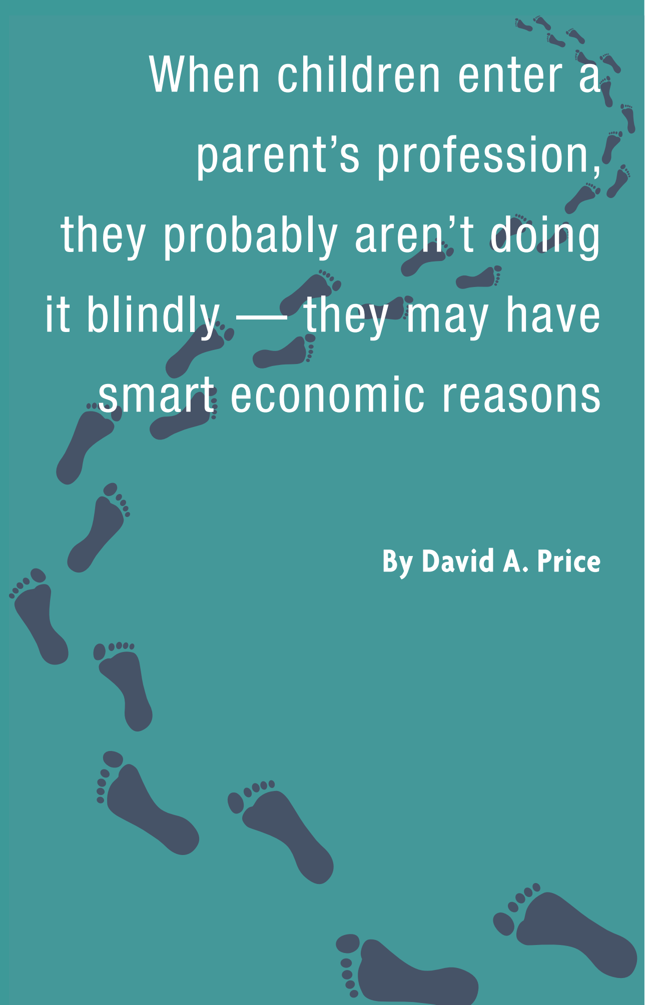
Following in the Family Footsteps

When children enter a parent's profession, they probably aren't doing it blindly — they may have smart economic reasons

By David A. Price



Historically, the phenomenon of children entering their parents' careers — following in their parents' footsteps — was perceived as a social ill. It was a sign that the children were trapped by barriers keeping them out of other occupations and relegating them to reliving the work lives of their parents.

"It was interpreted as a negative in the sense that it represented children not being able to escape the occupation that their parents had," says David Laband, a retired Georgia Tech economist who has studied footstep-following extensively. "It reflected what we might call occupational immobility."

But as it turns out, many of the fields in which footstep-following is relatively common are ones with lines of people clamoring to get in, including law, politics, medicine, and sports and entertainment. That's hard to square with the historical view. Is a woman who follows her mother or father into medical school, say, really doing so because it's her only alternative?

One sport among many with a lot of footstep-following competitors is auto racing. Among race drivers who drove NASCAR cup series races in 2005, almost a third were the son, brother, or father of another driver or former driver. Were Dale Earnhardt Jr. and Kyle Petty trapped by society into entering their fathers' occupation, NASCAR auto racing?

To be sure, some footstep-following workers — whether sports stars or upper-middle-class professionals — begin their careers with a head start thanks to privileged circumstances. But money, legacy admissions at elite universities, and other boons of privilege don't just help a doctor's child become a doctor: They confer advantages that help that child get in the door of any number of elite occupations, most of which don't require suffering through organic chemistry and residencies. While economic privilege confers advantages, privilege alone, researchers agree, doesn't account for the footstep-following decision.

What economists have long known is that footstep-following occurs more often than simple chance would predict and, moreover, that children following in their parents' footsteps enjoy a wage premium, on average, over those who don't. So what's going on?

Human Capital Begins at Home

Among male attorneys, more than 10 percent have a father who is or was also an attorney, according to survey data. (See table on next page.) Studies going back to the 1950s have found extensive footstep-following in law. Laband, with co-author Bernard Lentz, then of Ursinus College, sought to shed light on why. They had access to data from a research effort called Project Talent, which gathered detailed information

Where Following is Heaviest

Selected occupations ranked by prevalence of sons' footstep-following

Occupation	Percent of sons in occupation with father in same occupation	Percent of fathers in each occupation	Footstep-following index
Federal public administration	7.29	1.74	4.20
Carpenter	14.39	2.72	5.29
Electrician	10.18	1.07	9.53
Dentist	2.56	0.19	13.31
Plumber	12.50	0.85	14.65
Lawyer	10.16	0.57	17.83
Doctor	13.91	0.59	23.73
Economist	1.54	0.04	37.26
Legislator	3.55	0.01	354.06

NOTE: The footstep-following index is the percentage of sons with father in the same occupation divided by the percentage of fathers in that occupation. Values shown in the index column may differ slightly from the quotients due to rounding of the data. Higher index values indicate a higher prevalence of footstep-following. Data are from 1972-2004.

SOURCE: Ernesto Dal Bó, Pedro Dal Bó, and Jason Snyder, "Political Dynasties," *Review of Economic Studies*, January 2009, vol. 76, pp. 115-142, table 9.

from around 400,000 high school students from 1960 to 1973, including the students' knowledge of the law (as measured by a nine-question quiz) and how much they talked with their parents about their career plans.

Laband and Lentz found in a 1992 article that although sons of lawyers in general didn't know any more about the law than sons of nonlawyers, those who talked about their career plans with their parents did know more about law, on average. In the researchers' view, the data on children of lawyers having conversations with their parents about career plans seemed to be a good proxy for having parent-child conversations about law in general. When they looked at more than a dozen factors that might influence a child's enrollment in law school, they found — unsurprisingly — that having a lawyer parent was statistically significant.

What was surprising was that when they introduced variables related to transfer of human capital from parent to child, such as the conversations about careers, the statistical effect of having a lawyer parent went away. Sons who didn't have such conversations with their parents were no more likely to enroll in law school than anyone else. (This research, like much long-term research in the area of footstep-following, focused on sons because women professionals were relatively few during the study period.) Moreover, the same pattern held years later, at the time of law school graduation: Sons who graduated from law school had higher earnings in their first years out of law school if they had had the career conversations with their lawyer parents in high school compared with other graduates — those with lawyer parents and those without. Presumably, the children who had the conversations in high school kept having them after high school.

Laband and Lentz concluded that the career conversations marked a transfer of human capital that gave the children a leg up in law school admissions and later in the job market. It isn't a new idea, and the legal profession isn't alone: The Cambridge economist Alfred Marshall noted in his textbook *Principles of Economics* in 1890 that "as years pass on the child of the working man learns a great deal from what he sees and hears going on around him."

Research has also found that transfer of human capital helps to explain why children of entrepreneurs are much more likely to become entrepreneurs themselves. Thomas Dunn and Douglas Holtz-Eakin, then of Syracuse University, looked at this phenomenon and concluded in a 2000 article in the *Journal of Labor Economics* that it wasn't simply a matter of the parents' money: Holding access to capital constant, Dunn and Holtz-Eakin found that the pattern still held. The evidence suggested, they wrote, that "parents impart to their offspring entrepreneurial skills, as opposed to a taste for self-employment or a general knowledge of the business world."

For economists, "human capital" refers to the job-relevant skills of a worker or of the labor force as a whole. Often, the term is used as if it were synonymous with knowledge gained in a college classroom or the task-specific skills of a trade. But human capital also extends to so-called soft skills such as sociability, judgment, persistence, and attitudes toward risk-taking. Over the course of a modern 18-year-long childhood, parents have many opportunities to pass along this human capital, whether wittingly or unwittingly. And it seems to make a difference. For instance, research by Japanese economists Tsunao Okumura of Yokohoma National University and Emiko Usui of Hitotsubashi University found that in the United States, sociability has a positive effect on wages — and that after controlling for other factors, fathers with higher people skills tended, whether by nature or nurture, to have sons with higher people skills, and those sons tended to earn more than others.

The Family Brand

In addition to human capital, researchers have found, the financial returns to footstep-following may be boosted by brand-name capital. One high-profile example is that children of celebrities in sports and entertainment may be drawn to their parents' fields in part by the doors opened by the family name. Economist Peter Groothuis of Appalachian State University has tested this idea statistically with regard to NASCAR and Formula 1 race drivers and found support for it.

Groothuis determined that as of 2005, some 10.3 percent of active NASCAR drivers were sons of NASCAR drivers — a pattern that had been more or less consistent over the previous two decades. After analyzing sponsorship deals and determining each driver's "value of time on camera," or VTOC, during a race, he and co-authors Kurt Rotthoff of Seton Hall University and Craig Depken of the University of North Carolina at Charlotte found in a 2014 article in *Applied Economics* that sons of former drivers were more highly valued by sponsors than other drivers were. "Being the son of a former driver increases a driver's season-long VTOC by $30.9 million," they wrote — corroboration that "name-brand capital seems to transfer within a family."

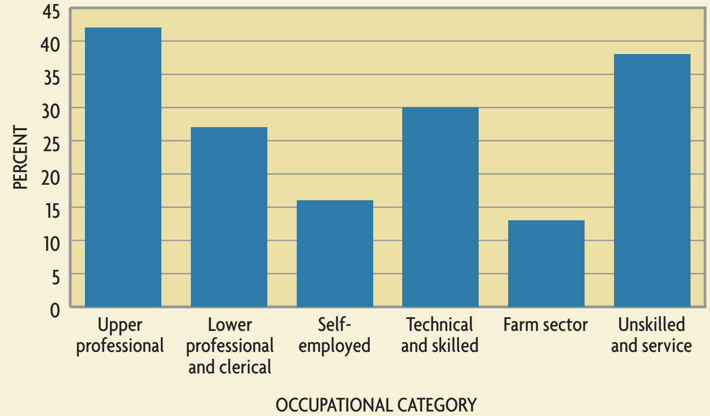
One way that the son of a famous driver may reap a return on his brand-name capital is that the early edge in name recognition could be critical to entering the sport in the first place. Entrance into a NASCAR event is determined in large part by whether a team owner will put the driver in a car — which, in turn, is determined in part by the sponsorship income the driver can bring the team. (Groothuis and his co-authors were not able to measure that effect separately, but he says it's "consistent with our results.")

In Groothuis' view, the premium received by footstep-following race drivers comes from transfers of both brand-name capital and human capital. "We try to tease them out, but we believe they're both taking place to some extent at the same time," he says. "You grow up in the house, you know the racing, you know the community, you know the culture. It's all there."

Another area where the value of brand-name capital seems to contribute to footstep-following is politics. Over the period from 1789 to 1996, roughly 8.7 percent of members of Congress had a previous relative in Congress, according to a 2009 article in the *Review of Economic Studies* by Ernesto Dal Bó of the University of California, Berkeley, Pedro Dal Bó of Brown University, and Jason Snyder of the University of California, Los Angeles. They found that "dynastic" members of Congress, in their words — those from a family with a previous family member that was serving or had served in Congress — were less likely than others to have had any previous experience in public office and were more likely to represent the state they were born in. From this and other factors, the researchers inferred that these legislators benefited from name recognition and local political contacts. Brian Feinstein, now of the University of Chicago Law School, later analyzed U.S. House of Representatives races and found that such politicians enjoyed an electoral advantage between 0.72 and 7.90 percentage points in open-seat elections, holding other factors constant; he attributed this pattern to transfer of human capital, access to donor networks, and brand-name advantages.

Following is Most Common at Top and Bottom

Percent of sons following fathers into same occupational category



NOTE: Includes men in General Social Surveys (1988-2004) born 1950-1979.

SOURCE: Emily Beller and Michael Hout, "Intergenerational Social Mobility: The United States in Comparative Perspective," *The Future of Children*, 2006, vol. 16, no. 2, pp. 19-36, table 1.

If the researchers are right about those advantages, it's no surprise that many children growing up with politician parents find the family business attractive — in addition to values that the parents may have imparted as to what's important in life.

Where Daughters Follow

As career opportunities for women have opened, entry of daughters into their fathers' occupations has increased, as well — from 6 percent for women born in 1909 to 20 percent for those born in 1977, according to a study by economists Judith Hellerstein of the University of Maryland, College Park and Melinda Sandler Morrill of North Carolina State University.

Although there is relatively little research on footstep-following by daughters, for the most part, as a result of low historical numbers of women in many professions, a new approach is yielding insight into how footstep-following may be different for women. Martha Stinson of the Census Bureau and Christopher Wignall of Amazon.com have used Census Bureau survey data in combination with Social Security records to build a picture of parent-child sharing of *employers*. The sharing of employers might or might not involve the sharing of an occupation, but it may be suggestive of similarities or dissimilarities in career paths.

Stinson and Wignall found that adult sons are more likely to share an employer with their father than adult daughters: By age 30, about 22 percent of sons shared their father's employer (that is, worked for the same employer at the same time) compared with 13 percent of daughters. Their data also indicate how industry sectors vary along

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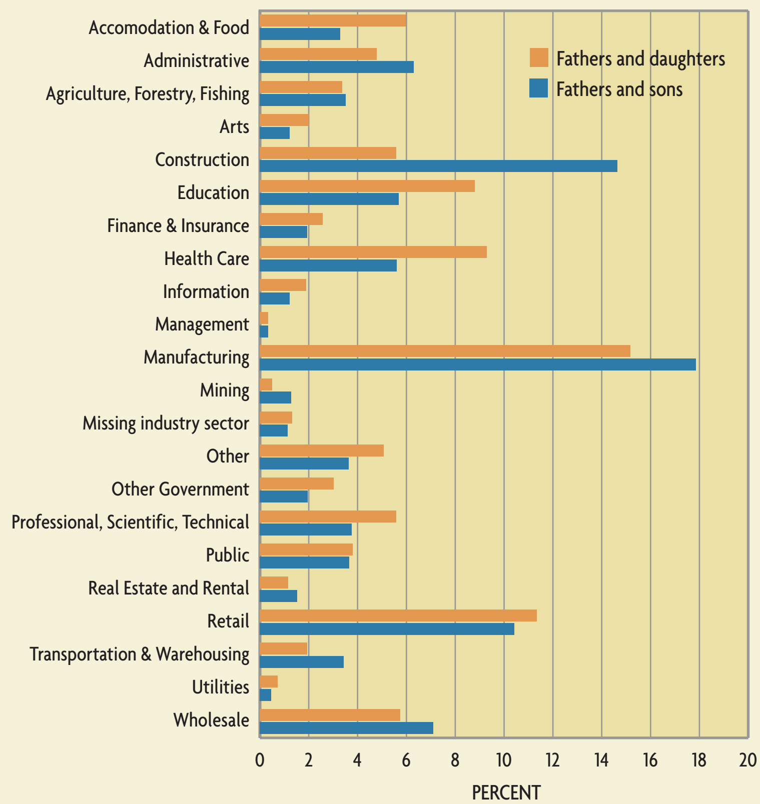
these lines. (See chart.) The comparison between father-son sharing and father-daughter sharing reveals that father-son pairings are most prevalent relative to father-daughter pairings in construction, while the opposite is true in accommodation and food, education, and health care. (These figures do not control for differences in educational or physical attributes that may be associated with entry into an occupation.)

Moreover, the researchers found that sharing by daughters, more than that of sons, was concentrated at the high end of the earning spectrum.

"The daughters really tend to share employers with their fathers mostly when the fathers are higher-earning," Stinson says. "Our hypothesis is that that's because those fathers are perhaps more likely to be working in an office as opposed to working a construction job. It does seem like daughters and sons access their fathers' job networks differently."

Following Into a Parent's Employer

Percentage of all shared-employer jobs, by sector



NOTE: Values represent the percentage of all shared-employer jobs (employer shared by parent and child) in each sector, as a share of all shared-employer jobs.

SOURCE: Martha Stinson and Christopher Wignall, "Fathers, Children, and the Intergenerational Transmission of Employers," U.S. Census Bureau Center for Economic Studies Working Paper No. 18-12, March 2018, table 10.

Making Footsteps

The evidence says that footstep-following often reflects, not feudal-like entrapment, but a desire to capitalize on opportunities. In that regard, some parents see occupation-specific human capital and reputational capital as gifts they can pass on to their children. But how far should those parents go in that direction?

Laband, who spent much of his career studying footstep-following, argues for openness. Conveying excitement about the world of work is a positive, he says, but "don't just highlight the benefits of your occupation to your children; be candid with them about the pros and cons, so as they're considering the range of opportunities they might pursue, they walk in with their eyes fully open."

For the child who does learn the pros and cons and concludes that the work is attractive, Laband says, the upside may be a more satisfying career. "Any occupation has a downside — financial risks, loneliness, pick your hazard. Someone who goes into an occupation with the experience of watching his or her parents experience the full range of costs and benefits seems to me much more likely to be successful and to experience happiness." **EF**

Readings

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