INTERGENERATIONAL POVERTY AMONG SECOND-GENERATION MIGRANTS

Introduction

Children who grow up poor face elevated risks of disadvantage across multiple dimensions, including lower educational attainment, persistent material hardship, and reduced earnings and well-being in adulthood (Bäckman & Nilsson, 2011; Bavaro et al., 2024; Duncan et al., 2010). Understanding why poverty persists across generations is therefore central to debates about equality of opportunity and long-term social cohesion. The intergenerational persistence of poverty (IGPov) measures how strongly childhood poverty predicts poverty in adulthood, indicating how much family background shapes life chances.

Sweden provides a unique setting for examining these processes. It is often described as a high-mobility, low-inequality society (Björklund & Jäntti, 1997; Corak, 2013), supported by an extensive welfare state that should, in principle, weaken the link between origins and outcomes. Yet, Sweden's increasingly diverse population, with second-generation migrants (G2) forming a growing share (Statistics Sweden, 2025), raises questions about how effectively its institutions promote equality of opportunity. Despite generous social protection and gender equality policies, structural barriers such as segmented labour markets, residential segregation and unequal access to social capital continue to shape opportunities for immigrant-origin families (Ahrsjö et al., 2023; Niknami, 2016). Research on IGPov remains limited. Most studies are single-country analyses, concentrated in the United States (Corcoran & Adams, 1997; Parolin et al., 2022, 2025), and focus on income mobility rather than poverty persistence (Björklund & Jäntti, 1997). They often use individual rather than household income and mainly analyse fathers and sons, overlooking other family members (Blanden, 2013; Mazumder, 2005). Such measures capture earnings mobility but not transitions into or out of poverty, missing the lived consequences of economic disadvantage. Recent work on poverty emphasises household-level dynamics (Parolin et al., 2025) and finds systematic differences across origin groups, particularly among those with immigrant backgrounds (Boustan et al., 2025).

Economic models highlight how limited parental resources constrain investments in children's education and skills (Becker & Tomes, 1979). Sociological theories emphasize the transmission of social and cultural capital that helps convert credentials into opportunities (Lareau, 2018). Migration theories add that while migrants may be positively self-selected on ambition and skills, structural barriers such as school discrimination and labour market exclusion may push G2 children into long-term disadvantage (Rumbaut, 2015). Together, these perspectives show that intergenerational poverty persistence reflects both family-level transmission and broader structural constraints. Building on these insights, this study examines whether poverty itself persists differently across origin groups within Sweden's universal welfare regime. Using sibling correlations, an omnibus measure capturing shared family and community influences (Solon, 1999), we assess how strongly background predicts poverty outcomes. While sibling correlations are widely used for income persistence (Björklund & Jäntti, 1997; Grätz & Kolk, 2022), they have not been applied to poverty or heterogeneity by migration background. This study therefore asks: *To what extent does the intergenerational transmission of poverty differ between migrant-origin and native families in Sweden, and what does this reveal about equality of opportunity?*

Why Migration Background Matters

Sweden's income mobility research largely concerns the native-born majority. Jonsson, Mood and Bihagen (2011) find increasing relative mobility among cohorts born in the 1960s and 1970s, whereas Nybom and Brandén (2019) report little change for men and declining mobility for women. Evidence also indicates higher poverty risks among G2 children. Between 2008 and 2010, most children living in poverty in Sweden were of immigrant descent, mainly due to parents' difficulties finding stable employment linked to recent arrival and lower educational attainment (Gustafsson & Österberg, 2018). Although G2 individuals generally reach educational levels similar to natives, they continue to face disadvantages related to school discrimination, weaker networks, and labour market exclusion (Alba & Nee, 1997). These barriers are reflected in higher unemployment job overqualification (Kim, 2024). Since unemployment increases poverty risk (Gallie et al., 2003), structural inequality helps explain persistent disadvantage. Being born and raised in Sweden does not guarantee equal labour

market outcomes. Both first- and second-generation immigrants of Southern European and non-European origin remain worse off (Rooth & Ekberg, 2003).

Why Sibling Correlations?

Sibling correlations capture the total influence of family and community background on socioeconomic outcomes. They estimate how much of the variation in an outcome can be explained by factors siblings share, such as parental resources, cultural transmission, parenting styles, neighbourhood influences, and unobserved genetic traits (Björklund & Jäntti, 2020; Solon, 1999). Unlike parent-child models, they provide an omnibus measure of how strongly background conditions shape life chances (Breen & Ermisch, 2021).

Research using sibling correlations spans income persistence (Björklund & Jäntti, 2011; Colagrossi et al., 2025; Solon, 1999), cognitive ability (Duncan et al., 2001), and education (Marks & Mooi-Reci, 2016; Nicoletti & Rabe, 2019). Their advantage for studying G2 disadvantage is that they do not rely on parental data, which may be incomplete.

Earlier studies often assume homogeneous transmission (Björklund et al., 2002, 2010; Solon et al., 1991), potentially underestimating family effects. When Bingley and Cappellari (2019) relaxed this assumption, the sibling correlation rose from 0.06 to 0.22, with 72% originating in family background. Accounting for such heterogeneity is therefore essential (Colagrossi et al., 2025). For migrant-origin families, differences in resources and exposure to barriers make uniform assumptions unrealistic. Applying sibling correlations to poverty reveals whether persistence reflects family transmission or broader structural inequality.

Data & Preliminary results

We used Swedish total population registers to construct a longitudinal dataset covering socio-economic and demographic characteristics. Individuals are linked to their parents to identify parental country of birth. The study population includes 487,663 majority-Swedes and 48,966 G2 individuals born in Sweden between 1977 and 1987. Second-generation immigrants are defined as those born in Sweden with at least one foreign-born parent. Further analyses will distinguish G2 with one versus two foreign-born parents and by parental origin country.

Table 1 – Illustrative example of poverty outcome

Respondent	Age range	Mean equivalized household income	Mean poverty threshold	Poverty classification
A	30-35	25 400	25 800	Poor (1)
B	30-35	32 000	25 500	Not poor (0)
C	30-35	21 000	25 500	Poor (1)

Table 1 is an illustrative example showcasing how we define our poverty indicator. Poverty is measured using a relative income approach where we set a threshold of 60 percent of the national post-tax and transfer equivalized median household income for each calendar year. To assess each respondent's poverty status, we first identify all observations where the respondent is aged 30-35 and calculate their average equivalized household income over those years. This average represents the respondent's general standard of living in early adulthood and accounts for short-term income fluctuations. Next, we calculate the average poverty threshold over the years corresponding to those in which the individual was aged 30 to 35. Because the annual poverty threshold varies across years as national median income changes, taking the average ensures that the comparison reflects the economic climate the respondent experiences during that age range. Finally, a respondent is classified as *poor* if their average income falls below their average poverty threshold, otherwise *not poor*. This approach produces a single and stable poverty indicator per individual which is less sensitive to income volatility (Latner, 2018), single-year measurement error, or life cycle bias that could impact the results (Torche, 2015). For further analyses we will try alternative measures of poverty, such as number of years in poverty and absolute poverty rates.

Descriptive (preliminary) results

Table 1 – Sibling correlations

Group	Overall	Majority-Swedes	G2
q	0.102	0.096	0.128
ICC (probit)	0.270	0.262	0.285
s.e.(ICC)	0.005	0.005	0.013
95% confidence intervals for ICC			
lower	0.260	0.251	0.258
upper	0.280	0.273	0.313
N	532,325	484,153	48,172

In Table 2 we present results of our aggregate groups that includes all individuals who have recorded earnings all 5 years (ages 30-35) that we average poverty on. Following Breen and Ermisch (2020), we report both the intra-class correlation coefficient (ICC) from a random-effects probit model and the *q* statistic. The ICC provides a model-based measure of the share of variation in poverty that lies between families. However, for binary outcomes such as poverty the ICC depends on the overall mean of the variable and can therefore differ across groups simply because their poverty rates differ. By contrast, the *q* statistic is a mean-independent measure of within-family similarity that is interpretable as the degree of sibling agreement beyond chance. Breen and Ermisch recommend reporting both measures but interpreting *q* as the preferred indicator of family resemblance when outcomes are categorical. Based on the sibling correlation (*q*), siblings share the same poverty status about 10% more often than would be expected by chance. The *q* values of 0.096 for majority-Swedes and 0.128 for second-generation migrants indicate a modest but meaningful degree of within-family similarity in poverty, with a somewhat stronger family resemblance among the G2 group. Preliminary analysis show that when we look at heterogeneity within the immigrant-origin group, the sibling correlations vary between 7.5% to 18%.

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