

GINI Concluding Conference
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Social Impacts: Health, housing and intergenerational mobility

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Long term outcomes

- Health
- Housing (wealth)
- Intergenerational mobility

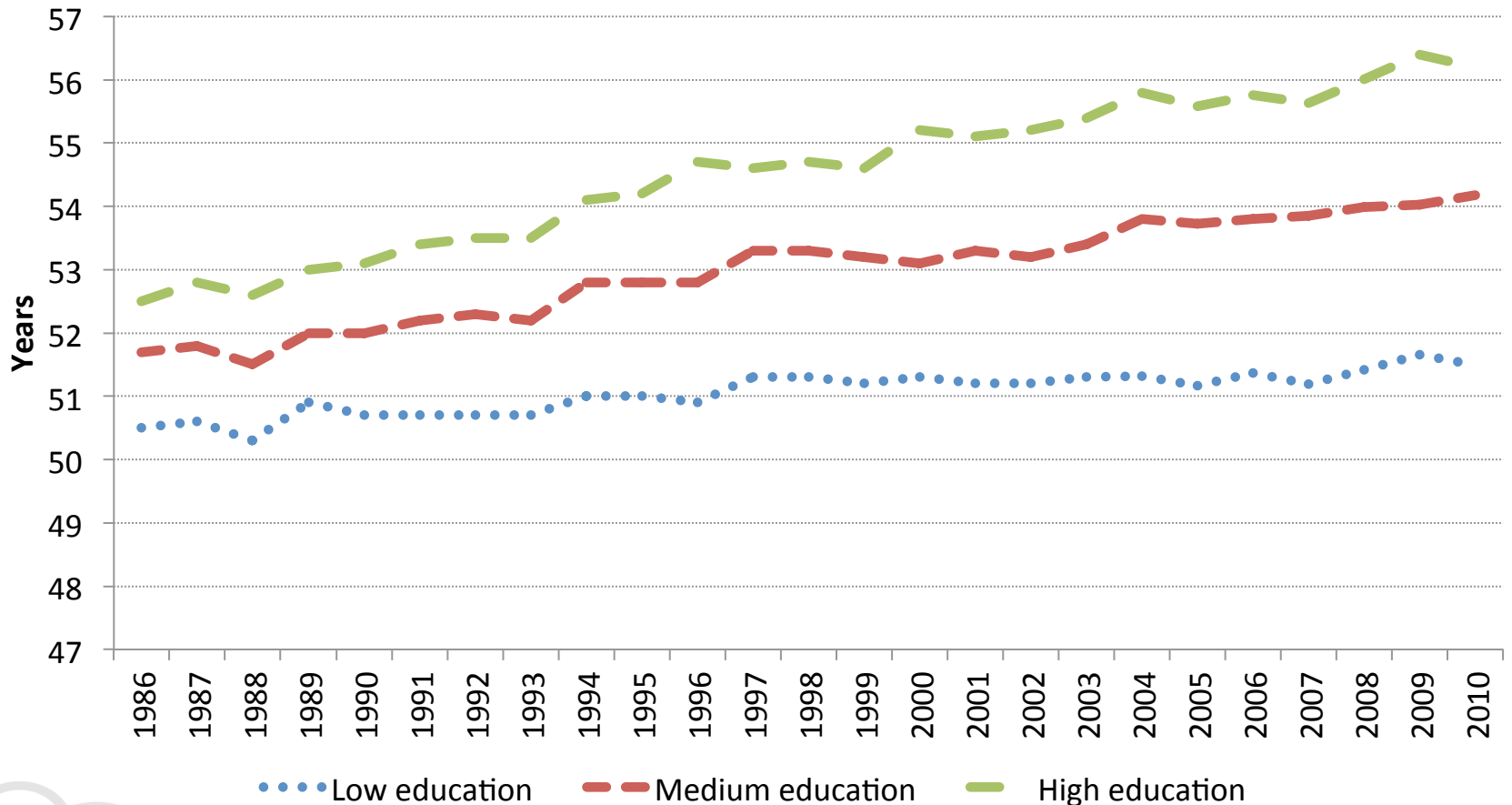
Evidence

- GINI research papers
- GINI country reports - 30 countries/30 years
- Context – existing literature

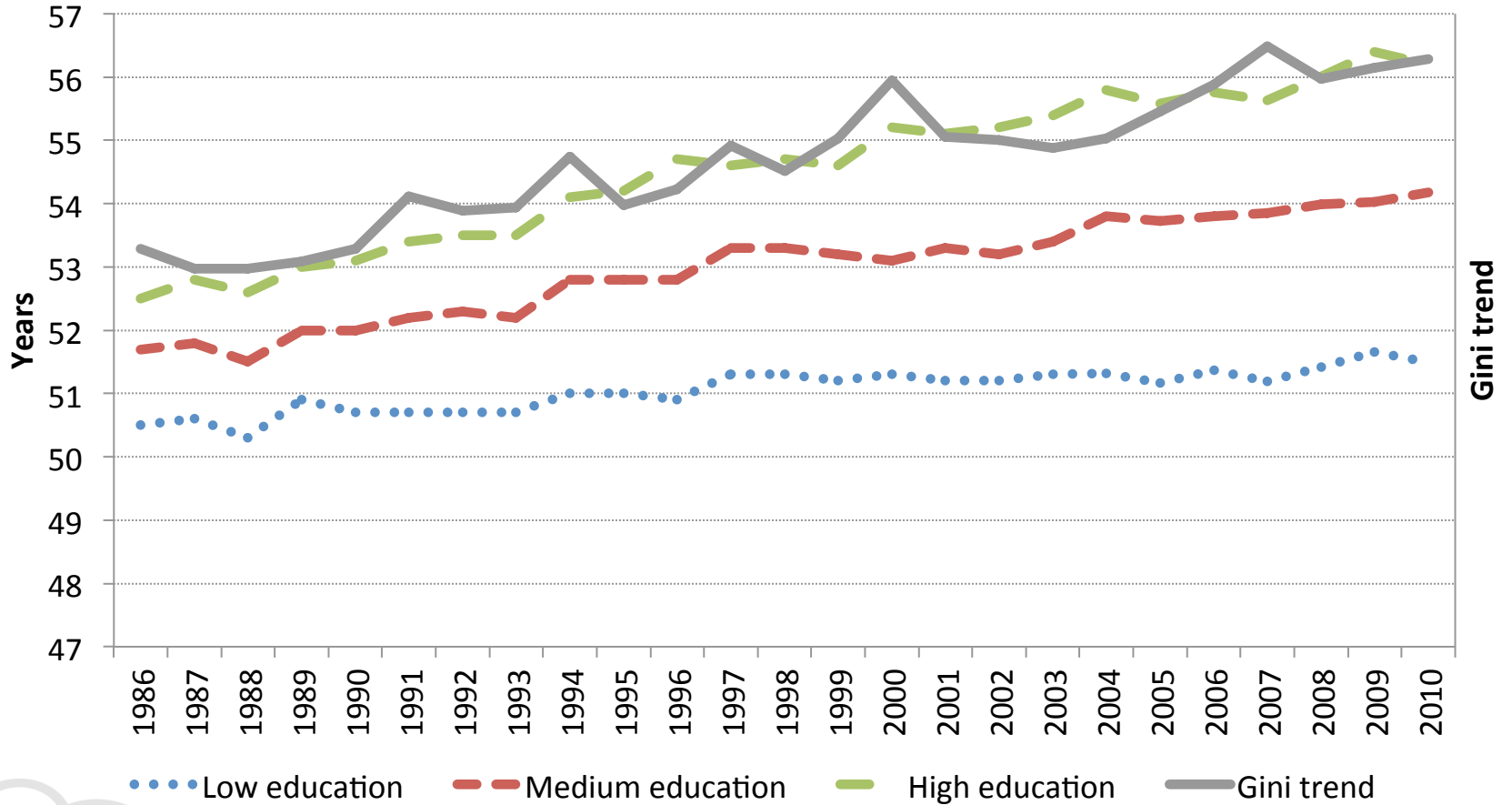
Health

- Extensive literature examining the relationship between inequality and health
- Three main hypotheses:
 - Absolute income hypothesis
 - Relative income hypothesis
 - Income inequality hypothesis

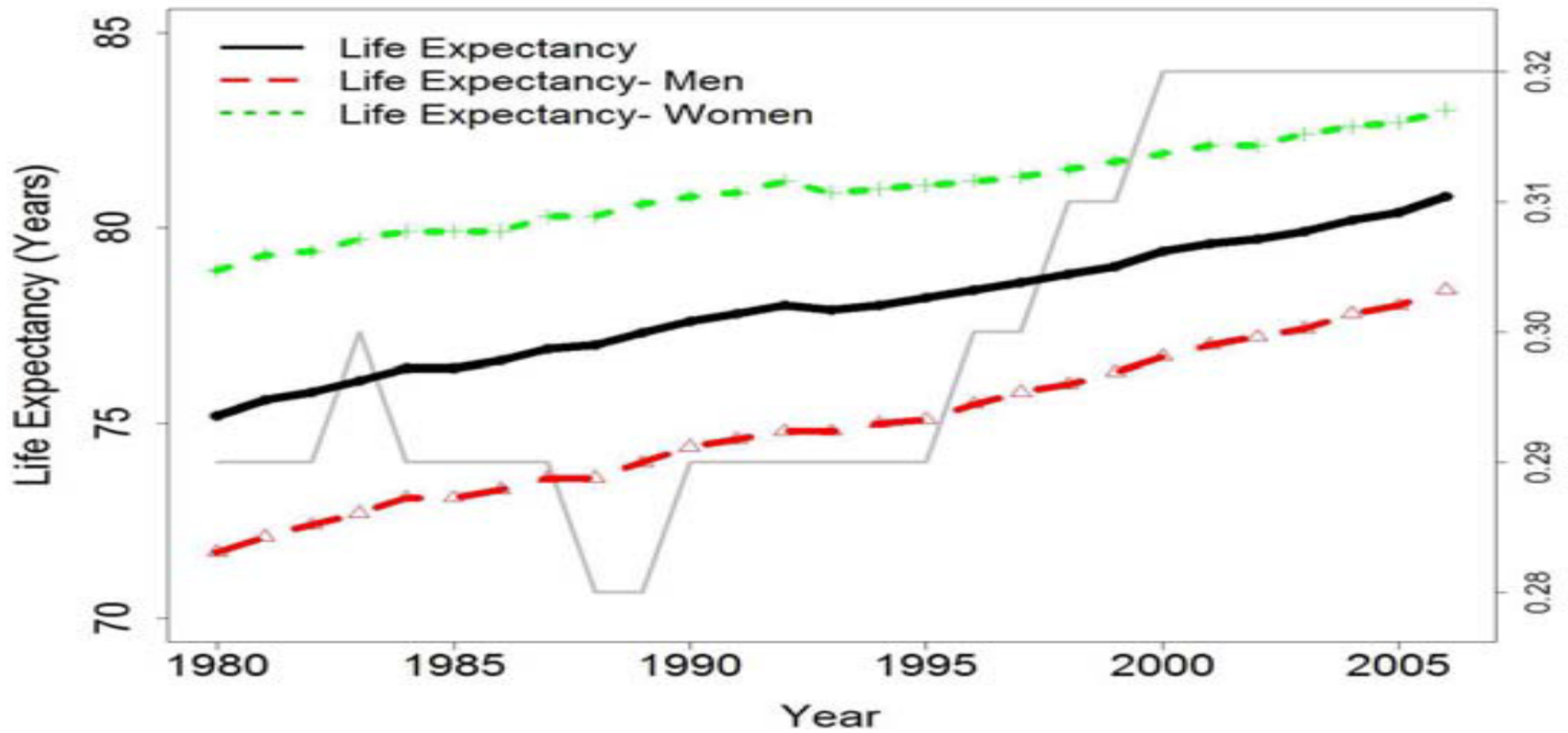
Sweden



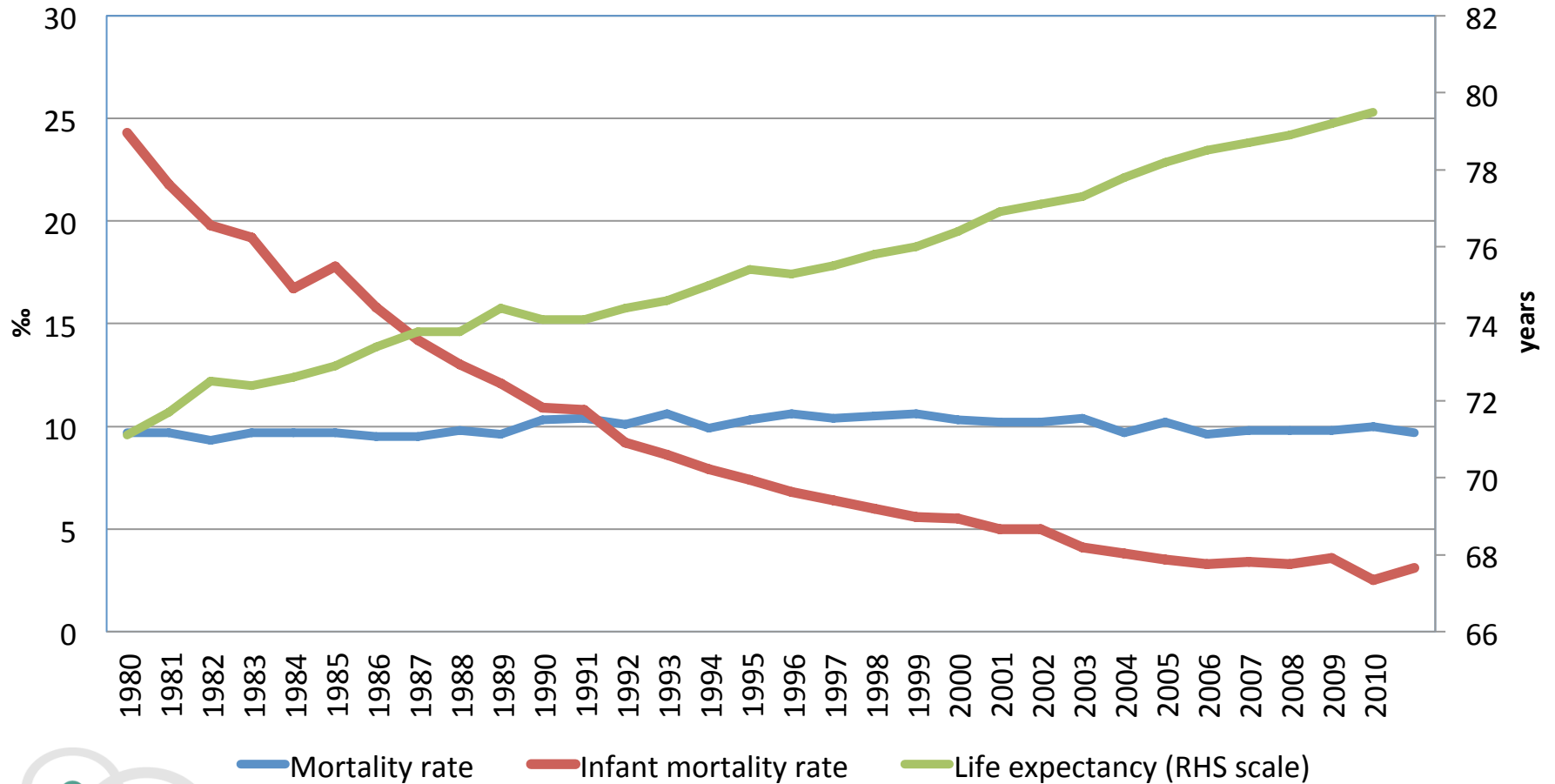
Sweden



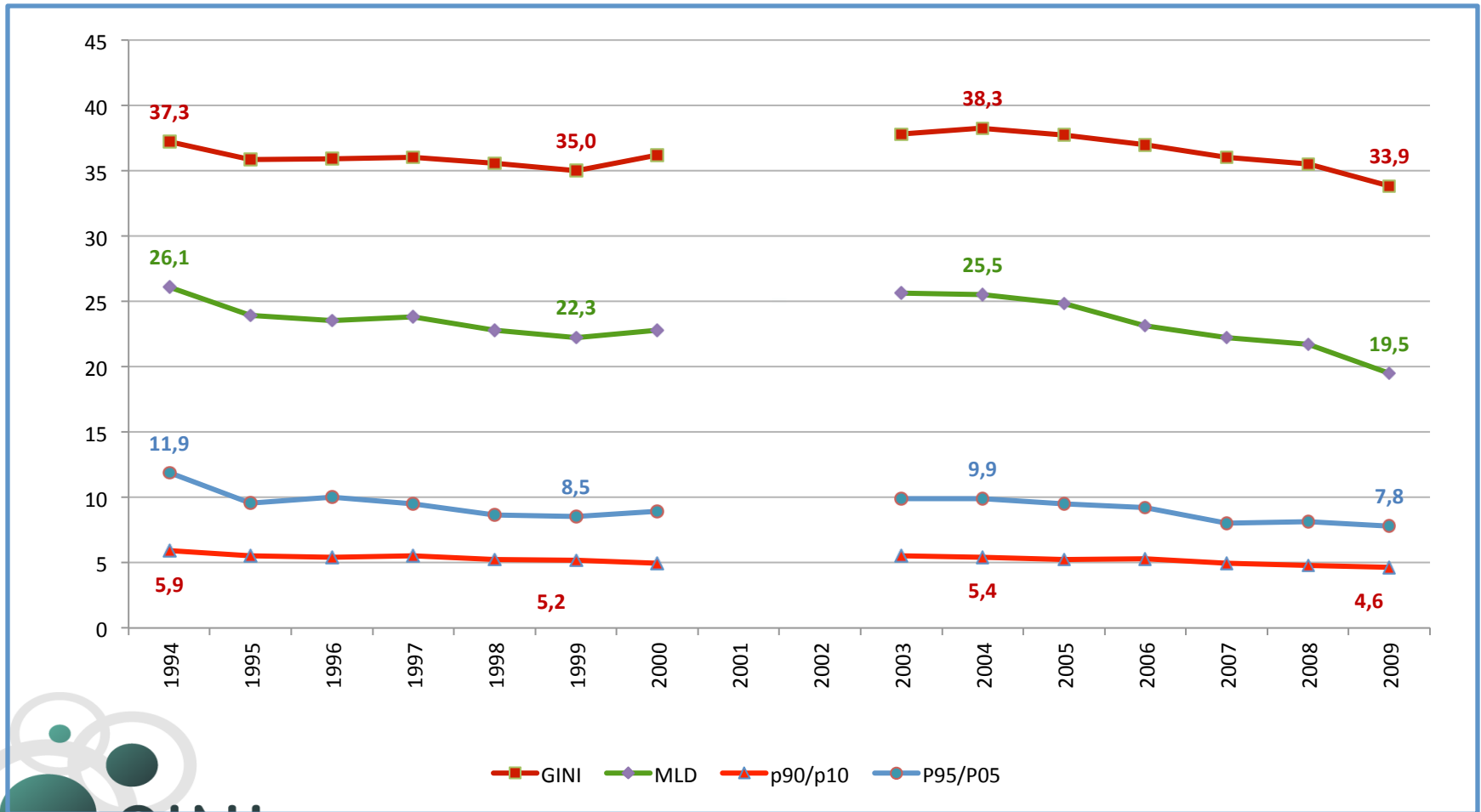
Canada



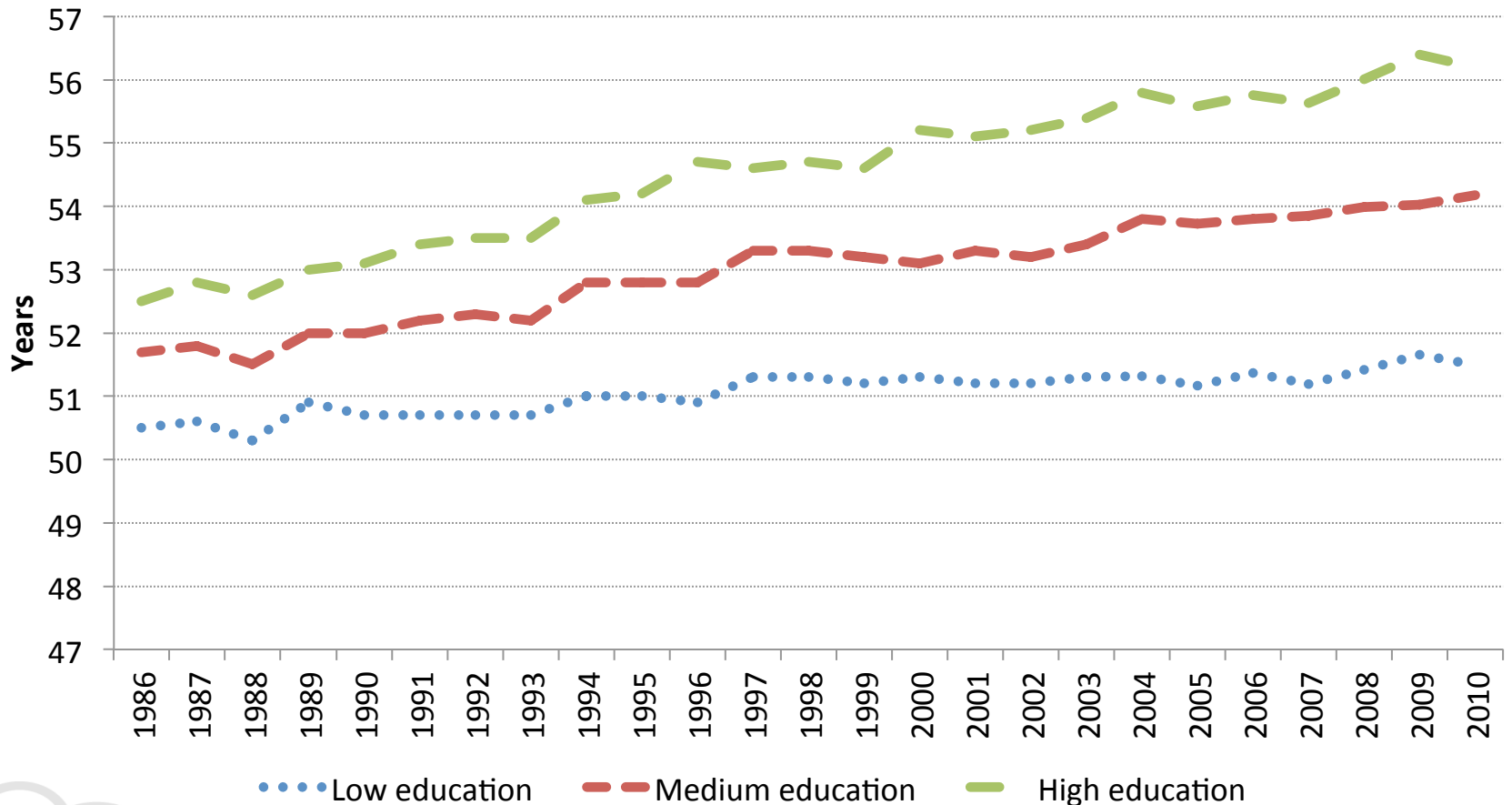
Portugal



Portugal - inequality



Sweden



Health – GINI contribution

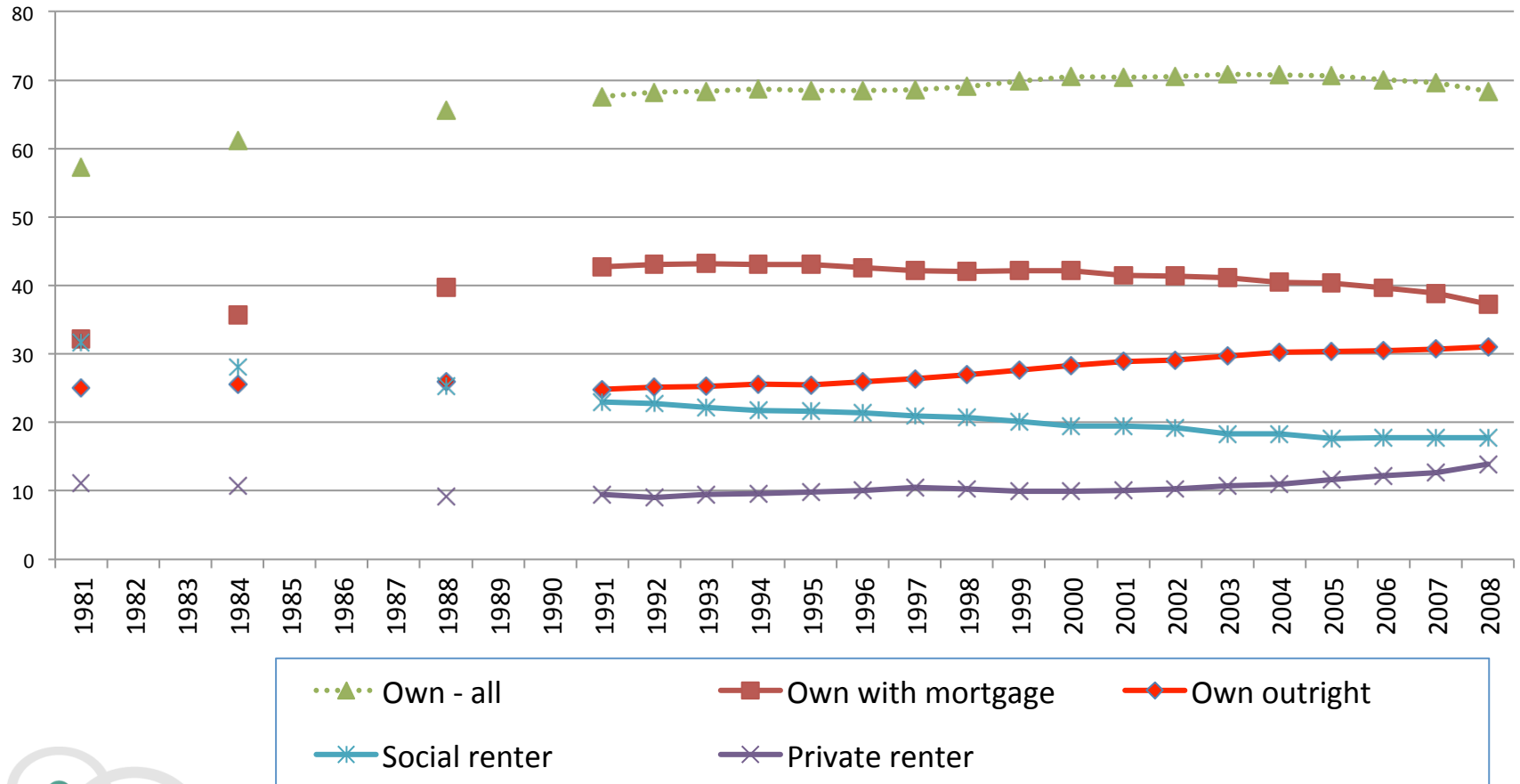
- **Material deprivation**
 - Material deprivation has an independent and negative effect on self-assessed health (absolute not relative)
 - Relative income has a negative effect (absolute income insignificant)
- **Poverty and mortality**
 - Poverty matters for infant and child mortality
 - Variation in welfare state regimes
- **Working conditions**
 - Adverse working conditions negative effects on physical and mental health

Housing – GINI contribution

The overall relationship between inequality and housing is complex and can run in both directions. It is clear that income inequality can affect housing quality and affordability.

- Homeownership rates have risen across Europe over the last few decades which appear to some extent to have been encouraged by governments as a means of shifting a greater share of the burden of welfare away from the State.

Housing – UK CR



Housing – GINI contribution

- Governments' encouragement of low-income households to become homeowners coupled with poor financial regulation and cheap credit are seen as significant triggers to the current economic crisis.
- Increases in income inequality can drive up house prices and lead to over-crowding among low income households and there is some evidence that this has occurred.

Intergenerational mobility

- GINI contribution

On the relationship between inequality and intergenerational mobility the evidence is split.

- Cross-country studies show a clear relationship between higher cross-sectional inequality and lower intergenerational mobility.
- The limited evidence available examining changes in inequality across time within countries is less conclusive.

Intergenerational mobility

- ‘Stickiness’ at the top of the income distribution, even in countries such as Sweden with relatively high levels of intergenerational mobility, appears to be leading to rich dynasties.
- Positive relationship between parental wealth and children’s educational and employment outcomes.

Social Impacts

Health, housing and intergenerational mobility

- Evidence that higher inequality has negative influences across these three domains.
- The challenge for future research is to test the relationship between changes in inequality and changes in these long term outcomes but faces issues related to time lags, other influences and data quality/availability.