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Who is Better Off?: An Empirical Analysis of How Sibship Effects **Earnings**

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Poster Presentation P5

WHO IS BETTER OFF?: AN EMPIRICAL ANALYSIS OF HOW SIBSHIP EFFECTS EARNINGS

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The economics of the family has become an increasingly popular topic in economics. Using the economics of the family theory and human capital theory, this study looks at how sibship effects earnings as an adult at specific ages. Sibship is defined in this study as the number of siblings in a family and where the respondent falls in the birth order. These theories both suggest that first born children would have higher earnings and that number of siblings is negatively related to earnings. The theory explains the potential relationship between sibship and earnings. Using OLS regression models this study predicts the ln_WAGES when the respondents were 20, 25, 30, 35, 40, 45, and 48 as a function of birth order, number of siblings, and various control variables. The results from this study do not support the effect of birth order, however, the number of siblings has a significantly negative influence on earnings for ages 20, 25, 30, 35, and 40. Being in a smaller family has its advantage over being in a larger family, but it does not matter where you fall in the birth order.