A Study on the Impact of Paternal Occupational Background on the Economic Income of Offspring - An Empirical Study Based on Chinese General Social Survey 2018 Data

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Abstract. Since the reform and opening up, China's economic level and residents' disposable income have significantly improved. However, there still exists a substantial income gap among different social groups, which is influenced not only by individuals but also by their family backgrounds. This study aims to investigate the impact of fathers' occupational background on the economic income of their offspring. Using data from CGSS 2018, a multiple linear regression model is employed to explore the influence of fathers' economic income level, social status, and other factors on the economic income of their children. The findings reveal a significant positive relationship between fathers' education level and their offspring's economic income. Additionally, there is a positive relationship between fathers' administrative level and their offspring's economic income. Moreover, children whose fathers work in party and governmental organizations and institutions tend to have higher economic income compared to those whose fathers work in non-party and governmental organizations and institutions. Furthermore, children whose fathers work in Hong Kong-, Macao-, Taiwan-funded or Hong Kong-Macau-Taiwan-funded-held, foreign-owned or foreign-held enterprises exhibit higher economic income than those whose fathers work in non-Hong Kong, Macao and Taiwan-funded or Hong Kong, Macao and Taiwan-funded controlled foreign-owned or foreign-controlled enterprises.

Keywords: Intergenerational mobility, Empirical research, Parental income, Offspring income

1 Introduction

Intergenerational mobility is a fundamental topic in sociology and remains highly relevant in today's social landscape. As defined by Chetty et al. (2014), measures the extent to which a child's income surpasses that of their father or the expected level of economic income based on the father's income[1]. Since the initiation of economic reforms and the policy of opening up, China has witnessed a substantial increase in the

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economic well-being and disposable income of its residents. However, these economic benefits have not been evenly distributed among various demographic groups(Wen et al., 2013). Furthermore, the cost of higher education, including rising tuition fees, is escalating, placing greater financial strain on families. Simultaneously, the job market for college graduates is becoming increasingly competitive, with less-than-ideal salaries, especially for those holding undergraduate degrees[2] (Wen et al., 2013). Consequently, family background has emerged as a crucial determinant of one's employability in this context.

According to Bourdieu (1986), social capital encompasses the web of social connections within families, which accumulates social resources and energy[3]. Families in the upper class tend to possess abundant social resources, offering their children a smoother entry into the workforce and broader opportunities. However, in today's evolving employment landscape, it has become increasingly challenging for individuals from the lower and middle classes to ascend to the upper echelons of society. From the perspective of human capital theory, investing in education and human capital represents a means to enhance individual capabilities, key to maintaining competitiveness in employment and securing a superior position in social stratification. Therefore, the exploration of intergenerational mobility remains a significant subject for both practical and theoretical research. This study concentrates on examining how fathers' occupational backgrounds impact the economic income of their offspring, employing data from CGSS 2018 as the analytical sample. By employing a multiple linear regression model, we investigate how factors such as fathers' economic income levels, social status, and other variables influence the economic income of their offspring, contributing to our understanding of intergenerational mobility.

2 Literature Review and Research Hypotheses

The impact of the father's educational background, income level, social status, and other factors on the educational attainment and income of their offspring has been extensively examined within the academic community, resulting in a wealth of research findings. Research consistently indicates that when fathers have higher levels of education, they typically occupy positions of higher social status and enjoy elevated income levels. Such parents tend to invest more time and resources in the education and development of their children. Consequently, children raised by these parents often attain higher levels of education and income. Moreover, highly educated parents often encourage their offspring to pursue knowledge-intensive careers, such as those in medicine, engineering, science, or law, which typically offer higher earning potential and enhanced career prospects. Additionally, families with higher levels of education tend to promote a cultural and social ethos that places a premium on education and knowledge. A study conducted by Yueh-Ji Zhu et al.[4] (2020) suggests that while paternal education may not directly determine intergenerational mobility, it plays a pivotal mediating role in shaping the educational achievements of offspring. These families often prioritize self-development and achievement, motivating their children to work diligently and aspire to success in their careers. Biogenetically, parents with higher educational attainment may also, to some extent, reflect their strong aptitude for learning, which they are likely to pass on to their children, thereby fostering beneficial learning habits[5] (Weng, 2018). Building on this understanding, this paper formulates the following research hypotheses:

H1: There is a significant positive relationship between the father's education and the economic income of the offspring.

The administrative rank of fathers typically mirrors their status both in the workplace and within society. Higher-level government or managerial positions are often indicative of elevated social standing, which, in turn, may result in their offspring also attaining higher social status in adulthood. In contemporary society, parents' career trajectories have evolved into valuable social capital for their children. Fathers who hold high-level positions usually boast extensive social and professional networks, frequently including interactions with other senior executives and government officials. These connections and opportunities can open doors to additional career prospects and economic resources for their offspring[6]. Moreover, high-ranking positions often necessitate advanced education and professional skills. Consequently, parents may encourage their children to pursue higher education, paving the way for professional opportunities in related fields, and in turn, increasing their economic potential. It's evident that fathers' occupational and social networks, along with the inheritance of occupational paths, diminish the likelihood of achieving intergenerational upward mobility for children from lower-class families[7] (Han et al., 2023). Building upon this understanding, this paper proposes the following research hypothesis:

H2: There is a significant positive relationship between the administrative level of the fathers and the economic income of the offspring.

Fathers employed in party and government organizations and institutions typically enjoy a high degree of social recognition. This elevated social standing can translate into increased recognition and opportunities for their children, ultimately elevating their social and economic status. Furthermore, these children are more inclined to opt for careers within government or institutional settings, given their awareness of the opportunities and advantages available in these fields. Such career choices often lead to higher salaries, especially in these specific domains[8]. Based on these considerations, the paper formulates the following research hypotheses:

H3: The economic income of children whose fathers work in party and government organizations and institutions is higher than that of children whose fathers work in non-party and government organizations and institutions.

Children whose fathers work in Hong Kong-, Macao-, Taiwan-owned or Hong Kong-, Macao-, Taiwan-controlled, foreign-owned, or foreign-controlled enterprises are often employed in internationalized companies and industries. This exposure provides them with access to international markets and cross-cultural work environments, significantly broadening their range of career opportunities, including the potential for advancement in the global job market. Moreover, such enterprises often prioritize competitive market-based compensation, creating an environment in which children must consistently compete and excel to secure well-remunerated positions. While this may entail long-term high-pressure scenarios, the financial rewards typically align with their performance. In contrast, salary levels can vary significantly across industries and individual companies. Children whose fathers work in non-Hong Kong, Macao, and Taiwan-funded or Hong Kong, Macao, and Taiwan-controlled, foreign-owned, or foreign-controlled enterprises may encounter a broader spectrum of financial income diversity. Some industries may offer highly lucrative positions, while others may provide relatively lower salaries[9]. Based on these premises, the paper posits the following research hypotheses:

H4: Children whose fathers work in Hong Kong, Macau, and Taiwan-funded or Hong Kong, Macau, and Taiwan-funded controlled, foreign-owned, or foreign-controlled firms have higher economic incomes than children whose fathers work in non-Hong Kong, Macau, and Taiwan-funded or Hong Kong, Macau, and Taiwan-funded controlled, foreign-owned or foreign-controlled firms.

3 Data Sources and Variable Measurement

3.1 Data Sources

This paper draws upon valid questionnaires from the Chinese General Social Survey (CGSS).

3.2 Measurement of Variables

This subsection outlines the methodology employed for measuring all the variables addressed in this paper.

3.2.1 Independent Variables.

The first independent variable of this paper is paternal education. The options corresponding to the question are 0- No education at all, 3- Literacy class, 6- Elementary school, 9- Junior high school, 13- Vocational high school, 12- Ordinary high school, 13- Middle school, 13- Technical school, 14- Adult higher education for specialties, 15- Formal higher education for specialties, 16- Adult higher education for undergraduates, 17- Formal higher education for undergraduates 20- Graduate school and above.The second independent variable in this paper is the administrative level of the father's generation. The corresponding options for the question are did not hold any administrative position-0, no rank-1, unit rank-2, deputy section rank-3, full section rank-4, deputy division rank-5, full division rank-6, deputy secretary and above rank-7. The third independent variable of this paper is the type of father's work unit. The corresponding options of the question are party and governmental organizations and institutions-1, non-party and governmental organizations and institutions-0. The fourth independent variable in this paper is the nature of ownership of the father's company. The corresponding question in the questionnaire is A89h, and the corresponding options are working in a Hong Kong, Macao, Taiwan or Hong Kong, Macao or Taiwan-funded, foreign-owned, or foreign-controlled firm-1, otherwise, it is 0.

3.2.2 Dependent Variable.

The dependent variable in this paper is the level of personal income, the variable is continuous.

3.2.3 Control Variables.

In this paper, gender, age, religion, household location, political profile, ethnicity, and education level are selected as control variables.

3.3 Descriptive Statistics

The results of descriptive statistics are shown in Table 1, it can be seen that the respondents of this survey are mainly middle-aged people, and the youngest individual is 18 years old; the average level of education is middle school level; the average value of personal income water of the respondents is 40,168.18 yuan, the minimum value is 0 yuan, and the maximum value is 995,000 yuan; the average number of years of education of the fathers and mothers is 4.61 years; in addition, the distribution of gender of the respondents is more balanced, and the distribution of urban and rural areas is also more balanced. The situation is also more balanced.

Table 1. Descriptive statistics

Variable name	N	Mean	SD	Min	Ma
Personal income level	11,704	40168.1 8	174018. 4	0	995000 0
Paternal education	11067	4.61	4.68	0	20
Administrative rank of the fathers	10939	.19	.82	0	7
Father's type of workplace	10422	.10	.30	0	1
The ownership nature of the parent company	2,874	.008	.09	0	1
Personal level of education	11,683	8.78	5.02	0	20
Sex	11,706	.47	.50	0	1
Age	11,706	52.03	16.84	18	118
Religious belief	11,706	.11	.31	0	1
Domicile	11,680	.44	.50	0	1
Nation	11,706	.93	.26	0	1
Profession	2,149	.38	.49	0	1

4 Data Analysis

Based on the above research design, this paper established four regression models, and the regression results of the models are shown in the table 2.

Table 2. Regression results

Variable name	Model 1	Model 2	Model 3	Model 4
Paternal education	2196.09**			
	(2.14)			
Administrative rank of the fathers		3963.126**		
		(2.22)		
Father's type of workplace			4030.579	
			(0.68)	
The ownership nature of the parent company				45577.5*
				(1.72)
Personal level of education	11376.16***	13307.53***	13532.56***	16263.43***
	(4.26)	(8.86)	(8.72)	(7.55)
Sex	34278.7***	28242.51***	27958.83***	24156.73***
	(3.77)	(5.96)	(5.69)	(3.32)
Age	85.86	395.7295**	481.6472***	673.7488***
	(0.27)	(2.39)	(2.84)	(2.65)
Religious belief	19905.21	6953.419	7078.783	533.5234
	(0.77)	(0.75)	(0.75)	(0.04)
Domicile	27697.06*	18966.82***	18036.86***	22009.53*
	(1.75)	(3.14)	(2.85)	(1.82)
Nation	12541.13	19605.02*	19997.86*	20888.01
	(0.61)	(1.87)	(1.81)	(1.19)
Profession	-5173.70	-939.2693	-799.8885	899.6077
	(-0.57)	(-0.19)	(-0.16)	(0.12)
Constant term	-164324.4***	-192419.2***	-198140.4**	-249051.3***
	(-3.05)	(-6.99)	(-6.92)	(-5.88)
N	548	1994	1882	864
R^2	0.0816	0.0758	0.0717	0.0906

Note: *P<0.1, **P<0.05**, P<0.01, t-values in parentheses

From the regression results of model I, it can be seen that the regression coefficient of the father's education level is 2196.09. The p-value is less than 0.05, so it can be considered that the father's education level has a significant positive effect on the economic income of the offspring. For every unit of increase in father's education level, the financial gain of the offspring is raised by 2196.09 units. From the regression results of model two, it can be seen that the regression coefficient of the administrative level of the father is 3963.126. The p-value is less than 0.05, so it can be considered that the administrative status of the father has a significant positive impact on the economic income of the offspring. For every unit increase in the father's organizational level, the offspring's financial gain is raised by 3963.126 units. From the regression results of model three, it can be seen that the regression coefficient of the type of work unit of the father is 4030.579, so it can be considered that the kind of work unit of the father has a positive influence on the economic income of the offspring. The payment of the offspring whose father is in the governmental organization is higher than that of the offspring whose father is in the nongovernmental organization by 4030.579 units. From the regression results of model 4, it can be seen that the regression coefficient of the nature of ownership of the company where the father is located is 45577.5, and the p-value is less than 0.1, so it can be considered that the heart of the ownership of the company where the father is located has a significant positive impact on the economic income of the offspring.

5 Conclusion

5.1 There is a Significant Positive Relationship Between the Educational Attainment of Fathers and the Economic Income of Their Offspring

Highly educated fathers usually pass on more human capital to their offspring, including knowledge, skills, and cognitive abilities. Offspring will improve their competitiveness in the workplace because of these transmissions because they are better equipped with job skills and expertise. Also, highly educated parents usually serve as role models for their offspring, encouraging them to pursue knowledge and education. This family atmosphere and expectations can motivate the offspring's learning potential and pursuit of career success. In conclusion, the positive relationship between paternal educational attainment and offspring's economic income reflects the significant role of education in improving individual capabilities, financial gain, and social status. The value of education is not only critical to personal success but also has far-reaching implications for social mobility and economic prosperity.

5.2 There is a Significant Positive Relationship Between the Fathers' Administrative Level and the Offspring's Economic Income

Fathers and mothers in high-level executive positions can serve as leaders for their children by imparting management and leadership skills and expertise to their children, enhancing their competitiveness and career development. In addition, senior executive positions often offer more opportunities for advancement and higher career paths. Once their children enter the relevant field of work, they will have a higher starting point and ceiling than the public. Overall, the administrative level of the fathers reflects their status and achievements at the social and professional levels, which can directly or indirectly positively affect the economic income of the offspring.

5.3 The Economic Incomes of Children Whose Fathers Work in Party and Government Organizations and Institutions Are Higher Than Those of Children Whose Fathers Work in Non-Party and Government Organizations and Institutions

Career development and welfare benefits in party and government organizations and institutions are relatively stable, including higher basic salaries, generous benefits, and a sound pension system. Children working in these units can enjoy these steady financial rewards and benefits. At the same time, the standardized salary structure and promotion mechanism also allow for predictable salary increases and job advancement, which makes it possible for children to expect higher salary levels through steady promotion. Ordinary people do not have the opportunity to enter the work of party and government organizations, and even if they are lucky enough to join the job, they can only work at the lowest level of the unit without special care.[10] Although the wages are stable, they are at a shallow level.

5.4 The Financial Income of Children Whose Fathers Work in Hong Kong, Macao, and Taiwan-funded or Hong Kong, Macao, and Taiwan-funded controlled, Foreign-owned, or Foreign-controlled enterprises is higher than that of Children Whose Fathers Work in non-Hong Kong, Macao, and Taiwan-funded or Hong Kong, Macao, and Taiwan-Funded Controlled Foreign-Owned or Foreign-Controlled Enterprises

Fathers and mothers working in Hong Kong, Macao, and Taiwan-funded or Hong Kong, Macao, and Taiwan-funded controlled, foreign-owned, or foreign-controlled enterprises will train their children to specialize in high-paying industries, such as finance, science and technology, international trade, etc. so that their starting point will be much higher than that of the public. What is most needed in global high-paying industries is professional knowledge and rich work experience. First, in the working environment of their fathers, children will learn from their childhood. Further, fathers and mothers can provide their children with more internship opportunities in relevant high-paying jobs. The more work experience they accumulate, the greater the likelihood their children will be able to secure well-paying jobs.

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