

- **Inequality of Opportunity, Intergenerational Mobility and Inequality of Income**

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Abstract

This paper contrasts cross-sectional economic inequality with inequality that is related to family background, defined and measured in different ways. The first part presents and discusses different approaches to the study of how individuals' economic outcomes during adulthood are related to their family background. The most well-known approach, intergenerational mobility, describes how parents' and offspring's income or education are related to each other. The intergenerational-effect literature addresses the question how an intervention that changes a parental socio-economic characteristic causally affects their children's outcome. The sibling-correlation approach estimates the share of total inequality that is attributed to factors shared by siblings, including but not limited to parental income. Finally, the equality-of-opportunity approach is looking for a set of factors, in the family background and otherwise, that are important for children's outcomes and that children cannot be held accountable for. The second part of the paper then proceeds to examine how the different ways of measuring inequality due to family background compares to cross-sectional inequality using a newly available database that allow for such comparisons across a wide range of countries.