



Illinois Wesleyan University
Digital Commons @ IWU

John Wesley Powell Student Research
Conference

2016, 27th Annual JWP Conference

Apr 16th, 9:00 AM - 10:00 AM

Income Mobility through Education in the United States

Maxwell Leonard
Illinois Wesleyan University

Robert Leekley, Faculty Advisor
Illinois Wesleyan University

Follow this and additional works at: <https://digitalcommons.iwu.edu/jwprc>



Part of the [Economics Commons](#), and the [Education Commons](#)

Leonard, Maxwell and Leekley, Faculty Advisor, Robert, "Income Mobility through Education in the United States" (2016). *John Wesley Powell Student Research Conference*. 10.

<https://digitalcommons.iwu.edu/jwprc/2016/posters/10>

This Event is protected by copyright and/or related rights. It has been brought to you by Digital Commons @ IWU with permission from the rights-holder(s). You are free to use this material in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/ or on the work itself. This material has been accepted for inclusion by faculty at Illinois Wesleyan University. For more information, please contact digitalcommons@iwu.edu.

©Copyright is owned by the author of this document.

Poster Presentation P23

INCOME MOBILITY THROUGH EDUCATION IN THE UNITED STATES

Maxwell Leonard and Robert Leekley*
Economics Department, Illinois Wesleyan University

This study makes use of the National Longitudinal Survey of Youth (NLSY) in order to examine the relationship between experiencing poverty as a youth and income as an adult. Human capital theory, as well as previous empirical research suggests that as standard of living as a youth increases, future income as an adult should increase as well. This paper attempts to study this effect through both direct and indirect pathways. The indirect pathway that we are interested in is education. We measure this indirect pathway by multiplying the effect on income of having a certain degree by the effect of being in poverty on the likelihood one obtains that degree. Our results show that those who grew up in poverty are less likely to achieve a higher degree. This in turn affects these impoverished youths' ability to obtain higher wages as adults, perpetuating a cycle of poverty.