

How Inherited Residential Environments Shape Socioeconomic Outcomes: Evidence from Immigrant and Native Families over Three Generations

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Introduction & Aims of the paper

Residential environments provide important resources and opportunities for social mobility (Chetty et al. 2014; Chetty and Hendren 2018; Chetty, Hendren, and Katz 2016). Decades of research within the neighbourhood effects literature have established that living in deprived areas negatively impacts an array of individual outcomes, from education and employment to health and morbidity (Sampson, Morenoff, and Gannon-Rowley 2002; Sharkey and Faber 2014; Wodtke, Ramaj, and Schachner 2022). Importantly, environmental factors exert independent effects on individual lives – over and above individual or family characteristics – and tend to reinforce long-term cycles of socio-spatial inequalities.

The vast majority of existing neighbourhood effects studies adopt a single-generation perspective to show how spatial disadvantage experienced during an individual’s childhood hinders their adult socioeconomic outcomes. However, investigating the cumulative and long-term effects of residential environments requires a multigenerational approach within families. Indeed, even within a single generation, long-term exposure to disadvantaged settings during multiple years in childhood appears to be even more detrimental to cognitive development (Sharkey and Elwert 2011) or academic performances (Wodtke, Harding, and Elwert 2011). This multigenerational dimension is all the more crucial to understand the scope of neighbourhood effects as there is now strong evidence that neighbourhood characteristics persist over time and are transmitted to the next generations (Sharkey 2008; Van Ham et al. 2014). The chances that residents of poor neighbourhoods will be able to move out and access improved environments over time are limited, which means that individuals and families are likely to be exposed to disadvantaged settings over the course of their lives and across generations. This “stickiness” of spatial disadvantage is pronounced in particular for ethnic minority populations, such as Blacks in the US (Sharkey 2008) and non-European immigrants and their descendants in France (McAvay 2018).

Yet, with some rare exceptions (Alvarado and Cooperstock 2023), the multigenerational perspective focused on ethnoracial inequality has been largely neglected by the literature: very few studies assess how neighbourhood environments measured across multiple generations influence socioeconomic outcomes, and whether these effects differ according to migration status and ethnicity.

This article explores the relationship between residential context and socioeconomic outcomes over three generations. While most studies focus on the effect of the parental neighbourhood on their children’s socioeconomic attainment, we examine how the combined effects of *parents’* and *grandparents’* residential environments shape children’s SES outcomes. We build on the few ground-breaking studies in this field (Alvarado and Cooperstock 2023; Sharkey and Elwert 2011). Yet unlike prior research, we go further with two additional contributions. First,

we investigate whether multigenerational residential effects are more or less salient for children of immigrants compared to French natives. Second, while most studies explore the role of spatial disadvantage only, we investigate both socioeconomic disadvantage and the ethnoracial composition of residential areas. Specifically, we hypothesize that these contextual indicators might have contrasting effects on social mobility, and want to assess whether long-term proximity to coethnics alleviates or reinforces the negative consequences of spatial disadvantage.

Data & Methods

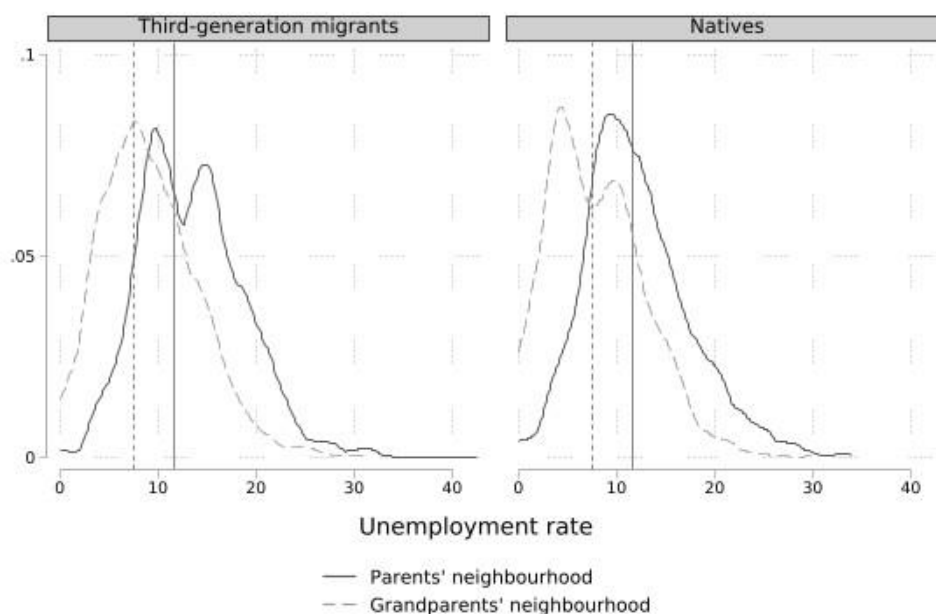
We use the recent French *Trajectories and Origins 2* survey (TeO2) conducted by the French National Institute for Demographic Studies (INED) and the *Institut national de la statistique et des études économiques* (INSEE) in 2019-2020 on a nationally representative sample of 27,181 individuals aged 18 to 60 (Beauchemin, Ichou, and Simon 2023). TeO2 oversamples individuals of immigrant origins and also includes a large group of “native” respondents with no migration background. The data provides information on three generations within French native and immigrant families: parents (the respondents), grandparents (the respondents’ parents), and grandchildren (the respondents’ children)

By linking data from TeO2 with historical French censuses, we are able to construct the contextual characteristics of *grandparents’* and *parents’* residential environments, i.e., the contextual characteristics of the respondents’ parents when the respondents were 15 years old, and those of the respondents when their children were 15 years old. We measure these contextual indicators at the municipality level. We first focus on two of these contextual indicators: the neighbourhood unemployment rate and the neighbourhood immigrant share.

Our analytical sample consists of third-generation migrants (that is, children born in France with immigrant grandparents) and natives with no migration background. We assess the effect of their parents’ and grandparents’ neighbourhood characteristics on the grandchildren’s educational and socioeconomic attainment, using four measures: i) holding no degree; ii) holding a university degree, iii) being unemployed, iv) holding a professional or executive occupation. We successively use each of these four indicators as dependent variables of interest in our models, to get a more comprehensive picture of individuals’ social positions in France.

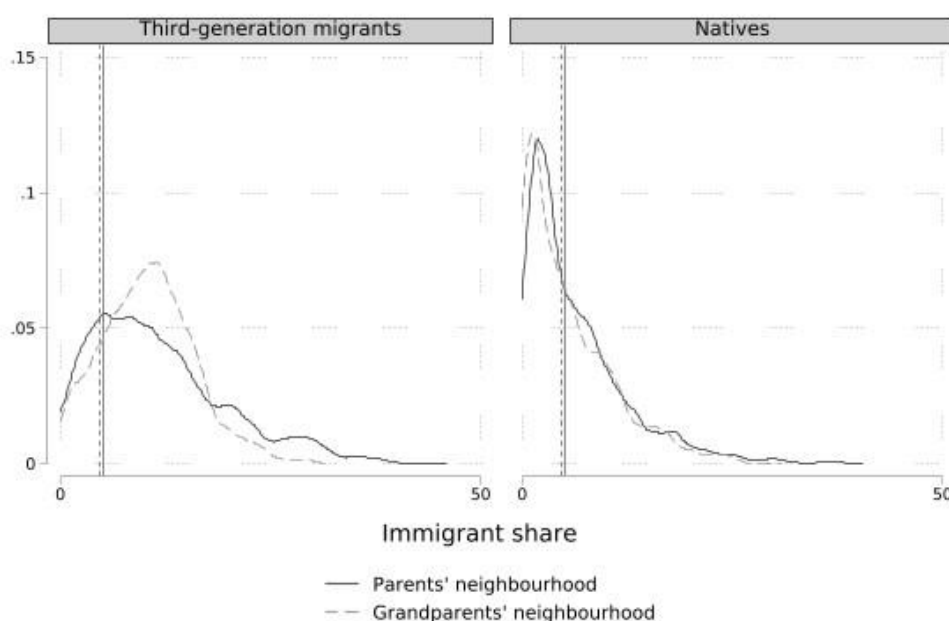
Figures 1 and 2 show the distribution of these two contextual indicators for the grandparents’ and parents’ neighbourhood, respectively for third-generation migrants and for the natives with no migration background. The pattern for the unemployment rate is relatively similar for third-generation migrants and natives: in both cases, the proportion of unemployed individuals in the city is higher for the respondents’ parents’ neighbourhood than for their grandparents’ neighbourhood, mirroring the deterioration of the French economy and the overall increase in the unemployment rate from the 1970s. By contrast, native families rarely live in neighbourhoods with a large proportion of immigrants, while this is often the case for immigrant families, with a persistent pattern over generations.

Figure 1: Unemployment rate in parents' and grandparents' municipality, by migration background



Source: TeO2 (INED-INSEE, 2019-2020). The vertical lines represent the mean of unemployment rate respectively for parents' and grandparents' neighbourhoods.

Figure 2: Proportion of immigrants in parents' and grandparents' municipality, by migration background



Source: TeO2 (INED-INSEE, 2019-2020). The vertical lines represent the mean of immigrant share respectively for parents' and grandparents' neighbourhoods.

Based on these contextual indicators, we create a categorical variable measuring contextual mobility between the grandparental and parental generation. More specifically, for each indicator of unemployment rate and immigrant share, we use a categorical variable with four categories: no disadvantage in either the grandparents' and parents' environment, upward

mobility (contextual disadvantage only in the grandparents generation), downward mobility (contextual disadvantage only in the parents' generation), and disadvantage in both parents' and grandparents' generations. The latter category captures durable contextual disadvantage across generations.

Expected findings

We will use nested logistic regressions on our four measures of socioeconomic attainment. The first models will only include our variable of interest, i.e. the categorical contextual variables interacted with migration status (third-generation migrants vs. natives). The second models will include control variables for the parents (age, sex, relationship status at the time of the survey, and educational attainment for models on occupational attainment). Finally, a last set of models will additionally control for grandparents' SES characteristics.

We expect to find a negative effect of residential disadvantage on children's SES outcomes, which will be the strongest for those whose parents *and* grandparents lived in deprived settings, especially for immigrant-origin children. However, we anticipate that multigenerational exposure to areas with ethnoracial diversity may have a buffering effect, as coethnic proximity might favour the integration of immigrant-origin children. In the next few weeks and months, we will also examine the differences by gender, and add additional contextual characteristics (especially by distinguishing the proportion of European and non-European immigrants).

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