

The Geography of the Family – On Strategic Education Choices and Parents’ Preferences for Keeping their Children Close*

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Abstract:

The aim of this paper is to assess potential links between educational attainment and the geography of the family. We analyze if parents have an incentive to keep their children geographically close using the German Socio-Economic Panel (GSOEP). In areas distant to university cities with hardly developed labor markets for workers with tertiary education, this implies that parents may have an incentive to refrain their children from getting upper secondary education and university entry diplomas to keep their geographical mobility low. This effect is predicted to be especially large for those children that have a high propensity to care for their parents, namely only children and girls. We employ probit models to explain the graduation of academic schooling by socioeconomic factors and geographical information. To hedge against potential endogeneity concerns, we additionally exploit a differences-in-differences identification strategy that focuses on newly founded German universities between the 1970s and the 1990s to assess their impact on educational attainment patterns of individuals close-by. The findings confirm the described hypothesis: The probability of attending academic secondary school track increases if there is a university nearby. Besides the effect for all children, interaction terms show that having a university nearby is even more important for only children. Living near a university increases the probability to finish academic secondary school track. This effect is even 13 percentage points larger for only children. An effect of similar size is found in the differences-in-differences specifications. Parents nurture only children differently and follow different strategic patterns.

JEL classification: I24, J13, J16

Keywords: GSOEP, level of education, family background, rural area

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