0735 (0.0462)	-0.282*** (0.0587)	-0.187** (0.0576)	-0.220** (0.0795)	-0.123 (0.0781)	-0.392*** (0.0811)	-0.289*** (0.0807)	-0.531** (0.183)	-0.227 (0.179)	-0.548** (0.179)	-0.225 (0.175)
Middle East	-0.173 (0.118)	-0.0645 (0.116)	-0.0796 (0.176)	0.000165 (0.178)	-0.152*** (0.0458)	0.0374 (0.0461)	-0.222*** (0.0467)	-0.0283 (0.0468)	-0.220*** (0.0252)	0.103*** (0.0260)	-0.306*** (0.0248)	0.000385 (0.0256)
Nordic	-0.0802* (0.0317)	-0.0529 (0.0311)	-0.111*** (0.0302)	-0.0893** (0.0298)	-0.0873* (0.0365)	-0.0413 (0.0364)	-0.0370 (0.0328)	0.00230 (0.0323)	-0.0186 (0.108)	0.151 (0.108)	-0.103 (0.148)	0.0108 (0.151)
North America	-0.0290 (0.0629)	-0.00213 (0.0622)	-0.186* (0.0757)	-0.179* (0.0735)	-0.0611 (0.0711)	-0.0184 (0.0704)	-0.235** (0.0796)	-0.213** (0.0792)				
Oceania	-0.365 (0.223)	-0.319 (0.218)	0.140* (0.0685)	0.166* (0.0674)	-0.161 (0.269)	-0.0348 (0.267)	0.183 (0.103)	0.282** (0.103)				
South and Middle America	-0.359** (0.131)	-0.271* (0.129)	-0.0589 (0.0770)	0.00442 (0.0771)	-0.252* (0.105)	-0.163 (0.106)	-0.235* (0.0975)	-0.139 (0.0957)	-0.477 (0.324)	-0.193 (0.331)	-0.234 (0.237)	0.0645 (0.236)
Adjusted $R^2$	0.0123	0.0355	0.0123	0.0355	0.0124	0.0352	0.0124	0.0352	0.0128	0.0354	0.0128	0.0354
N	331714	331714	331714	331714	332618	332618	332618	332618	330039	330039	330039	330039
Prob > F, Wald test	0.115	0.341	0.000	0.000	0.460	0.327	0.000	0.000	0.000	0.019	0.009	0.621
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Reference group is children of the same gender but of parents born in Denmark. Controls include: Individual controls (*gender dummy, and 11 home region dummies*), parental income (*percentile dummies for mother's and father's income during the first 21 years of the child's life, and parental unemployment (dummies for years of unemployment for mother and father during the first 21 years of the child's life)*). All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Prob > F, Wald test, refers to the probability that all of the coefficients in the column are equal. See Table I for sample sizes by region. Groups with fewer than 5 observations are dropped. \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table C.20: ln(hourly wage)

Parental region of birth	Panel A: Mother born abroad, father born in DK				Panel B: Father born abroad, mother born in DK				Panel C: Father and mother born abroad, same region			
	Women		Men		Women		Men		Women		Men	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Africa	0.0807*** (0.0231)	0.0677** (0.0222)	-0.0196 (0.0277)	-0.0238 (0.0272)	0.0339* (0.0157)	0.0362* (0.0150)	0.0174 (0.0237)	0.00569 (0.0229)	0.000620 (0.0664)	0.0175 (0.0669)	-0.0525 (0.0581)	-0.0453 (0.0547)
Asia	0.0273* (0.0128)	0.0318* (0.0127)	-0.0329* (0.0153)	-0.0329* (0.0149)	-0.00514 (0.0194)	0.00898 (0.0184)	0.0357 (0.0213)	0.0428* (0.0207)	0.0411** (0.0134)	0.0909*** (0.0135)	-0.0168 (0.0151)	0.0248 (0.0151)
EU-13	0.0340 (0.0181)	0.0346* (0.0172)	0.0542* (0.0228)	0.0416 (0.0220)	0.0601** (0.0218)	0.0451* (0.0205)	0.0286 (0.0245)	0.0185 (0.0239)	0.0764** (0.0249)	0.0878*** (0.0224)	0.0246 (0.0307)	0.0400 (0.0306)
EU-15, ex. Nordic	0.0286** (0.00956)	0.0217* (0.00891)	-0.00570 (0.00940)	-0.00275 (0.00909)	0.000998 (0.00761)	0.00868 (0.00725)	-0.0146 (0.00858)	-0.00278 (0.00843)	0.0387 (0.0332)	0.0462 (0.0319)	-0.0478 (0.0350)	-0.0335 (0.0357)
Europe, non-EU	0.0357* (0.0143)	0.0147 (0.0131)	-0.0301 (0.0157)	-0.0389* (0.0152)	0.00169 (0.0102)	0.00445 (0.00974)	-0.0217 (0.0128)	-0.0197 (0.0125)	-0.00900 (0.0128)	0.0184 (0.0124)	-0.0268 (0.0179)	-0.00647 (0.0176)
Greenland/Faroe Is.	-0.0346*** (0.0101)	-0.0111 (0.00935)	-0.0516*** (0.0122)	-0.0371** (0.0118)	0.0170 (0.0137)	0.0274* (0.0129)	-0.0425* (0.0172)	-0.0299 (0.0169)	-0.0442 (0.0367)	0.00322 (0.0335)	0.0339 (0.0646)	0.0714 (0.0647)
Middle East	0.0185 (0.0289)	0.0146 (0.0262)	0.0556 (0.0366)	0.0444 (0.0351)	-0.000303 (0.0104)	0.0286** (0.0103)	-0.0250* (0.0125)	0.00426 (0.0122)	-0.0148** (0.00569)	0.0530*** (0.00585)	-0.0530*** (0.00585)	0.0102 (0.00601)
Nordic	0.0159* (0.00705)	0.00747 (0.00651)	-0.00831 (0.00745)	-0.0192** (0.00723)	0.00336 (0.00879)	0.00303 (0.00848)	0.00284 (0.00903)	-0.00199 (0.00883)	0.0381 (0.0460)	0.0510 (0.0454)	0.0168 (0.0361)	0.00686 (0.0392)
North America	0.0275 (0.0147)	0.0132 (0.0139)	-0.0253 (0.0183)	-0.0443* (0.0174)	0.0418* (0.0178)	0.0255 (0.0178)	0.0263 (0.0193)	-0.00418 (0.0187)				
Oceania	-0.0480 (0.0430)	-0.0656 (0.0401)	-0.0977* (0.0436)	-0.112** (0.0412)	0.00691 (0.0272)	0.0245 (0.0243)	0.0384 (0.0567)	0.0289 (0.0534)				
South and Middle America	0.0556* (0.0264)	0.0434 (0.0264)	0.0152 (0.0293)	0.00122 (0.0286)	0.0201 (0.0236)	0.0128 (0.0228)	0.000747 (0.0302)	-0.00972 (0.0294)	0.0354 (0.0453)	0.0705 (0.0386)	-0.0679 (0.0802)	-0.0347 (0.0790)
Adjusted R <sup>2</sup>	0.0538	0.121	0.0538	0.121	0.0538	0.120	0.0538	0.120	0.0538	0.119	0.0538	0.119
N	319818	319818	319818	319818	320639	320639	320639	320639	318086	318086	318086	318086
Prob > F, Wald test	0.000	0.009	0.001	0.003	0.120	0.329	0.025	0.363	0.000	0.007	0.043	0.587
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Reference group is children of the same gender but of parents born in Denmark. Controls include: Individual controls (*gender dummy, and 11 home region dummies*), parental income (*percentile dummies for mother's and father's income during the first 21 years of the child's life, and parental unemployment (dummies for years of unemployment for mother and father during the first 21 years of the child's life)*). All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. For the regressions of ln(hourly wages), observations are weighted by full-time equivalents, number of hours worked / 1,923.96. Statistics Denmark defines 1,923.96 hours of work per year as full-time employment. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Prob > F, Wald test, refers to the probability that all of the coefficients in the column are equal. See Table 1 for sample sizes by region. Groups with fewer than 5 observations are dropped. \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table C.21: Transfers (1000 DKK) by parental region of birth

Parental region of birth	Panel A: Mother born abroad, father born in DK				Panel B: Father born abroad, mother born in DK				Panel C: Father and mother born abroad, same region			
	Women		Men		Women		Men		Women		Men	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Africa	2.395 (6.303)	-2.907 (5.875)	3.942 (4.726)	-1.361 (4.749)	-3.082 (4.214)	-11.29** (4.063)	5.313 (3.504)	-2.328 (3.292)	-0.808 (11.32)	-16.98 (11.31)	14.60 (10.01)	-3.555 (9.477)
Asia	-9.802*** (2.777)	-14.11*** (2.826)	2.531 (2.468)	-1.657 (2.547)	-1.400 (3.823)	-9.532** (3.690)	6.705* (3.239)	-1.832 (3.176)	-18.53*** (2.908)	-36.62*** (2.963)	-0.845 (2.341)	-17.79*** (2.355)
EU-13	1.450 (4.223)	-3.827 (4.163)	-0.980 (3.229)	-3.762 (3.131)	1.693 (5.695)	-0.176 (5.631)	0.330 (4.326)	-3.296 (4.385)	-6.246 (5.450)	-17.27** (5.345)	9.820 (5.059)	-1.892 (5.001)
EU-15, ex. Nordic	-0.287 (2.293)	-3.166 (2.201)	0.381 (1.625)	-3.477* (1.640)	7.487*** (1.820)	1.872 (1.770)	7.174*** (1.486)	0.549 (1.465)	-7.878 (6.582)	-16.80** (6.353)	3.446 (5.735)	-6.029 (5.797)
Europe, non-EU	-7.075* (3.292)	-6.788* (3.164)	2.427 (2.607)	-0.0531 (2.572)	2.006 (2.589)	-2.981 (2.467)	8.189*** (2.134)	4.196* (2.096)	17.41*** (3.813)	5.369 (3.670)	10.72*** (3.140)	0.152 (3.012)
Greenland/Faroe Is.	12.11*** (2.618)	2.510 (2.505)	12.42*** (2.195)	3.017 (2.090)	12.00*** (3.545)	2.944 (3.320)	14.01*** (3.041)	6.138* (3.045)	22.71* (9.102)	-3.798 (8.620)	24.18*** (6.660)	0.146 (7.100)
Middle East	-4.223 (6.262)	-11.49 (6.205)	3.938 (5.126)	-1.367 (5.067)	18.54*** (2.755)	3.621 (2.682)	9.378*** (2.007)	-5.943** (1.968)	21.40*** (1.340)	-5.639*** (1.375)	17.85*** (1.132)	-8.438*** (1.183)
Nordic	3.541* (1.687)	1.608 (1.617)	4.399** (1.388)	3.272* (1.357)	0.970 (2.032)	-2.021 (1.983)	1.444 (1.548)	-1.522 (1.483)	7.804 (7.610)	-5.451 (7.010)	0.773 (6.122)	-6.385 (6.403)
North America	-5.034 (3.292)	-6.397* (3.146)	3.009 (2.914)	3.194 (2.836)	-2.156 (3.756)	-4.179 (3.617)	6.456* (3.146)	6.948* (3.080)				
Oceania	-0.795 (8.773)	-0.634 (8.673)	-0.0284 (6.303)	2.005 (6.727)	-7.672 (12.12)	-14.83 (12.21)	-7.299 (6.835)	-13.15 (6.815)				
South and Middle America	4.130 (5.082)	-1.506 (5.051)	5.107 (4.049)	0.982 (3.983)	4.070 (5.086)	-1.799 (5.063)	4.288 (3.931)	0.660 (3.989)	6.540 (12.45)	-13.28 (13.22)	24.10* (11.58)	2.226 (11.26)
Adjusted $R^2$	0.0640	0.125	0.0640	0.125	0.0643	0.125	0.0643	0.125	0.0657	0.125	0.0657	0.125
N	373535	373535	373535	373535	374724	374724	374724	374724	372284	372284	372284	372284
Prob > F, Wald test	0.000	0.000	0.009	0.116	0.000	0.016	0.004	0.001	0.000	0.000	0.000	0.000
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Reference group is children of the same gender but of parents born in Denmark. Controls include: Individual controls (*gender dummy, and 11 home region dummies*), parental income (*percentile dummies for mother's and father's income during the first 21 years of the child's life*), and parental unemployment (*dummies for years of unemployment for mother and father during the first 21 years of the child's life*). All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Prob > F, Wald test, refers to the probability that all of the coefficients in the column are equal. See Table I for sample sizes by region. Groups with fewer than 5 observations are dropped. \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table C.22: Unemployment by parental region of birth

Parental region of birth	Panel A: Mother born abroad, father born in DK				Panel B: Father born abroad, mother born in DK				Panel C: Father and mother born abroad, same region			
	Women		Men		Women		Men		Women		Men	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Africa	0.0695 (0.0356)	0.0228 (0.0347)	0.0998** (0.0369)	0.0572 (0.0373)	0.0274 (0.0244)	-0.0373 (0.0240)	0.112*** (0.0274)	0.0429 (0.0260)	0.175* (0.0798)	0.0464 (0.0794)	0.207* (0.0929)	0.0703 (0.0819)
Asia	0.0320 (0.0189)	-0.00783 (0.0191)	0.0736*** (0.0188)	0.0357 (0.0191)	0.0342 (0.0242)	-0.0241 (0.0238)	0.0767** (0.0238)	0.0135 (0.0232)	-0.00886 (0.0182)	-0.117*** (0.0185)	0.0801*** (0.0188)	-0.0233 (0.0191)
EU-13	0.0200 (0.0245)	-0.0185 (0.0243)	0.0461 (0.0239)	0.0176 (0.0232)	0.0637 (0.0341)	0.0309 (0.0343)	0.0223 (0.0304)	-0.0134 (0.0304)	0.0136 (0.0328)	-0.0684* (0.0329)	0.0638* (0.0320)	-0.0204 (0.0318)
EU-15, ex. Nordic	0.0358** (0.0134)	0.0114 (0.0132)	0.0378** (0.0118)	0.00953 (0.0117)	0.0505*** (0.0107)	0.0144 (0.0104)	0.0518*** (0.00972)	0.0104 (0.00972)	-0.0171 (0.0417)	-0.0777 (0.0405)	0.0829 (0.0472)	0.0222 (0.0469)
Europe, non-EU	0.0172 (0.0200)	0.00437 (0.0198)	0.0305 (0.0177)	0.00898 (0.0174)	0.0562*** (0.0161)	0.0189 (0.0159)	0.0511*** (0.0138)	0.0169 (0.0138)	0.0852*** (0.0209)	0.00749 (0.0203)	0.0955*** (0.0213)	0.0257 (0.0206)
Greenland/Faroe Is.	0.0944*** (0.0161)	0.0444** (0.0157)	0.0977*** (0.0150)	0.0469** (0.0144)	0.105*** (0.0220)	0.0505* (0.0214)	0.0996*** (0.0204)	0.0516* (0.0203)	0.225*** (0.0591)	0.0912 (0.0579)	0.258*** (0.0561)	0.126* (0.0555)
Middle East	0.0269 (0.0398)	-0.0275 (0.0394)	0.122** (0.0421)	0.0738 (0.0425)	0.109*** (0.0155)	0.0180 (0.0154)	0.0859*** (0.0138)	-0.00763 (0.0137)	0.142*** (0.00790)	-0.00646 (0.00813)	0.130*** (0.00742)	-0.0134 (0.00760)
Nordic	0.0364*** (0.0100)	0.0190 (0.00978)	0.0358*** (0.00912)	0.0204* (0.00905)	0.0210 (0.0119)	-0.00207 (0.0119)	0.0140 (0.0103)	-0.0102 (0.0101)	-0.00250 (0.0454)	-0.0879* (0.0426)	0.0248 (0.0450)	-0.0354 (0.0462)
North America	0.0160 (0.0209)	-0.00685 (0.0204)	0.0647** (0.0207)	0.0512* (0.0202)	0.0307 (0.0233)	0.000298 (0.0226)	0.0798*** (0.0224)	0.0591** (0.0223)				
Oceania	0.0386 (0.0562)	0.0203 (0.0557)	0.0617 (0.0541)	0.0511 (0.0554)	-0.00603 (0.0612)	-0.0493 (0.0601)	-0.0337 (0.0442)	-0.0818 (0.0447)				
South and Middle America	0.0938** (0.0318)	0.0458 (0.0314)	0.0373 (0.0267)	-0.00271 (0.0260)	0.0902** (0.0330)	0.0376 (0.0322)	0.0736* (0.0301)	0.0293 (0.0300)	0.0897 (0.0775)	-0.0504 (0.0803)	0.245** (0.0829)	0.103 (0.0820)
Adjusted $R^2$	0.00492	0.0407	0.00492	0.0407	0.00524	0.0408	0.00524	0.0408	0.00730	0.0423	0.00730	0.0423
N	373535	373535	373535	373535	374724	374724	374724	374724	372284	372284	372284	372284
Prob > F, Wald test	0.044	0.383	0.015	0.382	0.001	0.192	0.000	0.016	0.000	0.000	0.001	0.101
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Reference group is children of the same gender but of parents born in Denmark. Controls include: Individual controls (*gender dummy, and 11 home region dummies*), parental income (*percentile dummies for mother's and father's income during the first 21 years of the child's life, and parental unemployment (dummies for years of unemployment for mother and father during the first 21 years of the child's life)*). All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Prob > F, Wald test, refers to the probability that all of the coefficients in the column are equal. See Table I for sample sizes by region. Groups with fewer than 5 observations are dropped. \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table C.23: Years of education by parental region of birth

Parental region of birth	Panel A: Mother born abroad, father born in DK				Panel B: Father born abroad, mother born in DK				Panel C: Father and mother born abroad, same region			
	Women		Men		Women		Men		Women		Men	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Africa	0.302 (0.219)	0.459* (0.211)	0.0655 (0.226)	0.249 (0.215)	-0.121 (0.160)	0.277 (0.150)	-0.172 (0.171)	0.0937 (0.160)	0.0980 (0.447)	0.935* (0.446)	-0.450 (0.472)	0.488 (0.408)
Asia	0.0358 (0.115)	0.278* (0.114)	-0.278* (0.119)	-0.0346 (0.117)	-0.303 (0.158)	0.117 (0.143)	-0.210 (0.166)	0.229 (0.152)	0.385** (0.121)	1.407*** (0.130)	0.218 (0.118)	1.157*** (0.127)
EU-13	0.323* (0.152)	0.632*** (0.145)	0.529*** (0.159)	0.625*** (0.148)	-0.0647 (0.217)	-0.0751 (0.196)	0.473* (0.231)	0.606** (0.212)	0.482* (0.206)	1.057*** (0.200)	0.264 (0.201)	0.875*** (0.186)
EU-15, ex. Nordic	-0.0717 (0.0866)	0.0415 (0.0801)	0.0171 (0.0830)	0.197* (0.0773)	-0.144* (0.0648)	0.117 (0.0596)	-0.227*** (0.0637)	0.104 (0.0597)	0.0191 (0.278)	0.472 (0.268)	-0.209 (0.307)	0.269 (0.295)
Europe, non-EU	0.0409 (0.129)	-0.0661 (0.117)	0.0806 (0.123)	0.184 (0.113)	-0.0618 (0.0959)	0.174* (0.0884)	-0.190* (0.0945)	-0.0182 (0.0880)	-1.445*** (0.119)	-0.509*** (0.113)	-0.910*** (0.127)	-0.0535 (0.122)
Greenland/Faroe Is.	-0.587*** (0.0926)	-0.0239 (0.0845)	-0.745*** (0.0926)	-0.210** (0.0816)	-0.340** (0.130)	0.107 (0.114)	-0.471*** (0.128)	-0.0724 (0.115)	-0.599 (0.330)	0.643* (0.305)	-0.0543 (0.294)	1.039*** (0.300)
Middle East	0.0382 (0.280)	0.390 (0.252)	0.0963 (0.279)	0.405 (0.272)	-0.516*** (0.0932)	0.311*** (0.0900)	-0.774*** (0.0900)	0.0668 (0.0856)	-0.898*** (0.0447)	0.743*** (0.0458)	-1.395*** (0.0446)	0.207*** (0.0458)
Nordic	-0.0132 (0.0631)	0.0387 (0.0561)	-0.0571 (0.0607)	-0.0513 (0.0540)	-0.0345 (0.0759)	0.0653 (0.0708)	-0.146 (0.0764)	-0.0360 (0.0687)	0.310 (0.303)	0.911** (0.301)	0.430 (0.345)	0.647 (0.345)
North America	0.252 (0.135)	0.248* (0.124)	0.162 (0.136)	0.103 (0.124)	0.456** (0.149)	0.457*** (0.136)	0.353* (0.140)	0.175 (0.131)				
Oceania	0.258 (0.353)	0.109 (0.340)	0.196 (0.312)	0.0295 (0.273)	0.0507 (0.405)	0.459 (0.368)	0.0563 (0.359)	0.315 (0.374)				
South and Middle America	0.214 (0.184)	0.437* (0.179)	0.164 (0.184)	0.280 (0.178)	0.303 (0.190)	0.484** (0.183)	0.205 (0.196)	0.237 (0.189)	-0.487 (0.431)	0.483 (0.420)	-1.644** (0.500)	-0.565 (0.507)
Adjusted $R^2$	0.0140	0.197	0.0140	0.197	0.0142	0.196	0.0142	0.196	0.0185	0.196	0.0185	0.196
N	373535	373535	373535	373535	374724	374724	374724	374724	372284	372284	372284	372284
Prob > F, Wald test	0.000	0.001	0.000	0.000	0.000	0.100	0.000	0.146	0.000	0.000	0.000	0.000
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Reference group is children of the same gender but of parents born in Denmark. Controls include: Individual controls (*gender dummy, and 11 home region dummies*), parental income (*percentile dummies for mother's and father's income during the first 21 years of the child's life*), and parental unemployment (*dummies for years of unemployment for mother and father during the first 21 years of the child's life*). All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Prob > F, Wald test, refers to the probability that all of the coefficients in the column are equal. See Table I for sample sizes by region. Groups with fewer than 5 observations are dropped. \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table C.24: Guilty charges by parental region of birth

Parental region of birth	Panel A: Mother born abroad, father born in DK				Panel B: Father born abroad, mother born in DK				Panel C: Father and mother born abroad, same region			
	Women		Men		Women		Men		Women		Men	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Africa	0.0265 (0.0676)	-0.255** (0.0814)	0.293 (0.528)	-0.0462 (0.525)	0.312 (0.178)	-0.305 (0.181)	1.485** (0.537)	0.874 (0.524)	1.206 (0.729)	0.0252 (0.699)	3.024 (1.583)	1.793 (1.571)
Asia	0.0378 (0.0315)	-0.261*** (0.0451)	0.196 (0.202)	-0.0623 (0.203)	0.132 (0.0844)	-0.326*** (0.0924)	0.623* (0.276)	0.106 (0.264)	0.0584 (0.0400)	-0.769*** (0.0578)	-0.150 (0.126)	-0.938*** (0.131)
EU-13	0.204 (0.126)	-0.111 (0.132)	0.0644 (0.279)	-0.125 (0.275)	0.00431 (0.0515)	-0.255*** (0.0671)	0.133 (0.404)	-0.132 (0.394)	0.652 (0.449)	-0.0504 (0.441)	0.256 (0.448)	-0.441 (0.444)
EU-15, ex. Nordic	0.188 (0.115)	0.0135 (0.116)	-0.0334 (0.128)	-0.230 (0.127)	0.101** (0.0332)	-0.232*** (0.0391)	0.471*** (0.133)	0.0878 (0.132)	-0.0764* (0.0351)	-0.677*** (0.119)	-0.494 (0.282)	-0.902** (0.276)
Europe, non-EU	-0.0342 (0.0412)	-0.101* (0.0509)	0.311 (0.268)	0.163 (0.263)	0.0332 (0.0375)	-0.288*** (0.0444)	0.380* (0.169)	0.118 (0.166)	0.505*** (0.111)	-0.170 (0.108)	2.001*** (0.411)	1.422*** (0.408)
Greenland/Faroe Is.	0.245** (0.0781)	-0.151 (0.0787)	1.031*** (0.264)	0.635* (0.261)	0.223*** (0.0614)	-0.289*** (0.0680)	0.801* (0.388)	0.372 (0.384)	-0.00234 (0.112)	-1.092*** (0.167)	0.332 (0.489)	-1.120* (0.505)
Middle East	0.115 (0.112)	-0.291* (0.141)	0.485 (0.393)	0.127 (0.375)	0.236*** (0.0629)	-0.582*** (0.0698)	2.665*** (0.385)	1.846*** (0.382)	0.0629*** (0.0158)	-1.138*** (0.0374)	2.637*** (0.163)	1.482*** (0.166)
Nordic	0.00328 (0.0193)	-0.121*** (0.0240)	0.409** (0.155)	0.299 (0.153)	0.0785 (0.0478)	-0.120* (0.0519)	0.281 (0.163)	0.0629 (0.159)	-0.0406 (0.0510)	-0.699*** (0.102)	-0.0466 (0.448)	-0.534 (0.449)
North America	0.0175 (0.0352)	-0.164** (0.0504)	-0.00164 (0.196)	-0.0861 (0.196)	0.0209 (0.0357)	-0.257*** (0.0570)	-0.111 (0.202)	-0.278 (0.197)				
Oceania	-0.00403 (0.0924)	-0.0261 (0.0921)	-0.714*** (0.131)	-0.769*** (0.129)	-0.0782 (0.0431)	-0.366** (0.118)	-0.250 (0.367)	-0.664 (0.360)				
South and Middle America	-0.00552 (0.0363)	-0.375*** (0.0630)	0.191 (0.377)	-0.0917 (0.368)	0.0353 (0.0683)	-0.449*** (0.0896)	0.0554 (0.254)	-0.314 (0.256)	0.0912 (0.155)	-1.065*** (0.212)	4.301* (2.138)	3.140 (2.152)
Adjusted $R^2$	0.0156	0.0355	0.0156	0.0355	0.0168	0.0367	0.0168	0.0367	0.0202	0.0394	0.0202	0.0394
N	373535	373535	373535	373535	374724	374724	374724	374724	372247	372247	372247	372247
Prob > F, Wald test	0.080	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Reference group is children of the same gender but of parents born in Denmark. Controls include: Individual controls (*gender dummy*, and 11 *home region dummies*), parental income (*percentile dummies for mother's and father's income during the first 21 years of the child's life*, and parental unemployment (*dummies for years of unemployment for mother and father during the first 21 years of the child's life*). All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Prob > F, Wald test, refers to the probability that all of the coefficients in the column are equal. See Table I for sample sizes by region. Groups with fewer than 5 observations are dropped. \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$



Table C.25: Any prison by parental region of birth

Parental region of birth	Panel A: Mother born abroad, father born in DK				Panel B: Father born abroad, mother born in DK				Panel C: Father and mother born abroad, same region			
	Women		Men		Women		Men		Women		Men	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Africa	0.000254 (0.00937)	-0.0130 (0.0101)	0.0370 (0.0295)	0.0218 (0.0291)	0.0157 (0.00996)	-0.0156 (0.0101)	0.0702** (0.0236)	0.0411 (0.0227)	0.125* (0.0576)	0.0657 (0.0572)	0.172* (0.0869)	0.110 (0.0858)
Asia	-0.000287 (0.00514)	-0.0154** (0.00538)	0.00159 (0.0137)	-0.0132 (0.0135)	0.0147 (0.00963)	-0.0113 (0.00959)	0.0809*** (0.0222)	0.0532* (0.0216)	0.00491 (0.00638)	-0.0441*** (0.00671)	0.0267 (0.0150)	-0.0197 (0.0150)
EU-13	0.00169 (0.00737)	-0.0159* (0.00764)	-0.0202 (0.0165)	-0.0304 (0.0163)	0.0192 (0.0138)	0.00743 (0.0134)	0.0210 (0.0267)	0.00605 (0.0265)	0.00720 (0.0117)	-0.0309* (0.0121)	0.0293 (0.0264)	-0.00875 (0.0263)
EU-15, ex. Nordic	0.00242 (0.00393)	-0.00631 (0.00405)	-0.0133 (0.00861)	-0.0237** (0.00849)	0.00854* (0.00363)	-0.00902* (0.00370)	0.0300*** (0.00825)	0.00969 (0.00813)	0.000447 (0.0125)	-0.0280* (0.0130)	0.00694 (0.0348)	-0.0155 (0.0336)
Europe, non-EU	-0.00522 (0.00433)	-0.00713 (0.00469)	0.0309 (0.0158)	0.0229 (0.0155)	0.00717 (0.00528)	-0.0104 (0.00535)	0.0144 (0.0111)	-0.000330 (0.0110)	0.0388*** (0.0104)	-0.00214 (0.0104)	0.159*** (0.0220)	0.122*** (0.0219)
Greenland/Faroe Is.	0.0197** (0.00637)	-0.00391 (0.00626)	0.0710*** (0.0132)	0.0472*** (0.0129)	0.0179* (0.00837)	-0.00956 (0.00833)	0.0367* (0.0163)	0.0132 (0.0161)	-0.0120*** (0.000511)	-0.0720*** (0.00619)	0.0351 (0.0388)	-0.0292 (0.0386)
Middle East	0.00582 (0.0135)	-0.0167 (0.0144)	0.0238 (0.0314)	0.00400 (0.0303)	0.0233*** (0.00636)	-0.0231*** (0.00646)	0.121*** (0.0136)	0.0748*** (0.0135)	0.0118*** (0.00263)	-0.0603*** (0.00303)	0.199*** (0.00762)	0.130*** (0.00770)
Nordic	0.000419 (0.00274)	-0.00570* (0.00283)	0.0136 (0.00755)	0.00861 (0.00739)	-0.000465 (0.00326)	-0.0105** (0.00344)	0.0217* (0.00923)	0.0104 (0.00903)	-0.0128*** (0.000475)	-0.0495*** (0.00576)	0.00642 (0.0369)	-0.0167 (0.0358)
North America	0.000739 (0.00607)	-0.00742 (0.00632)	-0.00625 (0.0148)	-0.00982 (0.0147)	-0.000358 (0.00639)	-0.0118 (0.00663)	-0.00977 (0.0153)	-0.0154 (0.0151)				
Oceania	0.00567 (0.0183)	0.00448 (0.0185)	-0.00590 (0.0388)	-0.00775 (0.0374)	-0.0139*** (0.000571)	-0.0310*** (0.00669)	-0.0554 (0.0288)	-0.0782** (0.0286)				
South and Middle America	0.00194 (0.00870)	-0.0161 (0.00899)	0.0301 (0.0234)	0.0166 (0.0228)	0.00903 (0.0108)	-0.0144 (0.0109)	0.0170 (0.0235)	0.000455 (0.0236)	0.0176 (0.0298)	-0.0425 (0.0291)	0.168* (0.0755)	0.0997 (0.0760)
Adjusted $R^2$	0.0344	0.0610	0.0344	0.0610	0.0354	0.0617	0.0354	0.0617	0.0435	0.0687	0.0435	0.0687
N	373535	373535	373535	373535	374724	374724	374724	374724	372284	372284	372284	372284
Prob > F, Wald test	0.346	0.800	0.000	0.001	0.000	0.160	0.000	0.000	0.000	0.000	0.000	0.000
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Reference group is children of the same gender but of parents born in Denmark. Controls include: Individual controls (*gender dummy, and 11 home region dummies*), parental income (*percentile dummies for mother's and father's income during the first 21 years of the child's life, and parental unemployment (dummies for years of unemployment for mother and father during the first 21 years of the child's life)*). All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Prob > F, Wald test, refers to the probability that all of the coefficients in the column are equal. See Table I for sample sizes by region. Groups with fewer than 5 observations are dropped. \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Table C.26: Charges dropped / not guilty by parental region of birth

Parental region of birth	Panel A: Mother born abroad, father born in DK				Panel B: Father born abroad, mother born in DK				Panel C: Father and mother born abroad, same region			
	Women		Men		Women		Men		Women		Men	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Africa	-0.00593 (0.0176)	-0.0942*** (0.0253)	0.130 (0.171)	0.0345 (0.168)	0.0541 (0.0334)	-0.128*** (0.0364)	0.821* (0.358)	0.640 (0.355)	1.045 (0.764)	0.674 (0.772)	1.605 (1.006)	1.225 (1.006)
Asia	-0.0125 (0.00952)	-0.104*** (0.0143)	0.107 (0.107)	0.0256 (0.107)	0.0448 (0.0239)	-0.0890*** (0.0270)	0.352* (0.159)	0.196 (0.158)	0.0262 (0.0298)	-0.222*** (0.0323)	0.0417 (0.0618)	-0.199** (0.0636)
EU-13	0.00214 (0.0152)	-0.0937*** (0.0196)	-0.0147 (0.0793)	-0.0713 (0.0788)	0.0486 (0.0313)	-0.0250 (0.0316)	0.137 (0.195)	0.0615 (0.192)	0.0720 (0.0701)	-0.150* (0.0707)	0.329 (0.302)	0.119 (0.300)
EU-15, ex. Nordic	0.0392 (0.0314)	-0.0119 (0.0320)	-0.0162 (0.0551)	-0.0724 (0.0550)	0.0369* (0.0178)	-0.0576** (0.0187)	0.268*** (0.0709)	0.159* (0.0705)	0.0365 (0.0350)	-0.142** (0.0478)	0.0466 (0.165)	-0.0852 (0.158)
Europe, non-EU	0.0160 (0.0176)	-0.00689 (0.0202)	0.0899 (0.146)	0.0479 (0.145)	0.0359 (0.0267)	-0.0587* (0.0271)	0.103 (0.0662)	0.0273 (0.0658)	0.106*** (0.0286)	-0.0993*** (0.0293)	1.377*** (0.238)	1.202*** (0.236)
Greenland/Faroe Is.	0.0898* (0.0364)	-0.0251 (0.0362)	0.171* (0.0722)	0.0560 (0.0718)	0.0437 (0.0267)	-0.102*** (0.0295)	0.341 (0.208)	0.218 (0.207)	-0.0204 (0.0183)	-0.348*** (0.0452)	-0.0246 (0.136)	-0.461*** (0.128)
Middle East	0.00877 (0.0286)	-0.111** (0.0383)	0.412 (0.252)	0.301 (0.245)	0.0596*** (0.0138)	-0.182*** (0.0177)	1.142*** (0.199)	0.904*** (0.197)	0.0202** (0.00657)	-0.342*** (0.0146)	1.403*** (0.0837)	1.054*** (0.0836)
Nordic	0.00498 (0.00953)	-0.0301** (0.0103)	0.107* (0.0516)	0.0771 (0.0511)	0.0226 (0.0178)	-0.0353 (0.0188)	0.0824 (0.0539)	0.0211 (0.0532)	-0.0394*** (0.00175)	-0.235*** (0.0331)	0.0823 (0.214)	-0.0664 (0.214)
North America	-0.00737 (0.0131)	-0.0614*** (0.0169)	-0.0464 (0.0555)	-0.0693 (0.0555)	0.0256 (0.0396)	-0.0530 (0.0415)	-0.191*** (0.0287)	-0.242*** (0.0302)				
Oceania	-0.0377*** (0.00215)	-0.0412* (0.0179)	-0.262*** (0.0308)	-0.281*** (0.0364)	-0.0404*** (0.00275)	-0.126*** (0.0361)	-0.0877 (0.148)	-0.216 (0.140)				
South and Middle America	-0.0184 (0.0101)	-0.128*** (0.0183)	-0.0492 (0.0958)	-0.134 (0.0944)	0.00567 (0.0217)	-0.131*** (0.0280)	0.0345 (0.119)	-0.0774 (0.114)	0.0807 (0.119)	-0.274* (0.123)	1.328* (0.606)	0.982 (0.610)
Adjusted $R^2$	0.00805	0.0194	0.00805	0.0194	0.00964	0.0208	0.00964	0.0208	0.0165	0.0274	0.0165	0.0274
N	373535	373535	373535	373535	374724	374724	374724	374724	372247	372247	372247	372247
Prob > F, Wald test	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Reference group is children of the same gender but of parents born in Denmark. Controls include: Individual controls (*gender dummy, and 11 home region dummies*), parental income (*percentile dummies for mother's and father's income during the first 21 years of the child's life*), and parental unemployment (*dummies for years of unemployment for mother and father during the first 21 years of the child's life*). All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Prob > F, Wald test, refers to the probability that all of the coefficients in the column are equal. See Table I for sample sizes by region. Groups with fewer than 5 observations are dropped. \* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$

Table C.27: Share of charges dropped / not guilty by parental region of birth

Parental region of birth	Panel A: Mother born abroad, father born in DK				Panel B: Father born abroad, mother born in DK				Panel C: Father and mother born abroad, same region			
	Women		Men		Women		Men		Women		Men	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Africa	-0.0273 (0.0870)	-0.0390 (0.0896)	0.0674 (0.0533)	0.0611 (0.0522)	-0.0264 (0.0475)	-0.0230 (0.0479)	-0.00191 (0.0261)	-0.00534 (0.0260)	0.170 (0.131)	0.173 (0.132)	0.0560 (0.0706)	0.0453 (0.0691)
Asia	-0.0760* (0.0387)	-0.0756 (0.0390)	-0.00193 (0.0261)	-0.00409 (0.0262)	0.102 (0.0667)	0.0999 (0.0680)	0.00208 (0.0259)	-0.00484 (0.0261)	-0.0722* (0.0362)	-0.0797* (0.0358)	0.0465 (0.0269)	0.0389 (0.0267)
EU-13	-0.0461 (0.0529)	-0.0539 (0.0531)	0.0638 (0.0407)	0.0606 (0.0408)	0.149 (0.100)	0.148 (0.0990)	0.00124 (0.0459)	-0.000985 (0.0465)	-0.136*** (0.0273)	-0.148*** (0.0273)	0.0338 (0.0487)	0.0238 (0.0491)
EU-15, ex. Nordic	0.00860 (0.0373)	0.00457 (0.0376)	0.00217 (0.0182)	0.00243 (0.0183)	-0.0124 (0.0264)	-0.0138 (0.0265)	0.0156 (0.0124)	0.0130 (0.0123)	0.332* (0.157)	0.327* (0.159)	0.0869 (0.0837)	0.0791 (0.0828)
Europe, non-EU	0.105 (0.0743)	0.107 (0.0745)	-0.000216 (0.0246)	-0.00322 (0.0248)	0.0175 (0.0422)	0.0148 (0.0426)	0.0123 (0.0185)	0.0115 (0.0187)	0.0271 (0.0353)	0.0190 (0.0357)	0.129*** (0.0224)	0.124*** (0.0224)
Greenland/Faroe Is.	0.00247 (0.0309)	-0.00546 (0.0307)	-0.0118 (0.0155)	-0.0201 (0.0157)	-0.0436 (0.0357)	-0.0528 (0.0348)	0.0317 (0.0262)	0.0276 (0.0263)				
Middle East	0.0152 (0.114)	0.0227 (0.116)	0.0269 (0.0438)	0.0172 (0.0439)	0.0870** (0.0326)	0.0797* (0.0328)	0.0327* (0.0135)	0.0264 (0.0136)	0.00114 (0.0161)	-0.0119 (0.0163)	0.110*** (0.00705)	0.0940*** (0.00757)
Nordic	-0.0143 (0.0271)	-0.0163 (0.0270)	0.00608 (0.0128)	0.00483 (0.0128)	0.0332 (0.0347)	0.0310 (0.0349)	0.0206 (0.0162)	0.0187 (0.0163)	-0.189*** (0.00506)	-0.195*** (0.0133)	0.0920 (0.0953)	0.0746 (0.0985)
North America	-0.0481 (0.0516)	-0.0472 (0.0499)	-0.00765 (0.0310)	-0.0106 (0.0311)	-0.0359 (0.0525)	-0.0378 (0.0522)	-0.0551* (0.0274)	-0.0528 (0.0273)				
Oceania												
South and Middle America	-0.0873 (0.0527)	-0.0900 (0.0510)	-0.0340 (0.0366)	-0.0385 (0.0370)	0.0191 (0.0921)	0.0125 (0.0934)	-0.00977 (0.0405)	-0.0105 (0.0398)				
Adjusted $R^2$	0.000850	0.00253	0.000850	0.00253	0.00125	0.00291	0.00125	0.00291	0.00501	0.00675	0.00501	0.00675
N	64236	64236	64236	64236	64827	64827	64827	64827	65065	65065	65065	65065
Prob > F, Wald test	0.495	0.504	0.726	0.662	0.114	0.120	0.351	0.479	0.000	0.000	0.168	0.200
Controls	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Notes: Reference group is children of the same gender but of parents born in Denmark. Controls include: Individual controls (*gender dummy, and 11 home region dummies*), parental income (*percentile dummies for mother's and father's income during the first 21 years of the child's life*), and parental unemployment (*dummies for years of unemployment for mother and father during the first 21 years of the child's life*). All parental controls are included separately for mothers and fathers, i.e. they are not summed. Cohort-year fixed effects are included in all specifications. All measures of income, earnings, and transfers are inflation-adjusted to 2013-levels. Prob > F, Wald test, refers to the probability that all of the coefficients in the column are equal. See Table I for sample sizes by region. Groups with fewer than 5 observations are dropped. \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

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