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## The Effects of Parental Education on the Earnings of Children in Native and Immigrant Families

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## THE EFFECTS OF PARENTAL EDUCATION ON THE EARNINGS OF CHILDREN IN NATIVE AND IMMIGRANT FAMILIES

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While immigrants in the United States tend to earn less than comparable natives, their children tend to earn more. The purpose of this study is to determine how differences in intergenerational transfer of human capital between immigrant families and native families affect different earning outcomes for respondents of each group. Specifically, this study analyzes how parents' education influences their children's earnings. Of particular interest is how parents' education indirectly affects their children's earnings by first influencing their educational attainment. Data from the 1979 National Longitudinal Survey of Youth allows background variables within a family from 1979 to be related to respondent earnings in 2006. The analysis shows that while parental education is a strong predictor of respondent education and earnings in the native population, it is weaker for second generation immigrants' earnings. However, the results support that immigrant parents have a relatively larger influence on their children's educational attainment, thereby indirectly influencing their earnings.