

**Papers based on PSID data presented**  
**at the 2010 Meeting of the Population Association of America**

**Smoking Cessation among Older Americans**

Dean R. Lillard, *Cornell University*  
Donald Kenkel, *Cornell University*  
Alan Mathios, *Cornell University*

Thursday, April 15  
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[Reunion B 2](#)  
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Smoking cessation at every stage of the life-cycle and particularly among older Americans is an important part of a broad smoking cessation policy effort. We use retrospectively reported smoking behavior from two major data sets (PSID and CPS) to study economic determinants of decisions to quit. With these data we map tobacco control policies to individuals over their whole smoking lives. Consequently, we exploit more policy variation than the existing literature. Further we model how decisions to quit vary with events such as marriage, divorce, pregnancy, births, deaths of family members, and health shocks such as a heart attack, diagnoses of cancer, or stroke. Our results present a richer description of how policies affect decisions, controlling for the simultaneous occurrence of other important life events. Because medical evidence suggests that smokers enjoy health benefits even when they quit at older ages, our estimates have important policy implications.

No paper available

**Live and Learn: Does Education Lead to Longer Lives?**

Eamon Molloy, *Cornell University*

Thursday, April 15  
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A large literature establishes a positive and economically meaningful correlation between mortality and education. However, few previous studies have explored whether the relationship is causal. We use variation in compulsory schooling laws over 100 years across 50 states as instruments to predict educational attainment. We improve on the previous literature by using these unique and comprehensive data that encompass the complete history of compulsory schooling laws. We match these laws to respondents to the PSID. We also contribute a new algorithm that allows us to identify places of residence in every year of life. Using individual-level mortality data we find that our more accurate measure of the number of years of compulsory education is a strong ( $F=15.44$ ) instrument for education. Our estimates suggest that an additional year of compulsory schooling reduces one's probability of death in the next five years by 2-3%.

[See paper](#)

## **Geographic Proximity and Transfers of Time and Money among Family Members Over the Life Cycle**

Emily Wiemers, *University of Michigan*

Thursday, April 15  
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This paper uses the Panel Study of Income Dynamics to examine the evolution of geographic proximity over the life-cycle. I focus on how the history of geographic proximity relates to transfers from parents to children and from children to parents and examine the relationship between transfers received and transfers given asking three related questions: (1) How does geographic proximity among family members evolve over the life course? (2) How do transfers received and transfers given at different points in the life cycle relate to one another? (3) What is the relationship between family histories of geographic proximity and transfers of time and money among family members? This paper provides a basic exploration of how transfers and geographic proximity evolve over the life course. It is largely descriptive in nature but has the potential to shed light on the motivations behind time and money transfers and geographic proximity among family members.

[See extended abstract](#)

## **Immigration and Native Mobility in Established, New, and Nongateway Metropolitan Areas**

Matthew Hall, *Pennsylvania State University*  
Kyle Crowder, *University of North Carolina at Chapel Hill*  
Stewart E. Tolnay, *University of Washington*

Thursday, April 15  
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Drawing from the literature on the effects of immigration on natives' regional pattern of internal migration, as well as from recent residential segregation and attainment research, this study offers a neighborhood-level assessment of how native flight from local immigrant concentrations varies according to metropolitan immigrant destination type. By combining panel data from the Panel Study of Income Dynamics with tract-level data from four censuses, we explore how the effects of foreign-born populations in the immediate neighborhood of residence and surrounding neighborhoods on the natives' residential mobility decisions differs in Established, New, and Nongateway destination areas.

[See paper](#)

## **Shocks to Maternal Health, Caregiving, and Geographic Proximity among Family Members in the Panel Study of Income Dynamics**

Kathleen McGarry, *University of California, Los Angeles*  
Emily Wiemers, *University of Michigan*

Thursday, April 15  
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This paper uses the Panel Study of Income Dynamics to examine the relationship between the health of aging unmarried mothers and geographic proximity to their adult children. We examine whether the onset of poor health affects proximity of mothers and children. Our hypothesis is that as parents fall into ill health and require care, children may move closer to their parent—or parents to their children—to more easily provide the needed care or alternatively, to supervise the provision of paid (formal) care. In particular, we focus on the relationship between past proximity and current proximity between mothers and their children when mothers begin to age and become sick. Among those with more than one child, we examine which child is most likely to move closer (or which child is the mother most likely to move closer to) when health declines.

[See extended abstract](#)

## **Asset Poverty Risk and the Race Divide Over the Period 1984 to 2004**

Thomas Hirschl, *Cornell University*  
Ashon Bradford, *Cornell University*

Thursday, April 15  
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This study analyzes the trend in asset poverty, defined as the amount of resources needed to sustain a family for several months. Assets constitute a private safety net, and can obviate the need for a social safety net. Racial differences in asset poverty risk, or the likelihood of experiencing asset poverty, model the relationship between race and class. Using the Panel Study of Income Dynamics, two approaches are deployed to analyze race specific trends in asset poverty risk: 1) a cohort model, and 2) an age model, including a multivariate analysis of the transition to asset poverty. The results suggest that the point-in-time risk of asset poverty tends to recede with aging among whites and blacks in the context of high cumulative risk. The results are discussed in terms of lack of political opposition to the withering social safety net.

Paper not available

## **Income and Alcohol Consumption: Investigating the Links between Lifecourse Income Trajectories and Adult Drinking Patterns**

Thursday, April 15 <sup>S</sup>/<sub>6</sub>/<sub>4</sub>  
3:30 PM - 5:20 PM  
[Cumberland F](#)  
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Magdalena Cerda, *The New York Academy of Medicine*  
Vicki Johnson-Lawrence, *University of Michigan*  
Sandro Galea, *University of Michigan*

Little research exists on the ways that lifecourse income trajectories, rather than static measures of income, influence alcohol consumption. We evaluated the relationship between household income trajectories in 1968-1996 and alcohol use in 1999-2003 in a sample of 7579 adults from the Panel Study of Income Dynamics. Latent class growth mixture models with a censored normal distribution were used to estimate lifetime income trajectory groups, while repeated measures cumulative logit models estimated the number of drinks consumed per day. The five-group trajectory model provided the best fit for the household income data. Lower lifetime income trajectories were associated with higher odds of reporting lower drinking levels. The association was independent of current income and wealth, education, employment, and marital history. This study indicates that health risk behaviors such as alcohol use may depend not only on the immediate social environment, but on the shape of lifetime patterns of socioeconomic conditions.

[See paper](#)

## **The Association between Self-Reported Health and Type of Retirement**

Friday, April 16 <sup>P</sup>/<sub>S</sub>/<sub>4</sub>  
8:00 AM - 10:00 AM  
[Marsalis A](#)  
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Matthew J. Shim, *US Air Force School of Aerospace Medicine*  
Benjamin Amick, *University of Texas at Houston*

Moen's life course approach to retirement and health was used to help clarify the relationship between retirement and health by accounting for the circumstances surrounding the retirement transition. We identified heads of households and spouses, ages 18 to 60, from the Panel Study of Income Dynamics (PSID) that reported working or transitioned from work to initial retirement or work to initial permanent disability between 1984 and 2005 (n = 18,757). When compared to those still working, heads of households and spouses reporting 'good' pre-retirement health were 72% more likely to be retired than those reporting 'excellent' health (OR = 1.72, 95% CI = 1.48, 2.00). Additionally, heads of households and spouses reporting 'poor' pre-retirement health were 4.7 times more likely to be retired than those reporting 'excellent' health (OR = 4.71, 95% CI = 3.96, 5.61). Health status appears to drive the retirement transition.

[See paper](#)

## **Fiscal Externalities of Becoming a Parent**

Douglas A. Wolf, *Syracuse University*  
Ronald Lee, *University of California, Berkeley*  
Timothy Miller, *CEPAL*  
Gretchen Donehower, *University of California, Berkeley*  
Alexandre Genest, *Human Resources Development Canada*

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Reunion F  
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It has often been observed that there are economic externalities to childbearing; however, there are numerous public expenditure programs aimed at the well-being of children, while some taxes treat differently those with and without children. Thus, the net fiscal externality from raising children may be positive or negative. We calculate the net present value of being a parent from the perspective of the combined Federal, State and local public budgets. We compute age profiles of contributions to the public budget—i.e. taxes paid—and age profiles of claims on the public budget—i.e., benefits received—separately for parents and “nonparents.” We employ an expansive definition of “parent,” counting all those who bear private childrearing costs in the form of time, money, or co-residential space. Using a previously-developed intertemporal accounting model, we find that the net present value of the fiscal streams associated with parenting is about \$150,000.

[See paper](#)

## **Collocation or Tied Migration? Choice of Destination Location among Dual-Earner Families**

Kimberlee A. Shauman, *University of California, Davis*

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Cumberland J  
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In this paper I add to the family migration literature by addressing two primary research questions. First, do dual-earner families move to labor markets that seem advantageous for the careers of both partners, i.e., do they collocate, or do they move to locations that appear to maximize career opportunity for one partner, i.e., is tied migration the norm? Second, what individual- or family-level characteristics are associated with collocation? For this analysis I use individual- and family-level data from the 1981 through 2003 waves of the Panel Study of Income Dynamics (PSID), location-specific characteristics measured with data from multiple sources, and a conditional logit model to analyze the correlates of location choice among dual-earner married couples.

[See extended abstract](#)

## **The Demography of Wealth Inequality: Marriage, Fertility, and Black-White Differences in Wealth**

Vida Maralani, *Yale University*  
Berkay Ozcan, *Yale University*

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Differences in wealth holdings between white and black Americans are staggering. Research has shown that many factors influence wealth accumulation but the existing literature has not considered a comprehensive set of demographic mechanisms or adopted a life course perspective in examining black/white differences in wealth. We describe how differences in marriage timing, marriage duration, fertility timing and levels, and the sequencing of fertility and marriage predict wealth accumulation differentially for white and black Americans. We also show how these relationships have changed across birth cohorts. Finally, we use transition matrices to predict the likelihood of moving to a higher or lower quintile in the wealth distribution from early adulthood to prime age conditional on income and background factors. We then control for the timing and sequence of marriage and fertility to see how much these demographic factors explain wealth transitions over the life course for black and white Americans.

[See extended abstract](#)

## **Economic Deprivation in Early Childhood And Adult Outcomes: Comparative Evidence from Norwegian Registry Data and the U.S. PSID**

Greg J. Duncan, *University of California, Irvine*  
Kjetil Telle, *Statistics Norway*  
Kathleen M. Ziol-Guest, *Statistics Norway*  
Ariel Kalil, *University of Chicago*

Friday, April 16 [S](#)  
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We describe child low-income dynamics in the United States and Norway and estimate associations between low childhood income and adult attainments, measured as late as age 37. Outcomes include years of completed schooling, adult earnings, and percent of adult years with any unemployment. Using data from the Panel Study of Income Dynamics (PSID) and Norwegian Registries we describe cross-country distributional differences and estimate the relationship between our adult outcomes and family economic conditions in early childhood, middle childhood and adolescence. Correlations between childhood income and adult outcomes were generally weaker in the Norwegian data. In both data sets, but larger in the PSID, we find statistically significant unfavorable associations between early childhood poverty and adult earnings. We discuss whether these results could be related to Scandinavian egalitarian welfare model's ability to mitigate effects of family background and potentially correlated credit constraints imposed by low income in the family of origin.

[See paper](#)

## **Are Extended Families Efficient?**

Patrick Coate, *Duke University*  
Michael Dalton, *Duke University*

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This paper utilizes the structure of the data from the PSID to estimate the role of the extended family in the decision process of a household. The paper examines how the resources of specific members of the extended family outside of the household affect the spending patterns of the household. Next, the paper tests for Pareto efficiency of the extended family in the way that resources are shared between households of the same family. Lastly, the paper analyzes how the role of the extended family changes depending on one's place in the life cycle. We find that, even when accounting for fixed effects across the family, the resources of the family play a significant role in housing and education expenditures. The results show rejections of Pareto efficiency that suggests that there is an element of strategy in the decision process of the household outside the realm of the static model.

[See extended abstract](#)

## **Cohort Change and Racial Differences in Intergenerational Education and Income Mobility**

Bruce Western, *Harvard University*  
Deirdre Bloome, *Harvard University*

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This study examines trends in intergenerational education and income mobility across two recent cohorts in the U.S. Income inequality rose substantially between the early 1980s and the mid 1990s, in part due to rising returns to schooling, and yet few studies have examined changes in the mobility of young adults across these two periods. Perhaps more significantly, African Americans reaching maturity in these two periods faced very different opportunity structures while growing up. This paper studies whether changes in the social and economic organization of American society differentially affected the mobility of black and white men. Using nationally representative data from two cohorts of children and their parents from the National Longitudinal Surveys, this paper finds a significant liberalization of educational mobility for African Americans, while both white and black men's incomes became somewhat more dependent on their parents' incomes.

[See paper](#)

## **Intergenerational Racial Stratification and the Black-White Achievement Gap**

Wei-Jun Jean Yeung, *National University of Singapore*  
Caroline Persell, *New York University*  
Michael Reilly, *New York University*

Friday, April 16 [S](#)  
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This paper combines theories of racial stratification with insights from developmental psychology to test hypotheses about how family and out-of-home inequality (neighborhood, school, and peers) contributes to the black-white achievement gap among children at varying developmental stages. Prior research has found that family socioeconomic status and home environment account for racial educational achievement differences among very young children. However, the same set of covariates cannot explain the achievement differences among children in junior and senior high schools. We investigate the large unexplained racial achievement gap among older children by focusing on: (1) grandparents' characteristics, (2) neighborhoods, (3) schools, and (4) peers. We draw data from the Panel Study of Income Dynamics, the U.S. Census, the Common Core Data on schools, and the Private School Survey. Results show that these characteristics, when combined with home environment, can statistically explain the differences in the black-white achievement gaps among older children.

[See paper](#)

## **New Evidence on Whether Cigarette Taxes Reduce Youth Smoking**

Andrew Sfekas, *Northwestern University*

Friday, April 16 [S](#)  
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We present new evidence on the extent to which cigarette prices and taxes affect a youth's decision to start smoking. We use longitudinal data from the Tobacco-Use Supplements to the CPS, PSID, and NLSY97 to show that prices and taxes matter. We also resolve a puzzle in the empirical literature. Most studies that use longitudinal data find that the probability of initiation is uncorrelated with changes in taxes. This result contradicts standard economic theory that demand falls when prices increase and it stands in contrast with cross-sectional evidence showing lower smoking prevalence among youth when taxes are higher. We resolve this puzzle by showing that taxes reduce smoking uptake, affects casual smoking much less than regular smoking, and that some of the empirical contradictions stem from basic specification errors flowing from the particular longitudinal data used. The findings have important implications for domestic and international tobacco control and public health policy.

Paper not available

## **Trends in the Gender Education Gap in Marriage and Marital Dissolution**

Christine R. Schwartz, *University of Wisconsin at Madison*  
Hongyun Han, *University of Wisconsin at Madison*

Friday, April 16 [S](#)  
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In contrast to the traditional pattern in which men marry women with less education than themselves, today, when one partner has more education than the other in the U.S., it is likely to be the wife. Previous research has found that couples in which wives' education exceeds their husbands' are more likely to divorce. Nevertheless, we might expect the negative effects of wives' higher education on marital stability to decline as these relationships become more common. The goals of this study are to (a) describe the changing characteristics of marriages in which wives "marry down" and (b) investigate the changing relationship between spouses' relative educational attainment and marital dissolution.

[See extended abstract](#)

## **Job Displacement and Intragenerational Mobility**

Nicholas A. Jolly, *Central Michigan University*

Friday, April 16 [S](#)  
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The analysis presented here uses the 1968 through 1993 waves of the Panel Study of Income Dynamics to examine how job displacement influences intragenerational earnings and income mobility. Using individual labor earnings, this study shows displacement increases the probability of downward mobility for several years after separation occurs. Furthermore, the probability of being in the bottom half of the labor earnings distribution increases significantly, not only in the year of job loss, but also for several years following displacement. However, income from other family members and government transfer payments mitigates displacement's adverse effect. After considering these additional measures of financial well being, the short-term impact of displacement on movements throughout the income distribution is reduced, and the long-term effect is eliminated.

[See paper](#)