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Jonas Bühler MA, Dr. Melanie Häner-Müller,
Prof. Dr. Christoph A. Schaltegger

IWP Institute for Swiss Economic Policy
at the University of Lucerne

Intergenerational Mobility in Times of Rising Global Inequality: USA vs. Switzerland

Jonas Bühler [1], Melanie Häner-Müller [1], and Christoph A. Schaltegger [*1,2]

[1]Institute for Swiss Economic Policy (IWP) at the University of Lucerne
[2]University of St. Gallen

Abstract

This study replicates the analysis by Davis and Mazumder (2024) on the decline in intergenerational mobility for Switzerland, offering a comparative perspective in a low and stable inequality context. Leveraging administrative earnings data on over two million individuals, we estimate intergenerational mobility for cohorts entering the labor market in the early 1980s and early 1990s, respectively. In contrast to the sharp rise in intergenerational persistence and income inequality observed in the United States during the 1980s, we find that both mobility and inequality in Switzerland remained remarkably stable. Sibling correlations in long-run income consistently hovered below 15% across both cohorts. Subgroup analyses by gender and migration background confirm the persistence of stable mobility patterns. These findings thus position Switzerland as a salient counterfactual to the U.S. case documented by Davis and Mazumder (2024). We lend empirical support to the Great Gatsby Curve by showing that stable inequality is accompanied by persistently high mobility.

Keywords: social mobility, time trends, sibling correlation, inequality of opportunity, income inequality
JEL Classification: D63, I30, J62, J12

*Authors are listed in alphabetical order. Corresponding authors: Institute for Swiss Economic Policy at the University of Lucerne, Obergrundstrasse 9, CH-6003 Lucerne, Switzerland. E-mail: jonas.buehler@iwp.swiss, melanie.haener-mueller@iwp.swiss.

1 Introduction

The evolution of economic inequality over time is a central concern in the social sciences. Two key dimensions have received particular attention: the level of income inequality among individuals and the extent to which economic status is transmitted across generations (Nybom and Stuhler, 2024). While the rise in income inequality since the 1980s in many advanced economies is well documented (Atkinson and Piketty, 2007; Atkinson et al., 2011; Katz and Autor, 1999; Piketty and Saez, 2003), its consequences for intergenerational mobility remain less well understood. Recent empirical work has begun to fill this gap by documenting trends in intergenerational persistence. A central insight is the so-called Great Gatsby Curve: countries with higher levels of inequality tend to exhibit lower levels of mobility (Corak, 2013).[1]

Building on this literature, Davis and Mazumder (2024) provide compelling evidence that rising inequality within a country can be associated with declining mobility. Focusing on the United States, they show that intergenerational persistence increased substantially between cohorts entering the labor market in 1978–1981 and 1991–1995—a period marked by sharp increases in top income shares and returns to education. During this period, the intergenerational elasticity (IGE) rose from 0.28 to 0.45, and the rank-rank slope from 0.25 to 0.36. This trend is also mirrored in earlier evidence using sibling correlations by Levine and Mazumder (2007), underscoring the robustness of the pattern across different measurements of social mobility.

Against this backdrop, Switzerland provides a unique empirical setting to examine whether the Great Gatsby Curve also holds under conditions of persistently low inequality. It has long maintained a relatively stable and egalitarian income distribution, without

[1] See Durlauf et al. (2022) for a synthesis of theoretical and empirical work on the Great Gatsby Curve.

experiencing a parallel rise in top income concentration.[2] As a high-income economy characterized by a large financial sector, low average tax rates, internal tax competition, and the absence of wartime disruptions (Dell et al., 2007; Foellmi and Martínez, 2017; Schaltegger and Gorgas, 2011), Switzerland offers a compelling setting for studying intergenerational mobility under conditions of persistently low inequality. Yet despite its analytical relevance, empirical evidence on the evolution of mobility in Switzerland remains scarce, and it is unclear whether intergenerational mobility has remained stable over time.

This paper addresses that gap by replicating the cohort-based design of Davis and Mazumder (2024) using rich Swiss administrative data. A key strength of the social security earnings records (SSER) data is that it contains high-quality, uncapped earnings records for all employees and self-employed individuals—offering an uncommon advantage in cross-national mobility research. Drawing on these rich SSER data, covering over two million individuals from 38 birth cohorts, we estimate intergenerational mobility for two comparable groups: individuals born between 1948–1953 and those born between 1958–1963. We observe social mobility in the early 80s, before the steep rise in global income inequality in the 1980s, as well as a exactly a decade later, during the early 1990s, after the steep rise in global income inequality. This temporal separation allows us to benchmark mobility trends before and after the rise in global inequality, closely mirroring the cohort comparison in Davis and Mazumder (2024). Long-run income is measured as a four-year average, observed during 1981–1984 and 1991–1994, respectively, when individuals are approximately 32 years old.[3] To estimate intergenenerational social mobility, we use sibling correlations in income, which capture broad family background effects without requiring

[2]See, e.g., Dell et al. (2007); Foellmi and Martínez (2017); Frey and Schaltegger (2016); Schaltegger and Gorgas (2011).

[3]In Section 4.4.2, we examine the same mobility patterns for individuals observed at younger (approximately 22 years) and older (approximately 42 years) ages, again, during the early 1980s and 1990s. This robustness check ensures that our findings are not an artifact of the life-cycle stage at which income is measured.

data on parental earnings.[4]

Switzerland presents a striking contrast to the U.S. experience. During the 1980s, income inequality in Switzerland remained largely unchanged, as confirmed by administrative tax data from the Swiss Federal Tax Administration. In parallel, we find that intergenerational mobility also remained stable. While Davis and Mazumder (2024) document a marked increase in intergenerational persistence in the U.S., our estimates for Switzerland show consistently low levels of income persistence across cohorts.

We make two main contributions. First, we provide direct evidence that social mobility in Switzerland remained stable during a period of rising global inequality.[5] This stability mirrors Switzerland's steady inequality profile and reinforces the association between inequality and mobility. We further replicate our analysis separately by gender and nativity and find no meaningful differences across Swiss-born and foreign-born individuals, or between men and women.

Second, we investigate changes in the returns to education. While Davis and Mazumder (2024) report a 47% increase in returns in the U.S., our Swiss estimates indicate only a modest increase of 10.7%, with statistical tests suggesting stable returns across cohorts. This result supports the view that Switzerland's institutional architecture—characterized by a strong vocational education and training (VET) system, moderate returns to formal schooling, and a flexible labour market—may help buffer against inequality-induced declines in mobility.

We conduct a wide range of robustness checks, including alternative cohort definitions,

[4]While conventional parent–child and sibling-based measures are not conceptually identical, they yield strikingly similar empirical patterns (Deutscher and Mazumder, 2023). Sibling correlations capture a broader range of shared background influences, including unobserved family and neighborhood effects, whereas parent–child measures isolate the direct association between generations. In our own robustness analysis (see Section 4.4.1), we find that ICC's, IGE's, and rank–rank slopes yield highly consistent estimates and trends. This reinforces the empirical consistency of sibling-based and parent-child-based approaches for monitoring long-run mobility trends.

[5]The 1980s marked a turning point for many countries, with spikes in the top 1% income share, 90–10 ratios, and Gini coefficients (Kuhn et al., 2020; Piketty and Saez, 2003).

parent-child models, extensions to educational mobility, and the analysis of a longer timespan. These exercises confirm our core findings and underscore Switzerland's exceptional position in the global mobility landscape: a country where economic opportunity has remained stable despite rising inequality elsewhere.

The remainder of this paper is structured as follows. Section 2 reviews the related literature. Section 3 describes the data and empirical strategy. Section 4 presents the main results. Section 5 concludes.

2 Related Literature

A large body of comparative research has documented substantial cross-country differences in intergenerational income mobility.[6] Most studies rely on parent-child linkages to estimate vertical mobility measures, such as intergenerational elasticities (IGE's) or rank-rank slopes. These metrics capture the extent to which a child's economic outcomes can be predicted by their parents' status, typically measured at a fixed point in the life cycle. Comparative evidence consistently finds lower intergenerational persistence in Scandinavian countries and higher levels in the United States (Black and Devereux, 2011; Corak, 2013; Deutscher and Mazumder, 2023; Jäntti and Jenkins, 2015; Solon, 2018). For example, Chetty et al. (2014a) report a rank-rank slope of 0.34 for the U.S., compared to 0.32 in Germany (Dodin et al., 2024), 0.30 in France (Kenedi and Sirugue, 2023), and 0.20 in Denmark (Helsø, 2021).

More recent studies have begun to investigate how mobility evolves over time (Aaronson and Mazumder, 2008; Abramitzky et al., 2025; Chetty et al., 2014b; Davis and Mazumder, 2024; Goldthorpe and Mills, 2008). Chetty et al. (2014b) find no evidence of declining relative mobility in the U.S. across cohorts since the 2000s. However, Davis and Mazumder

[6] See Black and Devereux (2011) and Solon (2018) for comprehensive overviews.

(2024) and Levine and Mazumder (2007) document a pronounced increase in intergenerational persistence between cohorts born in 1948–1953 and 1961–1964. Their findings coincide with the sharp rise in U.S. top income shares and returns to education during the 1980s, suggesting a link between inequality trends and declining mobility.

A complementary strand of the literature uses sibling correlations—intraclass correlation coefficients (ICC's)—to capture the broader influence of shared family background on economic outcomes. Unlike vertical parent-child measures, sibling correlations account for both observed and unobserved familial factors (Solon, 1999; Björklund and Jäntti, 2020). They provide a comprehensive measure of the influence of family background, capturing shared factors such as parenting style, neighborhood environment, genetics or social networks (Björklund and Jäntti, 2012). Recent work by Deutscher and Mazumder (2023) shows that sibling correlations are strongly correlated with conventional parent-child estimates such as the IGE or the rank–rank slope.[7] Countries with low IGE's (e.g., Nordic countries) also tend to exhibit low sibling correlations, while high-persistence countries such as the United States rank consistently high across both vertical and horizontal measures.[8] While conceptually appealing, especially long-run sibling-based mobility trends remain understudied. Most existing evidence comes from the Nordic countries: Björklund et al. (2009) estimate declining ICC's in Sweden for cohorts born between 1932 and 1968, and Pekkarinen et al. (2017) extend the analysis to Norway. Moreover, Grätz and Kolk (2022) show that sibling influence declines with age, implying that family background plays a stronger role in early adulthood than later in life.[9]

[7]For details, see Chapter 4.4.1 and Deutscher and Mazumder (2023).

[8]In our own administrative data for Switzerland, we find that sibling correlations in income are strongly correlated with vertical parent-child measures across cohorts. For all available cohorts born between 1966 and 1988, we estimate sibling correlations (ICC's) as well as parent–child intergenerational elasticities (IGE's) and rank–rank slopes (RRS), using harmonized income definitions averaged over ages 30–33. We find similar developments for the different measures. For details and visualization, see Section 4.4.1. This convergence underscores the utility of sibling-based methods as a valid proxy for assessing intergenerational mobility. This Swiss validation complements the international evidence and reinforces the interpretive consistency of sibling-based and parent-based designs, also for tracking long-run mobility trends.

[9]Our life course analysis traces sibling correlations in income for the same cohort (1958–1963) at four

For Switzerland, existing evidence points to high levels of intergenerational income mobility. Chuard and Grassi (2020) report a rank-rank correlation of 0.14, while Bühler et al. (2024) find a sibling correlation of 0.15. Several analyses highlight the role of Switzerland's dual-track education system in explaining differences between educational and income mobility (Bauer, 2006; Bauer and Riphahn, 2007; Chuard and Grassi, 2020). Chuard and Grassi (2020) document stable income mobility for cohorts born between the mid-1960s and mid-1980s, with some regional heterogeneity across cantons. More recently, Häner and Schaltegger (2024) use surname-based methods to trace long-run family status since 1550 and find substantial decay in economic persistence over four generations.

Our study contributes to this literature in several ways. First, we provide the first time-series evidence on intergenerational mobility in Switzerland using sibling correlations across comparable cohorts. This allows us to assess whether mobility remained stable, as suggested by Switzerland's persistent low inequality, or declined in parallel with global trends, as observed in the United States. Second, we extend the analysis along several dimensions: we conduct subgroup analyses by gender and nativity, examine mobility patterns for different cohorts and over the life course for one cohort-group (1958-1963), and track long-run trends across cohorts born between 1951 and 1988. These contributions offer new insights into the inequality–mobility nexus and position Switzerland as a revealing counterfactual in the comparative mobility literature.

different ages (22, 32, 42, and 52). It shows that the family's influence on economic outcomes in Switzerland remains consistently small over the life course. See Section 4.2 and Appendix B10 for details.

3 Methods and Data

3.1 Time Trends in Social Mobility

Our empirical strategy builds on the cohort-based framework of Davis and Mazumder (2024), who document a sharp rise in intergenerational persistence in the United States between cohorts born in 1948–1953 and 1961–1964. While we adopt their cohort design, our estimation for Switzerland relies on *horizontal* sibling correlations rather than *vertical* parent-child regressions.

There are two main motivations for this choice. First, sibling correlations provide a broader measure of family background effects, capturing both observed and unobserved characteristics shared among siblings such as parental income and education, family structure, cultural capital, genetics or neighborhood environments (Björklund and Jäntti, 2020). Second, data constraints preclude vertical estimation for early Swiss cohorts: while children's income is observable beginning in 1981, parental earnings are not consistently available at the recommended reference age of 15 (Chetty et al., 2014a) for children born before 1966. A vertical approach would thus exclude nearly all Baby Boomer cohorts. By contrast, a sibling-based strategy extends the analytical window by over a decade, enabling comparison across pre- and post-inequality-shift cohorts in accordance with Davis and Mazumder (2024). As shown in a robustness check in Section 4.4.1, for cohorts born between 1966 and 1988—where both estimation strategies are feasible—sibling correlations and parent-child mobility estimates (rank-rank slopes and IGE's) yield nearly identical trends. This supports the use of sibling correlations as a valid alternative.

We estimate intergenerational mobility using a linear mixed-effects model, as developed by Solon et al. (1991); Solon (1999) and widely applied in the literature (e.g., Mazumder, 2008; Björklund et al., 2010; Pekkarinen et al., 2017; Hällsten and Thaning, 2022). Specif-

ically, we estimate the following two-level variance decomposition model:

$$y_{ij} = \beta_{00} + \alpha_{0j} + \varepsilon_{ij}, \tag{1}$$

where y_{ij} denotes long-run income (averaged over four years) for individual i from family j, β_{00} is the grand mean, $\alpha_{0j} \sim \mathcal{N}(0, \sigma^2_\alpha)$ is a family-specific random intercept capturing unobserved shared background, and $\varepsilon_{ij} \sim \mathcal{N}(0, \sigma^2_\varepsilon)$ is an individual-specific error term.

The total variance in long-run income is decomposed as:

$$\text{Var}(y_{ij}) = \sigma^2_{\alpha_0} + \sigma^2_\varepsilon. \tag{2}$$

The intraclass correlation coefficient (ICC), or sibling correlation ρ, is then given by:

$$\rho = \frac{\sigma^2_{\alpha_0}}{\sigma^2_{\alpha_0} + \sigma^2_\varepsilon}. \tag{3}$$

This parameter reflects the share of income variation attributable to shared family background. Higher values of ρ indicate greater intergenerational persistence and thus lower mobility.

We estimate ρ separately for each cohort window by applying Equation 1 to successive birth-year groups. The resulting ICC's are interpreted as cohort-specific estimates of the influence of family background on economic outcomes.[10]

In their U.S. study, Davis and Mazumder (2024) compare two adjacent birth cohorts—1948–1953 and 1961–1964—bracketing a period of rapid structural change in the American labor

[10] All models are estimated via restricted maximum likelihood (REML) using the `lmer` function in R (Bates et al., 2015), with standard errors and p-values computed using Satterthwaite's degrees of freedom as implemented in the `lmerTest` package (Kuznetsova et al., 2017). We report cohort-specific ICC estimates with confidence intervals to facilitate statistical and visual comparison across time. Our approach extends the cohort-based sibling correlation designs of Björklund et al. (2009) and Pekkarinen et al. (2017), who estimate long-run trends in Sweden and Norway, respectively. Both studies document a decline in sibling similarity over the mid-20th century. We expand this framework by extending the cohort window through 1988, providing new evidence on intergenerational mobility in a persistently low-inequality setting.

market. This design allows for a clean assessment of changes in opportunity across time.

We adopt the same comparative framework for Switzerland, contrasting sibling correlations in long-run income for cohorts born in 1951–1954 and 1961–1964. These groups are constructed using nearly identical four-year windows as in Davis and Mazumder (2024). For each cohort, we estimate the ICC using the following random-intercept model:

$$y_{ijc} = \beta \mathcal{X}_{ijc} + \alpha_{0jc} + \epsilon_{ijc}, \tag{4}$$

where y_{ijc} denotes inflation-adjusted long-run income for sibling i from family j in cohort c, the vector $\mathcal{X}_{ijc}$ captures gender fixed effects, $\alpha_{0jc} \sim \mathcal{N}(0, \sigma^2_{\alpha_{0c}})$ is the cohort-specific shared family component, and $\epsilon_{ijc} \sim \mathcal{N}(0, \sigma^2_{\epsilon_c})$ is the individual-specific error.[11]

The resulting estimates—$\rho_{1951\text{–}1954}$ and $\rho_{1961\text{–}1964}$—serve as direct analogues to the U.S. estimates reported by Davis and Mazumder (2024), enabling a clean international comparison of intergenerational persistence during a period of rising global inequality.

To further examine heterogeneity in intergenerational mobility trends, we replicate our parallel cohort analysis separately for four key subgroups: (1) brothers, (2) sisters, (3) Swiss-born individuals, and (4) individuals born abroad. This enables us to assess whether the evolution of intergenerational persistence varies by gender or migration background.

For each subgroup and each cohort window, we estimate separate intraclass correlation coefficients (ICC's), thereby constructing distinct mobility trajectories across subgroup lines. This approach mirrors the parallel trend framework used in Davis and Mazumder (2024), who examine subgroup-specific patterns of intergenerational mobility by race and gender in the U.S. context.

[11] Confidence intervals for the ICC are based on parametric bootstrapping using confint() from the lme4 package with 100 simulations.

3.2 Development of Returns to Education

Following Davis and Mazumder (2024), we also examine whether the returns to education have changed across cohorts. To assess whether a similar pattern is observable in Switzerland, we estimate cohort-specific returns to schooling for the two groups used in our main analysis: individuals born between 1948–1953 and those born between 1958–1963.

The dependent variable is long-run income, expressed in 2021 CHF and bottom-coded at CHF 1,463 to ensure comparability with the USD 1,500 threshold applied in Davis and Mazumder (2024).[12]

We estimate the following cohort-interacted log-linear regression model:

$$\log(y_{ij}) = \beta_0 + \beta_1 \cdot \text{Educ}_{ij} \cdot C_{ij} + \mathcal{X}'_{ij}\delta + \epsilon_{ij}, \tag{5}$$

where y_{ij} denotes log long-run inflation-adjusted income and Educ_{ij} represents years of schooling. The interaction terms allow the returns to education to vary across cohorts. The control vector $\mathcal{X}'_{ij}$ includes gender and state of birth indicators.

3.3 Administrative Swiss Data

Our empirical analysis draws on comprehensive Swiss administrative data combining social security earnings records (SSER) from the Central Compensation Office (CCO) with population register data (STATPOP) from the Federal Statistical Office (FSO). This integrated dataset offers full population coverage and enables the construction of sibling-based mobility measures for over two million individuals born between 1951 and 1988, spanning

[12]The CHF threshold is derived using the average 2015 exchange rate published by the Swiss National Bank (1 USD = 0.9626 CHF), adjusted to 2021 using the Swiss Consumer Price Index (LIK), assuming cumulative inflation of 1.3%. Sources: `https://data.snb.ch/` and `https://lik-app.bfs.admin.ch`. Income is log-transformed using the `log1p()` function in `R`, which computes $\log(1 + x)$ in a numerically stable way, particularly for small values of x. This approach mitigates floating-point inaccuracies and is preferable to manual transformations for low-income observations.

38 birth cohorts.

Demographic characteristics, household structures, and citizenship status are obtained from the annual Population and Households Statistics (STATPOP).[13] These data are pseudonymously linked to longitudinal earnings histories from the social security earnings records (SSER), which provide total annual labor income for all employees and self-employed individuals from 1981 onward. Importantly, the SSER include mandatory pension contributions and is not subject to an upper earnings cap, allowing us to observe the full distribution of individual taxable labor income over multiple decades.

To analyze returns to education (see Section 3.2 for details), we incorporate additional data from the Structural Survey (SE), a rotating panel survey that is linkable to the Swiss federal census system. Since 2010, the SE has sampled approximately 200,000 individuals annually, resulting in a dataset of over 2.9 million unique observations. The survey contains harmonized measures of highest educational attainment, which we convert into years of schooling using official federal conversion tables.

The integration of these high-quality administrative sources enables us to estimate fine-grained, nationally representative trends in intergenerational mobility and returns to education over the last four decades.

3.4 Sample and Variable Selection

For each cohort, we define overlapping subgroups, each consisting of three birth years. Following standard practice in the mobility literature (e.g. Chetty et al., 2014a), we measure long-run income at a stage in the life course when earnings trajectories have largely stabilized. Specifically, our baseline sample includes individuals aged 28 to 36, born in either the 1948–1953 or 1958–1963 cohorts. This ensures that labor market outcomes are

[13]STATPOP is a register-based data system that covers the entire resident population of Switzerland. It includes information on household composition, civil status, and nationality.

observed consistently across cohorts—either between 1981 and 1984 or between 1991 and 1994—and allows for clean comparisons over time. In addition to these two anchor cohorts, we also leverage a broader sample covering all birth cohorts from 1951 to 1988 to analyze long-run trends in a robustness check (see Section 4.4.3).[14]

Our primary outcome variable is long-run, inflation-adjusted labor income in Swiss francs (CHF, 2021 prices). Income includes all earnings from dependent employment and self-employment that are subject to mandatory social security contributions.[15]

To reduce transitory fluctuations, long-run income is computed as the arithmetic average of earnings over four consecutive calendar years.[16] We do not impose a minimum income threshold, thereby preserving the full income distribution—including individuals with weak or no labor market attachment.[17]

Family affiliation is determined based on parental identifiers in the census data. Individuals are classified as siblings if they share the same mother; in cases where maternal identifiers are missing, paternal identifiers are used. No additional restrictions are imposed regarding biological versus adoptive status or full versus half-siblings.

[14]For the long-run analysis in Section 4.4.3 we use strict income definitions (30-33 yrs) as suggested by Chetty et al. (2014a). Therefore, we exclude individuals born after 1988, as their income at age 30–33 would not yet be observable by 2021. Individuals born before 1951 are excluded because the SSER data begin in 1981, and thus income at age 30–33 is not observable.

[15]Covered income sources include regular wages, self-employment income, unemployment benefits, disability insurance, parental leave payments, military service compensation, and pandemic-related income replacement schemes. We also include earnings from certain non-employed individuals with minimal Old-age and survivors' insurance (OASI) contributions, provided they receive recognized municipal benefits. Individuals with wealth-based minimum contributions are coded as having zero income. Records without a valid OASI identifier are excluded. Splitting components, child-rearing credits, and care credits are not included, as they do not represent directly earned income.

[16]We use the arithmetic mean in CHF without log transformation, as the income distribution at this stage of the life course is approximately symmetric. High incomes are rare at younger ages, reducing concerns about skewness.

[17]We retain all valid records regardless of income level to ensure representativeness and avoid selection bias at the lower end of the income distribution.

3.5 Descriptive Statistics

Table 1 presents summary statistics for the final analysis sample used to estimate the trends in social mobility according to Davis and Mazumder (2024). The sample includes a total of 393,589 individuals born between 1948 and 1963, for whom we observe at least one sibling. The average long-run income (in 2021 CHF) is CHF 56,475, with an interquartile range of CHF 24,998 to CHF 80,006. The average birth year is 1957, with an interquartile range spanning 1952 to 1961.

The sex distribution is broadly balanced: 217,503 individuals (55.3%) are male and 176,086 (44.7%) are female. With respect to migration background, 384,464 individuals (97.7%) were born in Switzerland, while 9,125 individuals (2.3%) were born abroad.[18]

In addition to income-based mobility, we estimate sibling correlations in educational attainment (see sensitivity check in Section 4.4.4) using matched data from the Structural Survey (SE), provided by the Federal Statistical Office. We are able to link 85,562 individuals from sibling pairs in our main sample with valid education data. For this subsample, the average years of schooling amount to approximately 12.8 years.

Additional descriptive statistics related to the long-run time trend robustness check presented in Section 4.4.3 are reported in Appendix Table A1.

Appendix Table A2 provides further descriptive statistics for the subsamples used in our heterogeneity analyses. These include dyads restricted to only brothers, only sisters, as well as groups stratified by nativity status.

[18]The relatively high share of Swiss-born individuals is not representative of the population composition in Switzerland. This is due to sample restrictions arising from our identification strategy: many individuals born abroad are excluded either because they may have no identified siblings in the administrative records or because no parental information is available to assign them to a family unit.

Table 1: Descriptive Statistics of main Variables and Cohort Structure for Trend Analysis

	Full Sample: Long-run Income	
Long-run Income, mean (IQR)	56,475.3	(24,997.5–80,005.7)
Sex, n(%)	393,589	(100.0)
Male	217,503	(55.3)
Female	176,086	(44.7)
Year of Birth, mean (IQR)	1957	(1952–1961)
State of Birth, n(%)		
Switzerland	384,464	(97.7)
Abroad	9,125	(2.3)
	Full Sample: Educational Attainment	
Years of Education, mean (IQR)	12.79	(12.0–14.0)
Sex, n(%)	85,562	(100.0)
Male	46,448	(54.3)
Female	39,114	(45.7)
Year of Birth, mean (IQR)	1957	(1952–1961)
	Cohort Definitions for Trend Analysis	
Period 1: Birth cohorts 1948–1953	Observed in 1981–1984 (avg. age: 32 yrs)	
1948: age 33–36 at observation	1951: age 30–33 at observation	
1949: age 32–35 at observation	1952: age 29–32 at observation	
1950: age 31–34 at observation	1953: age 28–31 at observation	
Period 2: Birth cohorts 1958–1963	Observed in 1991–1994 (avg. age: 32 yrs)	
1958: age 33–36 at observation	1961: age 30–33 at observation	
1959: age 32–35 at observation	1962: age 29–32 at observation	
1960: age 31–34 at observation	1963: age 28–31 at observation	

Notes: Table 1 provides a description of the main sample. Long-run Income (CHF) is expressed in 2021 prices. The proportion of Swiss-born individuals is not representative of the overall Swiss society. Descriptive statistics of the brothers, sisters, Swiss-born, non-Swiss-born subgroup samples are provided in Table A1. The states of birth are not shown in the education sample of the main analysis, as sub-analyses with these corresponding subgroups are only carried out with regard to income.
Cohort definitions follow the approach of Davis and Mazumder (2024) and allow comparison of intergenerational mobility trends before and after the rise in globel inequality in the 1980s. For each period, we observe long-run income over a four-year window (1981–1984 or 1991–1994), capturing individuals between age 28 and 36 depending on their birth year.

4 Results

4.1 Contrasting Inequality Trends: Switzerland vs. the United States

Between the 1950s and the mid-1970s, the United States experienced sustained economic growth alongside relatively low income inequality. Beginning in the 1980s, however, the country underwent a marked increase in inequality (Piketty and Saez, 2003; Kuhn et al., 2020). This shift is illustrated in Figure 1, which depicts the evolution of top income shares. In 1980, the top 1% of earners in the U.S. accounted for 8% of total income; by 1990, their share had risen to 13%—an increase of about 60%.[19] As shown in Appendix Figures B1 and B2, similar patterns emerge for other top income groups and for overall inequality as measured by the Gini coefficient.

In contrast, income inequality in Switzerland remained remarkably stable over the same period.[20] As shown in Figure 1 and in Appendix Figures B1, B2 and B3, the top 1% income share in Switzerland remained virtually unchanged at 9% in both 1980 and 1990. Furthermore, Appendix Figures B4, B5 and B6 show very long-run stability for the time span from 1917 to 2021.

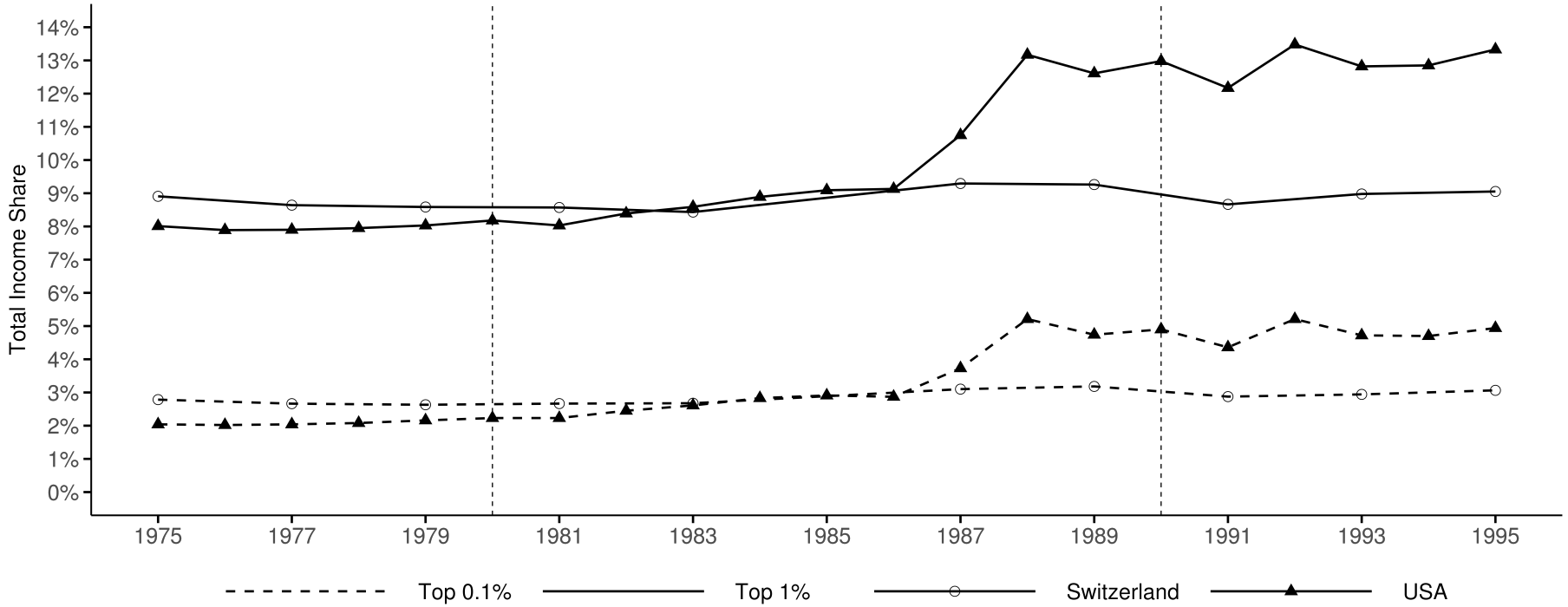
Against this backdrop, Switzerland offers an interesting counterfactual to the U.S. case: a high-income economy that has maintained a stable and egalitarian income distribution

[19] Detailed statistical breakdowns, such as annual growth rates or total growth rate, for all income groups are provided in Appendix Table A3 for the U.S. and in Appendix Table A4 for Switzerland.

[20] Swiss income inequality data are from Swiss Inequality Database (SID) (2024) and based on full-population tax records across federal, cantonal, and communal levels. The dataset captures net taxable household income, adjusted for child, second-earner, marriage, and insurance deductions, ensuring international comparability. Top shares are estimated using Pareto extrapolation above the 80th percentile. Gini coefficients follow the same source, with 2019–2021 updates based on Federal Tax Administration (FTA) federal tax statistics. For pre-1993 data, the number of non-filers is imputed using census-based matching. Methodological changes in 2013 do not materially affect top shares. All computations follow the official SID methodology and are consistent with prior research using the same data: Feld et al. (2021); Frey and Schaltegger (2021); Frey et al. (2017); Frey and Schaltegger (2016); Schaltegger et al. (2018); Schaltegger and Gorgas (2011).

without a corresponding rise in top income concentration. This divergence raises a central question-whether intergenerational mobility also followed a different trajectory across the two countries during this period of structural economic change.

Figure 1: Top 1% and top 0.1% Income Shares in Switzerland (1980–1990) vs. United States



Notes: Figure 1 plots the evolution of pre-tax top 1% and 0.1% income shares in Switzerland (1980–1990), based on the Swiss Inequality Database (SID) (2024) and official tax statistics from the Swiss Federal Tax Administration (FTA). Income data for the U.S. is from Piketty and Saez (2007), Table 5A.1 in Chapter 5 in Atkinson and Piketty (2007).

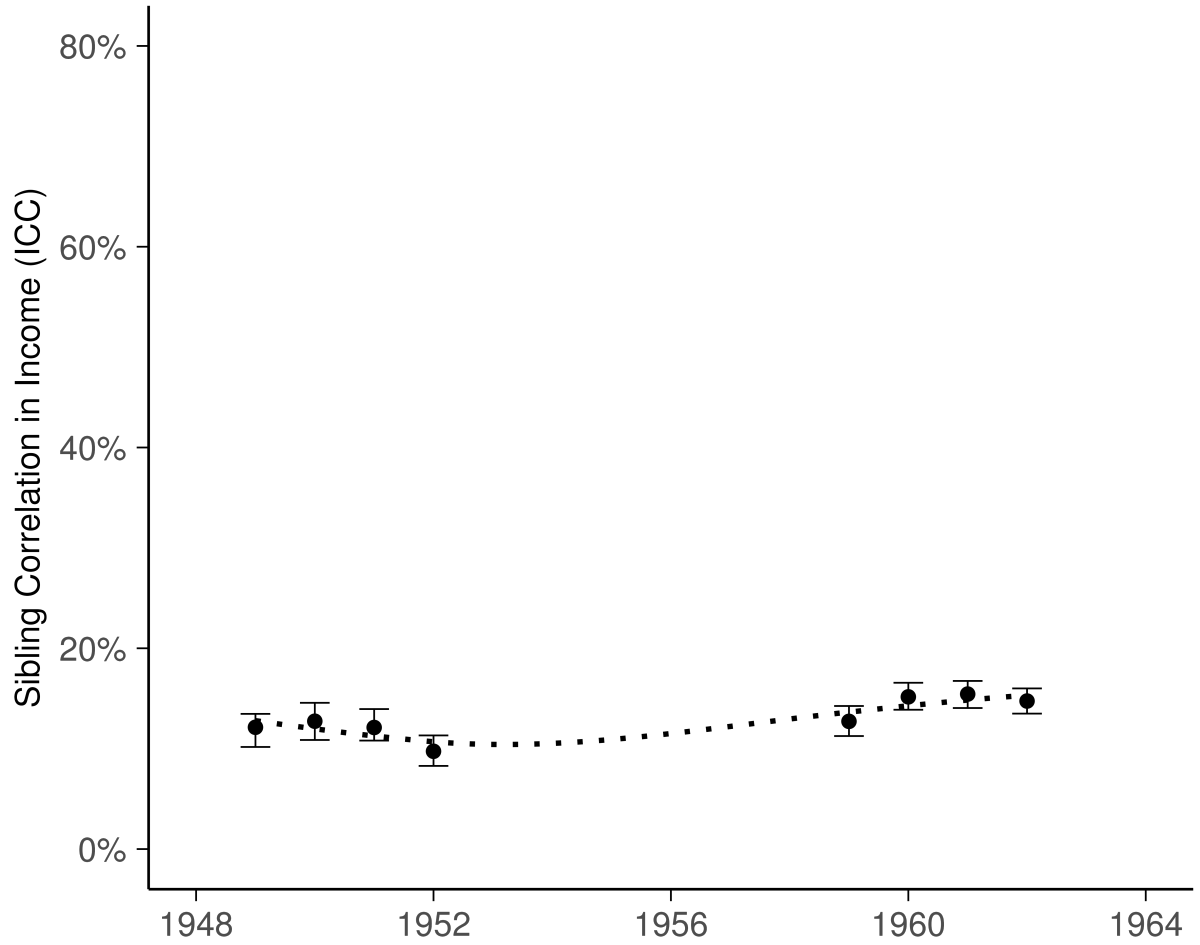
4.2 Contrasting Mobility Trends: Switzerland vs. the United States

As illustrated in Figure 2, intergenerational mobility in Switzerland remained notably stable over the course of the 1980s. The influence of family background on individual long-run income—measured by the intraclass correlation coefficient-averaged just 11.7% in the early 1980s, and rose only modestly to 14.5% by the early 1990s. While Davis and Mazumder (2024) report that U.S. mobility deteriorated markedly—rank-rank slopes rising from 0.25 to 0.36 and the IGE from 0.28 to 0.45—our estimates for Switzerland show no comparable pattern. This contrast also persists when using horizontal sibling-based measures for the U.S.: earlier evidence by Levine and Mazumder (2007) based on brother correlations already documented a marked rise in U.S. income persistence during the 1980s (ICC increased from 26% to 46%), consistent with later parent–child estimates. For Switzerland, there is no evidence of a systematic shift in social mobility in the 1980s. This suggests that family background continued to explain only a small portion of income variation in Switzerland, even as the same period marked a turning point in U.S. mobility. To assess the robustness of our findings (see Section 4.4.2 for details), we use alternative income-defining age ranges. Specifically, we estimate sibling correlations for individuals observed around age 22 (ages 18–26) and around age 42 (ages 38–46), in both the early 1980s and the early 1990s. This allows us to separately analyze mobility trends for younger individuals at the onset of their careers and for older individuals with substantial labor market experience. Across all age groups and time periods, the results consistently support our main conclusion: intergenerational mobility in Switzerland remained persistently high and stable. Even when tracking the 1958–1963 birth cohorts from early adulthood into their early 50s, we observe a high degree of stability in intergenerational mobility over the life course (see robustness check in Section 4.4.3).

This finding stands in sharp contrast to the United States, where Davis and Mazumder (2024) report a pronounced increase in intergenerational persistence over the same period. As illustrated in Appendix B7, income persistence in the U.S. rose substantially during the 1980s.

Taken together, the evidence suggests a clear association between the evolution of income inequality and intergenerational mobility: while the United States experienced a sharp rise in inequality accompanied by a decline in mobility, both the income distribution and the extent of economic opportunity remained stable in Switzerland.

Figure 2: Trends in Intergenerational Mobility in Switzerland



Notes: The figure shows trends in intergenerational income mobility for the early 1980s and the early 1990s for Swiss birth cohorts 1948–1953 and 1958-1963 based on sibling correlations (Intraclass Correlation Coefficients, ICC's) in long-run earnings. Sibling correlations were estimated separately for overlapping three-year birth cohorts. For each cohort group, ICC's were estimated using a linear mixed-effects model, and parametric bootstrap procedures (with 100 replications and fixed random seed) were used to compute 95% confidence intervals. We estimate all models via restricted maximum likelihood (REML) using the `lmer` function in R (Bates et al., 2015), with standard errors and p-values computed using Satterthwaite's degrees of freedom as implemented in the `lmerTest` package (Kuznetsova et al., 2017). The plotted points indicate cohort-specific ICC estimates, vertical lines represent the 95% bootstrap confidence intervals, and a LOESS smoothing curve (dotted line) was added for visual trend approximation. The y-axis shows the ICC on a scale from 0 to 80% following the convention in Davis and Mazumder (2024).

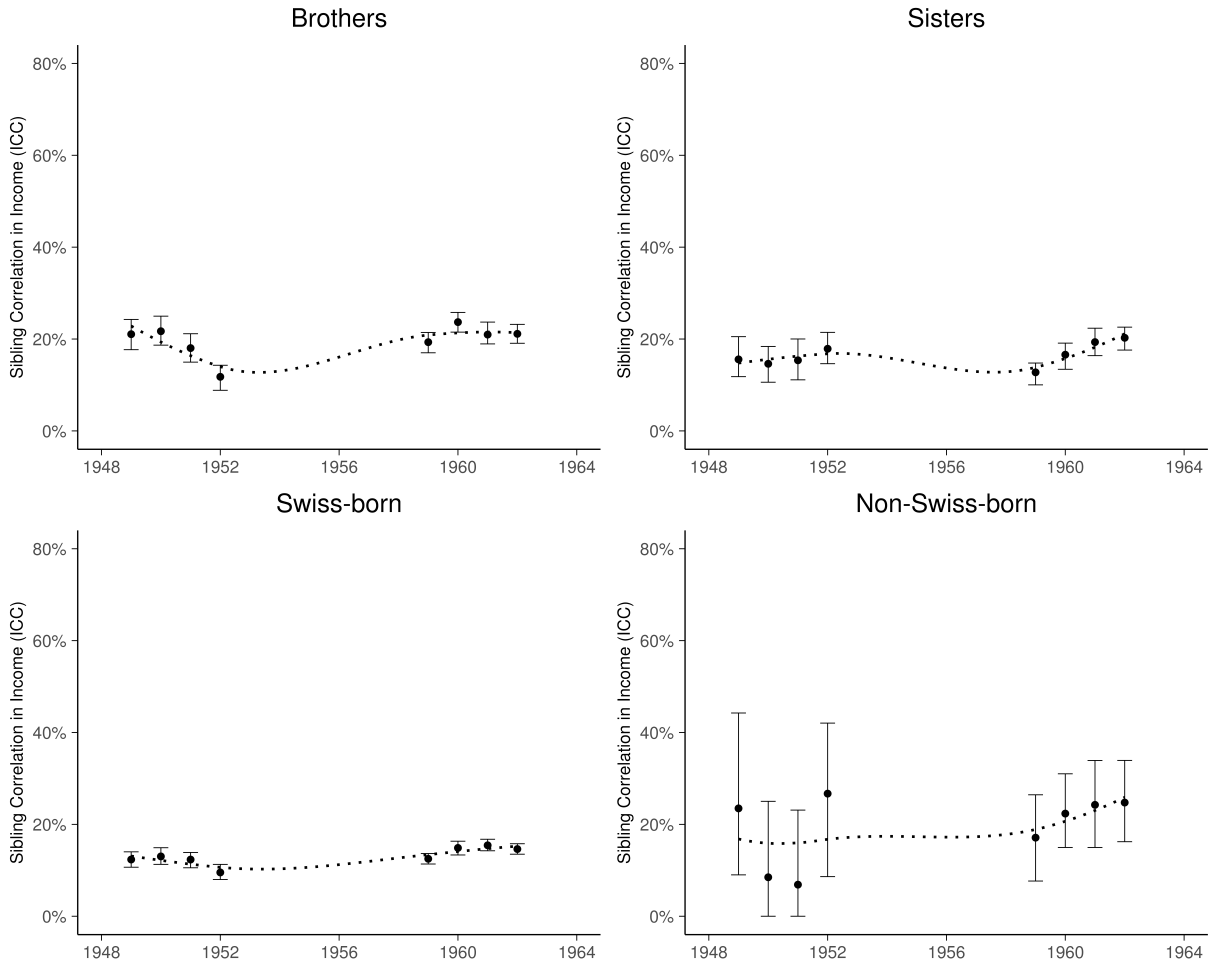
To assess potential heterogeneity in mobility trends, we estimate intergenerational income mobility separately for key subgroups: brothers, sisters, Swiss-born individuals, and individuals born abroad.

Figure 3 presents cohort-specific intraclass correlation coefficients (ICC's) by subgroup. Across all four groups, mobility remains remarkably stable over time. Among brothers, ICC's remain consistently around 21%, with no indication of a systematic upward trend. The pattern for sisters is similar, albeit with slightly lower average levels of persistence.

Swiss-born individuals exhibit consistently high mobility across cohorts. In contrast, non-Swiss-born individuals display greater variability and wider confidence intervals, largely attributable to smaller sample sizes. Nonetheless, their average ICC's are broadly comparable to those of the Swiss-born population, suggesting no significant divergence in long-run economic opportunity by migration background.

Overall, the subgroup results reinforce the findings from the main analysis: intergenerational income mobility in Switzerland remained stable across cohorts born between 1948–1953 and 1958–1963, even within narrower population strata. This stands in sharp contrast to the U.S., where Davis and Mazumder (2024) document a marked increase in intergenerational persistence over the same period, particularly among men.

Figure 3: Trends in Intergenerational Income Mobility for Subgroups



Notes: The figure above shows the sibling correlations in long-run income (ICC) by subgroup (Brothers, Sisters, Swiss-born, Non-Swiss-born), estimated separately for overlapping 3-year birth cohorts. Black dots represent point estimates; vertical lines denote 95% bootstrap confidence intervals. A dotted LOESS (Locally estimated/weighted Scatterplot Smoothing) curve is added for visual trend smoothing.

4.3 Diverging Returns to Education

The diverging trends in intergenerational persistence between Switzerland and the United States raise the question of which underlying mechanisms may explain these patterns. In their analysis, Davis and Mazumder (2024) identify rising returns to education as a key driver of the increase in U.S. intergenerational persistence among cohorts born after 1960. Specifically, they report that the average return to one additional year of education rose from 9.6% to 14%—a 47% increase that is statistically significant at the 1% level.

What, then, is the corresponding pattern in Switzerland? Table 2 presents results from three regression models. The cohort-specific estimates in Columns (2) and (3) show that the return to education increased from 4.88% in the early cohort to 5.41% in the later cohort—a relative increase of 10.7%. However, because this comparison is based on separate regressions, it does not allow for a formal statistical test. The interaction model in Column (1) addresses this directly. It estimates a positive interaction term of +0.2 percentage points, but the effect is small and statistically insignificant ($p = 0.32$), suggesting stable returns across cohorts.

These findings stand in sharp contrast to the U.S. pattern documented by Davis and Mazumder (2024). In Switzerland, the increase in returns to education was modest—less than one-fourth the magnitude observed in the United States—and statistically insignificant. This suggests that institutional features such as Switzerland's dual vocational education and training (VET) system, efficient school-to-work transitions, and low structural unemployment may have helped buffer social mobility from the forces that eroded opportunity elsewhere. While returns to education rose substantially in the United States, we find no comparable trend in Switzerland.

Table 2: Returns to Education in Switzerland (1948–1953 vs. 1958–1963 Cohorts)

	(1) Pooled	(2) 1948–1953	(3) 1958–1963
Intercept	10.453***	10.496***	10.494***
	(0.027)	(0.038)	(0.029)
Years of Education	0.051***	0.049***	0.054***
	(0.002)	(0.002)	(0.001)
Cohort: 1958–1963	0.066**	–	–
	(0.026)		
Sex	–0.982***	–1.058***	–0.940***
	(0.006)	(0.009)	(0.007)
State of Birth	–0.036**	–0.018	–0.043*
	(0.018)	(0.031)	(0.022)
Educ. × 1958–1963	0.002	–	–
	(0.002)		
Obs.	81,192	29,976	51,216
R^2	0.320	0.352	0.299
Residual Std. Error	0.774 on 81,186 DF	0.768 on 29,972 DF	0.776 on 51,212 DF
F-Statistic (p-value)	< 2.2e-16	< 2.2e-16	< 2.2e-16

Notes: Significance Codes: '***' 0.01 '**' 0.05 '*' 0.1
Dependent variable is log(1 + income), with income measured in 2021 CHF and bottom-coded at 1,463 CHF (based on Davis and Mazumder (2024) USD threshold).
Column (1) pools all observations and includes an interaction term for education × cohort group.
The "Year of education" gives the return of each additional year of education in log-income by 5.1% for the early cohort (1948–1953).
The interaction effect, the additional return per year of education in the later cohort, is not statistically significant (p = 0.332), suggesting stable returns across cohorts.
Columns (2) and (3) estimate returns separately. The implied increase from 4.88% to 5.41% corresponds to a +10.5% change (= 0.0541 vs. 0.0488), However, this comparison is based on two separate regressions and does not test the significance of the difference between the cohorts directly. The appropriate statistical test is the interaction term in Column (1), which implies a smaller increase of +3.7% (= (0.0511+0.002) vs. 0.0511 = 0.0530 vs. 0.0511) that is, as mentioned, not significant at conventional levels.

4.4 Sensitivity Analyses and Robustness Checks

To test the robustness of our findings, we conduct a series of sensitivity and robustness analyses focusing on social mobility measurement (horizontal vs. vertical) and different dimensions (time-spans, cohorts, ages, and status indicators). First, we compare sibling-based horizontal mobility measures with conventional parent–child vertical estimates. Second, we assess the stability of mobility trends using alternative cohort definitions and age windows for income measurement. Third, we extend the analysis over a longer time frame, covering cohorts born between 1951 and 1988. Finally, we verify the findings using an alternative status indicator—educational attainment—instead of income.

Specifically, Section 4.4.1 shows that horizontal (sibling) and vertical (parent–child) measures track each other closely across cohorts, confirming the reliability of sibling correlations for mobility trend analysis. Section 4.4.2 demonstrates that mobility trends are robust to alternative cohort definitions and income-defining ages, with persistently low intergenerational persistence across all specifications. Section 4.4.3 extends the analysis to an expanded period (1981-2021), highlighting the long-term stability of social mobility in Switzerland over four decades. Finally, Section 4.4.4 shows that the temporal pattern of intergenerational mobility in educational attainment also remained flat over the observed period in the 1980s.

Taken together and across all checks, the core conclusion remains unchanged: social mobility in Switzerland remained remarkably stable throughout the 1980s and beyond, even under alternative methodological specifications.

4.4.1 Different Mobility Measurements—Horizontal vs. Vertical Estimates

To validate the robustness of our findings, we compare sibling-based horizontal mobility measures (ICC's) with conventional, widely applied vertical parent–child mobility mea-

sures (intergenerational elasticities and rank-rank slopes) across the same birth cohorts. Appendix Figure B8 shows the cohort-specific estimates with over 1.1 million observations for Swiss birth cohorts 1966–1988, each based on long-run income measured at ages 30–33.[21]

We find similar trends across all three measures: mobility remains relatively stable throughout the observation window, with only moderate fluctuations across adjacent cohorts. This convergence underscores the conceptual and empirical alignment between sibling-based and parent–child-based approaches to measuring relative mobility.

These findings closely align with the Australian evidence reported by Deutscher and Mazumder (2023), who document strong correlations between vertical and horizontal mobility measures across subnational regions. Moreover, they conclude that countries with low intergenerational elasticities (e.g., the Nordic countries) tend to exhibit lower sibling correlations, whereas high-persistence countries such as the United States consistently rank higher on both dimensions.

Taken together, our results reinforce the view that sibling-based estimates serve as a reliable and robust proxy for tracking long-run intergenerational mobility.

4.4.2 Alternative Cohort Definitions and Income Defining Ages

Alternative Cohort Definitions Our results are robust to alternative cohort definitions. Figure B9 in the Appendix confirm the main findings using non-overlapping cohorts.

In this specification, sibling correlations in income remain at comparably low and stable

[21] We restrict this comparison to birth cohorts 1966–1988 because parent–child estimates require income data for both generations. Following common practice Chetty et al. (2014a), we measure children's income at ages 30–33 and require parental income to be observed when the child was around 15–20 years old. Since the social security earnings records (SSER) are only available from 1981 onward, this implies that reliable parent–child linkages are only possible from the 1966 birth cohort onward. The 1988 cohort is the latest included, as these individuals turned 33 in 2021. In contrast, sibling correlations can be estimated further back, as they do not rely on parental earnings.

levels. Although there are minor fluctuations in the early and late birth cohorts, the overall pattern of stable and low intergenerational dependence persists. This strengthens our interpretation of a Swiss mobility corridor in which upward mobility chances remained broadly constant across birth cohorts.

We further complement our analysis by examining mobility over the life course of a single cohort-group active in the labor force during the 1980s, 1990s, 2000s, and 2010s (see Figure B10 for illustration). Tracking the 1958–1963 birth cohorts from early adulthood into their early 50s reveals a striking degree of stability, with social mobility remaining remarkably constant across four decades.[22] In Switzerland, the family's role in shaping income remains similarly strong at labor market entry and decades later, underlying the persistently small imprint of family origin on economic outcomes.[23]

Alternative Income Defining Ages A common concern in the intergenerational mobility literature is the appropriate timing of income measurement (Jenkins, 1987; Nybom and Stuhler, 2017). To assess the robustness of our main results to this life-cycle choice, we replicate the core analysis using alternative age windows when we measure long-run income. Specifically, we consider income measured at significantly younger (around 22 years, i.e., 18–26) and older (around 42 years, i.e., 38–46) ages, once again during the early 1980s and early 1990s, respectively. This approach preserves both the Davis and Mazumder (2024) cohort design and mirrors the temporal structure of the main analysis, while shifting the age window forward and backward by a full decade.

Appendix Figure B11 shows sibling correlations in income for individuals aged 18–26

[22]This pattern stands in sharp contrast to recent evidence from Sweden, provided by Grätz and Kolk (2022) who find that sibling correlations in earnings are highest in early adulthood and decline steadily with age.

[23]We estimate sibling correlations for the 1958–1963 cohorts at four distinct ages: around age 22 (1981–1984), age 32 (1991–1994), age 42 (2001–2004), and age 52 (2011–2014). The results show no evidence of divergence or convergence over the life course. This life course analysis is based on Figure B10 in the Appendix and provides a rare long-term perspective on the persistence of economic advantage over the life course.

entering the labor market in the 1980s and 1990s. We find that familial influence was slightly weaker for the earlier cohort (born 1958–1963), who entered the labor market in the early 1980s, than for the later cohort (born 1968–1973) entering ten years later in the early 1990s. However, sibling correlations remain stably low, fluctuating around 20%.

Appendix Figure B12 presents the results for older individuals aged 38–46. Here, the pattern reverses slightly: familial influence on long-run income appears to decline modestly across cohorts born between 1938 and 1953. Notably, the ICC's are again stable and even lower in magnitude—consistently below 20% in later cohorts.

These robustness checks indicate that our main results do not hinge on the specific age at which income is measured. While the level of intergenerational persistence may vary slightly depending on life-cycle stage, the broader conclusion remains unchanged: Switzerland exhibits a persistently high degree of social mobility over time, independent of age definition or cohort.

4.4.3 Intergenerational Social Mobility in the Long-run between 1981 and 2021

We extend our analysis of intergenerational mobility beyond the two comparison cohorts to examine long-run trends. Figure B13 depicts the evolution of intergenerational income mobility in Switzerland for birth cohorts up to 1988, based on more than two million observations.

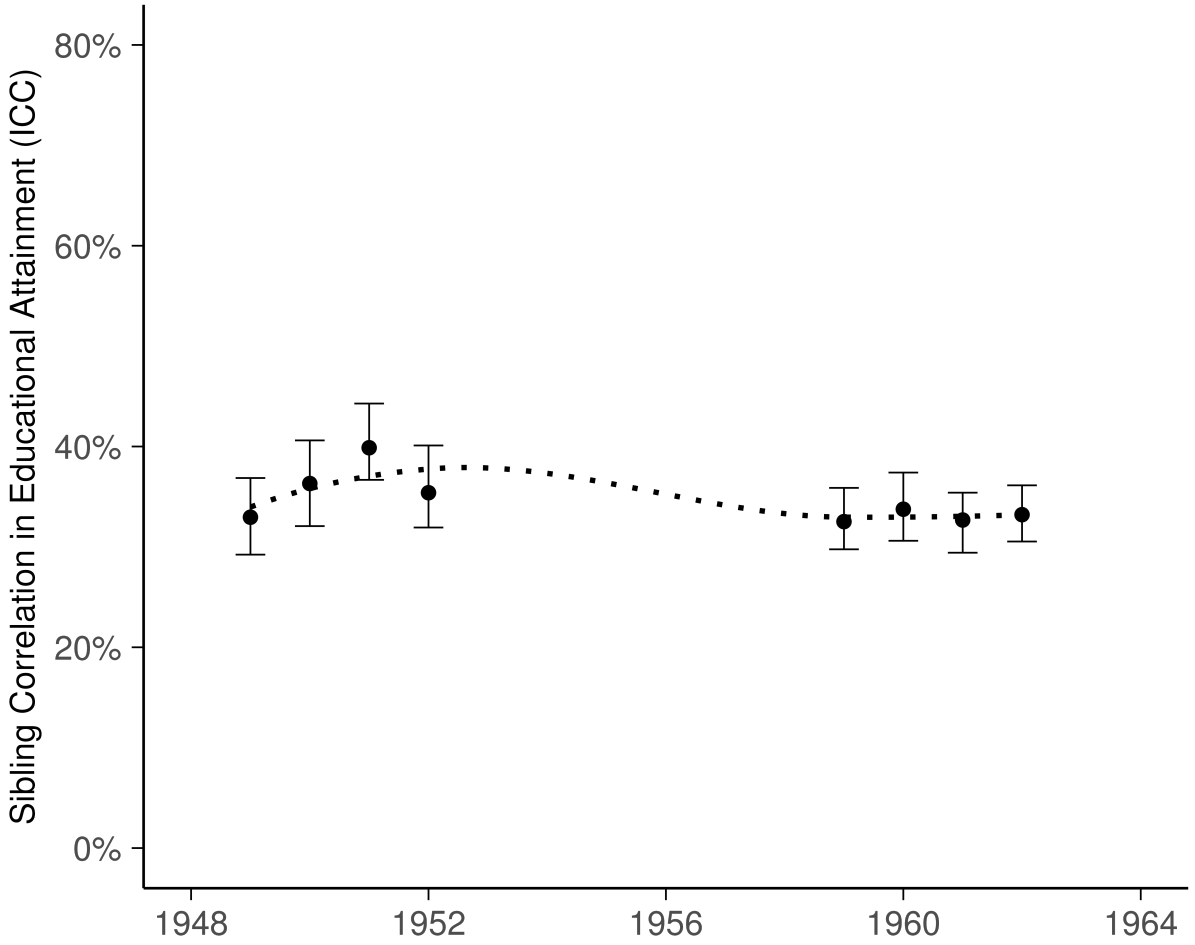
Mobility remained remarkably stable and stayed below 21% in every year over four decades with an average ICC of 16.8%. In cross-national perspective, Switzerland remains a notable outlier. Sibling correlations in income are substantially lower in magnitude and more stable over time than those observed in the United States, Germany, or even the Nordic countries. Appendix Figure B14 illustrates these international differences in long-run social mobility.

Overall, the influence of family background on economic outcomes remained stable at an internationally low level throughout the 1981–2021 observation window, indicating a persistently high degree of equality of opportunity in Switzerland over four decades.

4.4.4 Alternative Status Indicator: Educational Mobility

Finally, we test the robustness of our results by looking at an alternative status indicator. As Figure 4 shows, ICC's in years of education consistently range between 33% and 40% for the older cohort and between 33% and 34% for the younger cohort, indicating minor fluctuations over time. Notably, the temporal pattern of educational mobility remains flat even for younger birth cohorts, highlighting a high degree of consistency in educational mobility across families during the 1980s. In Appendix B15, we extend the analysis of intergenerational educational mobility to all birth cohorts from 1951 to 1988. The resulting sibling correlations in years of education remain consistently stable across the entire observed period of almost four decades.

Figure 4: Intergenerational Mobility in Educational Attainment during the 1980s



Notes: The figure depicts the development of the Intraclass Correlation Coefficient (ICC) in educational attainment, estimated separately for overlapping 3-year birth cohorts. Black dots represent point estimates; vertical lines denote 95% bootstrap confidence intervals. Once again, a dotted LOESS (Locally estimated/weighted Scatterplot Smoothing) curve is added for visual trend smoothing. The ICC is estimated using linear mixed models, following the same methodological approach as in the main analysis for income.

5 Discussion and Conclusion

This study provides new evidence on the evolution of intergenerational mobility within a low-inequality context by replicating the cohort-based design of Davis and Mazumder (2024) for Switzerland. Whereas the United States experienced a marked rise in income inequality and a sharp increase in intergenerational persistence during the 1980s, our findings indicate that both income inequality and intergenerational mobility remained strikingly stable in Switzerland.

Sibling correlations in long-run income consistently hovered below 15% between the early 1980s and early 1990s. This pattern holds across subgroups defined by gender and nativity, underscoring the robustness of Switzerland's opportunity structure across key population strata.

These findings position Switzerland as a salient counterfactual in the global debate on the inequality–mobility nexus. In contrast to the widely cited Great Gatsby Curve—linking high inequality with low mobility across countries—our results highlight the importance of within-country variation over time. Whereas U.S. mobility declined sharply in parallel with rising top income shares and educational wage premiums, the Swiss case demonstrates that stable institutional and economic conditions can sustain intergenerational mobility even as inequality rises elsewhere.

Our investigation into potential mechanisms offers further insight. In the United States, rising returns to education have been identified as a key driver of increased intergenerational persistence (Davis and Mazumder, 2024). In Switzerland, however, we find only a modest increase in returns to education—just 10.7%—and this change is not statistically significant. This divergence is consistent with institutional differences: Switzerland's dual vocational education and training (VET) system, strong school-to-work linkages, and relatively flat earnings structures may buffer the impact of educational inequality on long-run

outcomes.

Our results are robust to multiple sensitivity checks, including alternative cohort definitions, the use of parent-child mobility estimates, and extensions to a broader cohort range from 1951 to 1988. Notably, the ICC's over the entire four-decade period never exceed 21%, underlining the exceptional stability of mobility in Switzerland. Even for more recent cohorts born in the 1980s, we observe no signs of a persistent decline in opportunity. While sibling correlations in educational attainment are higher—around 32–35%—they too show no systematic trend, suggesting that educational mobility has remained similarly consistent.

Taken together, our findings underscore the importance of institutional and policy contexts in shaping the long-run dynamics of mobility. They suggest that mobility is not solely driven by global economic forces, but also mediated by national systems of education and labor market characteristics. For policymakers, the Swiss experience highlights the potential for institutional design to preserve equality of opportunity, even in the face of broader inequality pressures.

Future research might build on these results by exploring the specific channels through which institutions mediate mobility, including school quality, vocational pathways, and labor market segmentation. Moreover, as more countries assemble administrative earnings data comparable to Switzerland's, it will become possible to construct richer cross-national mobility panels, deepening our understanding of the interplay between inequality, policy, and intergenerational persistence.

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Appendix

A Additional Tables

Table A1: Descriptive Statistics of Main Variables in the 1951-1988 Sample

	Full Sample: Long-run Income	
Long-run Income, mean (IQR)	60,433.62	(33,914.4–81,989.48)
Sex, n(%)	2,033,618	(100.0)
Male	1,079,410	(53.1)
Female	954,208	(46.9)
Year of Birth, mean (IQR)	1970	(1962-1979)
State of Birth, n(%)		
Swiss-born	1,942,550	(95.5)
Non-Swiss-born	91,068	(4.5)
	Full Sample: Educational Attainment	
Years of Education, mean (IQR)	13.41	(12.0–16.0)
Sex, n(%)	477,105	(100.0)
Male	248,374	(52.1)
Female	228,731	(47.9)
Year of Birth, mean (IQR)	1969	(1961-1978)
State of Birth, n(%)		
Swiss-born	457,888	(96.0)
Non-Swiss-born	19,217	(4.0)

Notes: Table A1 provides a description of the main sample ranging from 1951-1988. Long-run Income (CHF) is expressed in 2021 prices.

Table A2: Descriptive Statistics of Main Analysis Subgroup Samples of the Main Sample

	Brothers	
Long-run Income, mean (IQR)	75,049.57	(58,294.4–90,386.3)
Sex, n(%)	144,153	(100.0)
Male	144,153	(100)
Female	0	(0)
Year of Birth, mean (IQR)	1957	(1952-1961)
	Sisters	
Long-run Income, mean (IQR)	33,044.93	(7,418.8–54,103.25)
Sex, n(%)	98,867	(100.0)
Male	0	(0)
Female	98,867	(100)
Year of Birth, mean (IQR)	1957	(1952–1961)
	Swiss-born	
Long-run Income, mean (IQR)	56,399.79	(24,905–79,944.4)
Sex, n(%)	382,009	(100.0)
Male	211,327	(55.3)
Female	170,682	(44.7)
Year of Birth, mean (IQR)	1957	(1952–1961)
	Non-Swiss-born	
Long-run Income, mean (IQR)	59,161.05	(28,362.97–82,185)
Sex, n(%)	6,398	(100.0)
Male	3,423	(53.5)
Female	2,975	(46.5)
Year of Birth, mean (IQR)	1958	(1953–1961)

Notes: Table A2 provides a description of the main analysis subgroup samples. Long-run Income (CHF) is expressed in 2021 prices.

Table A3: Growth of Top Income Shares in the US, 1980-1990

Income Group	Growth (1980–1990)	Annual Growth	Variance	Max Share	Year of Max
GINI Coefficient	12.91	1.29	4.40	51.45	1988
Top 20%	9.66	0.97	3.08	54.34	1988
Top 10%	18.16	1.82	5.80	38.84	1990
Top 5%	27.78	2.78	5.86	27.05	1990
Top 1%	58.68	5.87	4.09	13.17	1988
Top 0.1%	119.730	11.97	1.25	5.21	1988

Notes: Table A3 reports the total and average annual growth of pre-tax income shares across selected top income groups in the U.S. between 1980 and 1990. Maximum shares and the year in which they occurred are also shown.
GINI and Top 20% values for the U.S. are taken from World Inequality Database (2024). Top 10%, Top 5%, Top 1% and Top 0.1% are taken from Piketty and Saez (2007) in Atkinson and Piketty (2007).

Table A4: Growth of Top Income Shares in Switzerland, 1980–1990

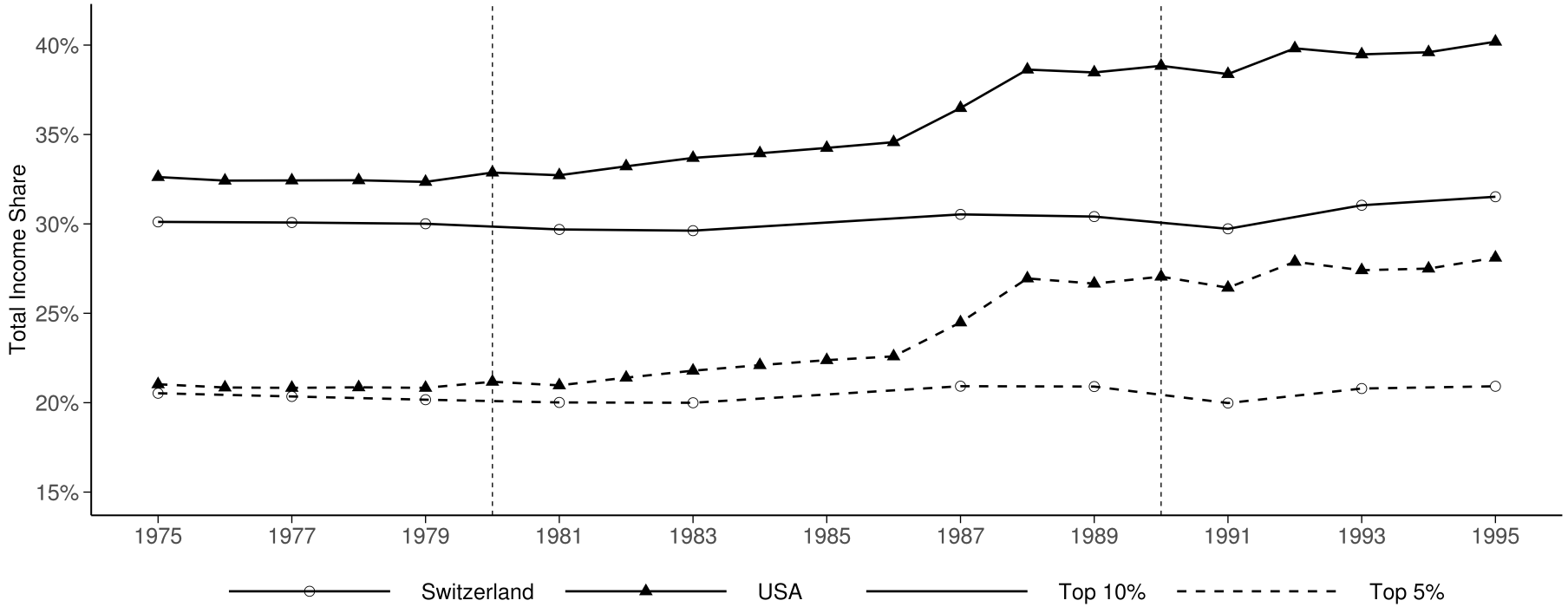
Income Group	Growth (1980–1990)	Annual Growth	Variance	Max Share	Year of Max
GINI Coefficient	0.77	0.19	0.15	39.70	1987
Top 20%	1.42	0.36	0.30	45.51	1987
Top 10%	2.43	0.61	0.22	30.53	1987
Top 5%	4.44	1.11	0.27	20.92	1987
Top 1%	8.05	2.01	0.20	9.29	1987
Top 0.1%	19.42	4.86	0.08	3.18	1989

Notes: Table A4 reports the total and average annual growth of pre-tax income shares across selected top income groups in Switzerland between 1980 and 1990. Maximum shares and the year in which they occurred are also shown.
GINI values are taken from the Swiss Inequality Database (SID) (2024), updated with 2021 values. For the years 2019, 2020, and 2021, values are based on federal tax statistics from the Swiss Federal Tax Administration (FTA): `https://www.estv.admin.ch/estv/de/home/die-estv/steuerstatistiken-estv/allgemeine-steuerstatistiken/direkte-bundessteuer.html#835146521`.

B Figures and Trends

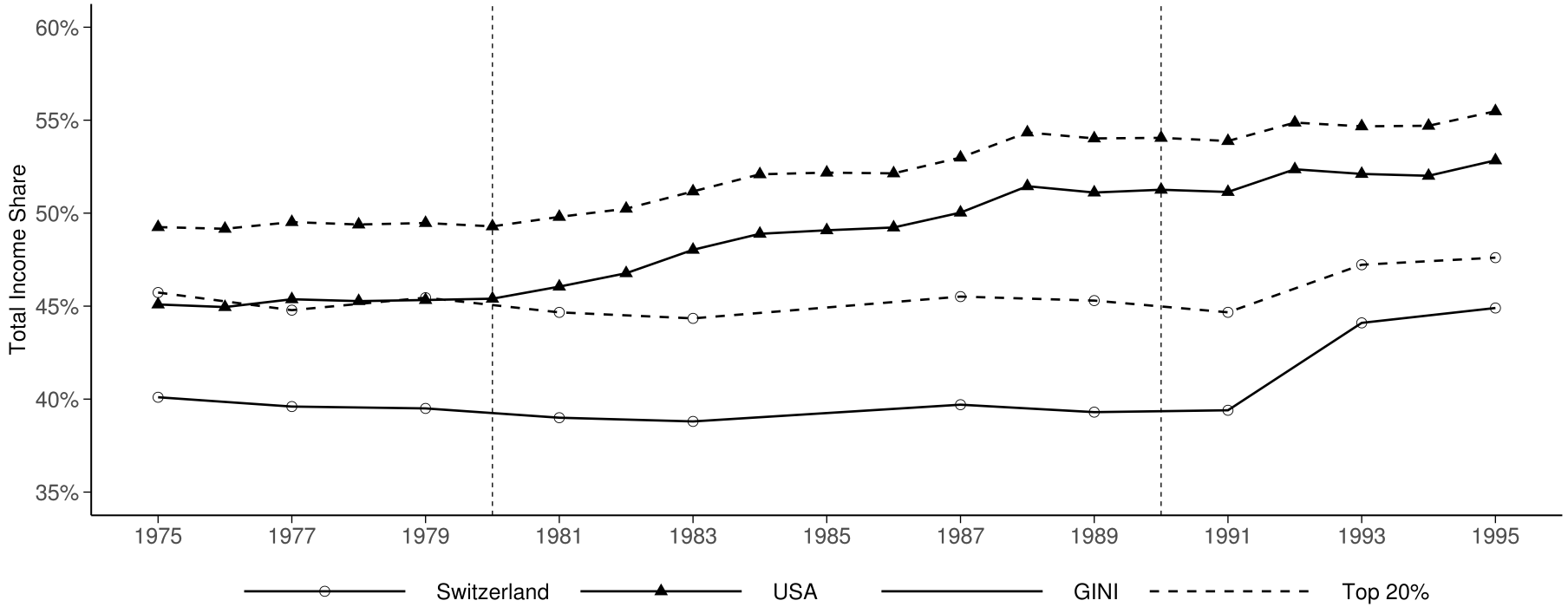
B.1 Income Inequality in the 1980s and the Long-run (1917-2021)

Figure B1: Top 5% and Top 10% Income Shares in Switzerland (1980–1990) vs. United States



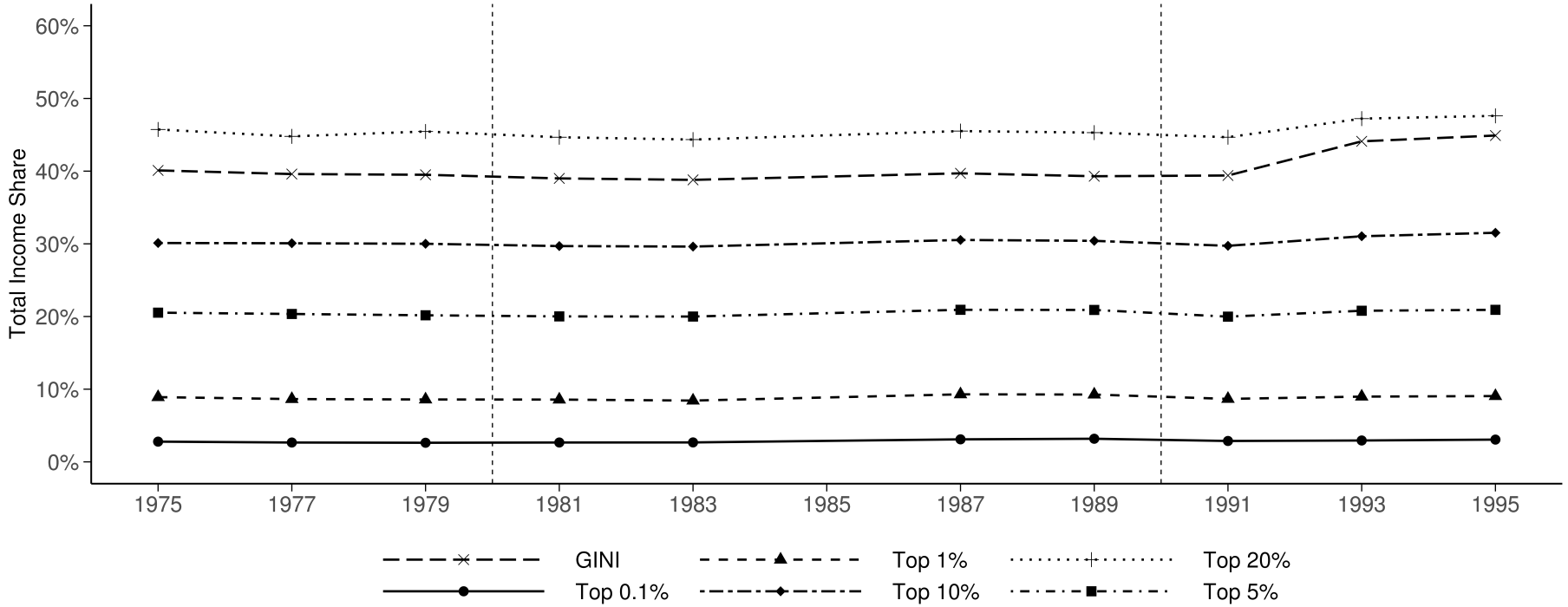
Notes: The figure plots the evolution of pre-tax top 5% and 10% income shares in Switzerland (1980–1990), based on the Swiss Inequality Database (SID) (2024) and official tax statistics from the Swiss Federal Tax Administration (FTA). Top income shares for the U.S. are sourced from Piketty and Saez (2007), Table 5A.1 in Chapter 5 in Atkinson and Piketty (2007).

Figure B2: Top 20% Income Shares and Gini-Coefficient in Switzerland (1980–1990) vs. United States



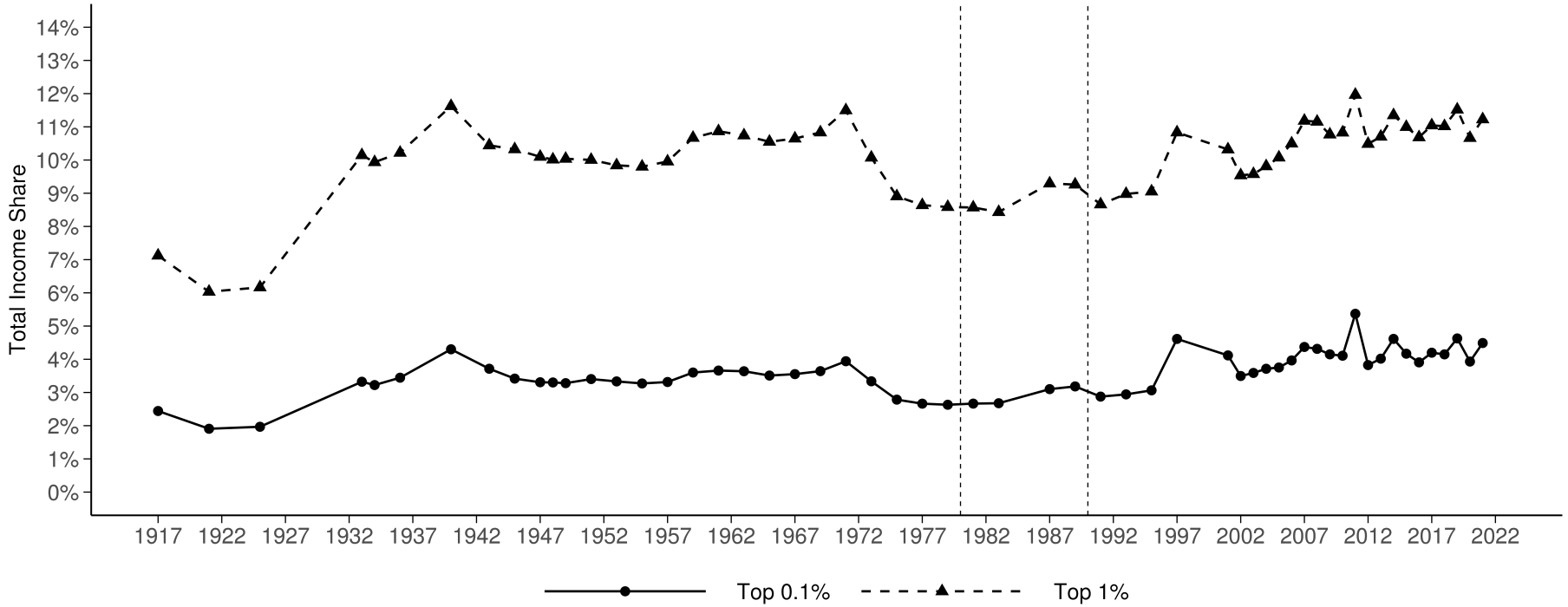
Notes: The figure plots the evolution of pre-tax top 20% income shares and Gini-Coefficients in Switzerland and the U.S. (1980–1990), based on the Swiss Inequality Database (SID) (2024) and official tax statistics from the Swiss Federal Tax Administration (FTA). Gini coefficients and top 20% income shares for the U.S. are sourced from the World Inequality Database (2024).

Figure B3: Top Income Shares in Switzerland (1980–1990), all Measures



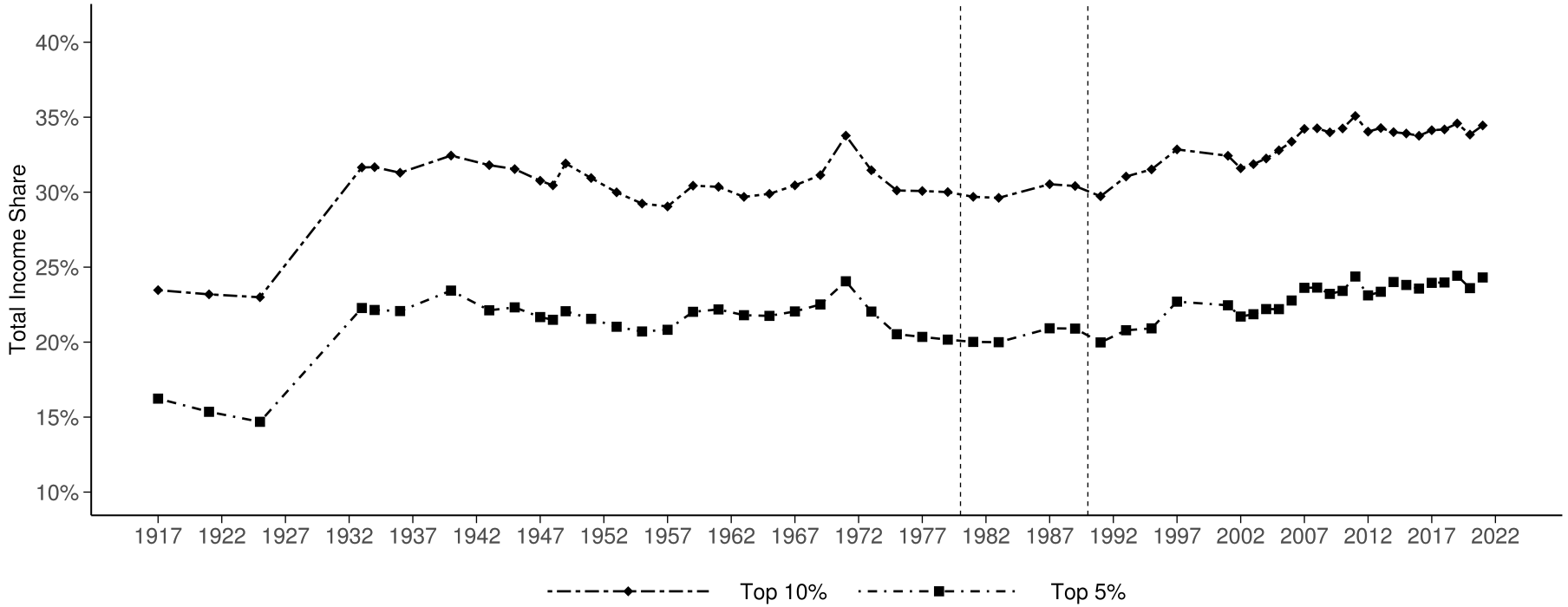
Notes: The figure plots the evolution of pre-tax top income shares in Switzerland (1980–1990), based on the Swiss Inequality Database (SID) (2024) and official tax data from the Swiss Federal Tax Administration (FTA).
Additional analyses—including long-run trends (1917–2021), breakdowns by specific top-income shares, and growth metrics are also provided in the Appendix. See Appendix, Table A4 and Figures B1, B2, B4, B5 or B6.

Figure B4: 0.1% and 1% Income Shares in Switzerland in the Long-run, 1917-2021



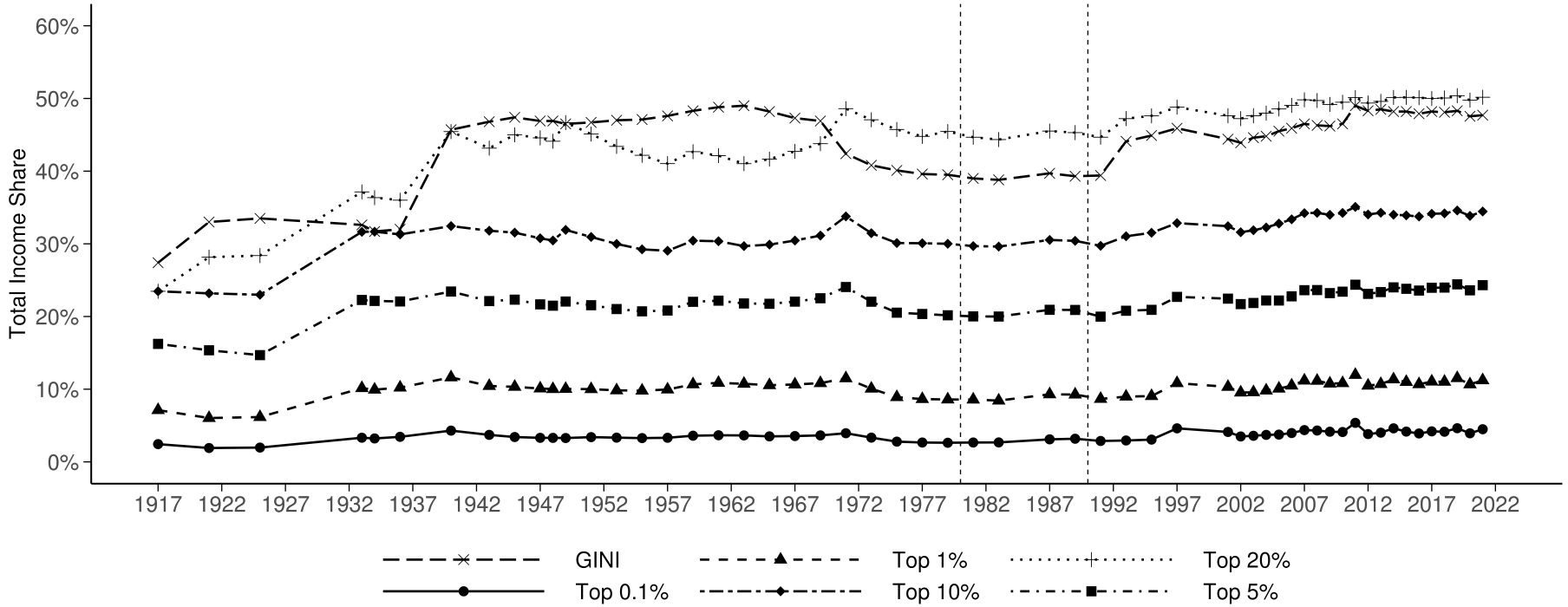
Notes: The figure plots the evolution of pre-tax 0.1% and 1% top income shares in Switzerland (1917–2021), based on the Swiss Inequality Database (SID) (2024) and official tax statistics from the Swiss Federal Tax Administration (FTA).

Figure B5: 5% and 10% Income Shares in Switzerland, 1917-2021



Notes: The figure plots the evolution of pre-tax 5% and 10% top income shares in Switzerland (1980–1990), based on the Swiss Inequality Database (SID) (2024) and official tax statistics from the Swiss Federal Tax Administration (FTA).

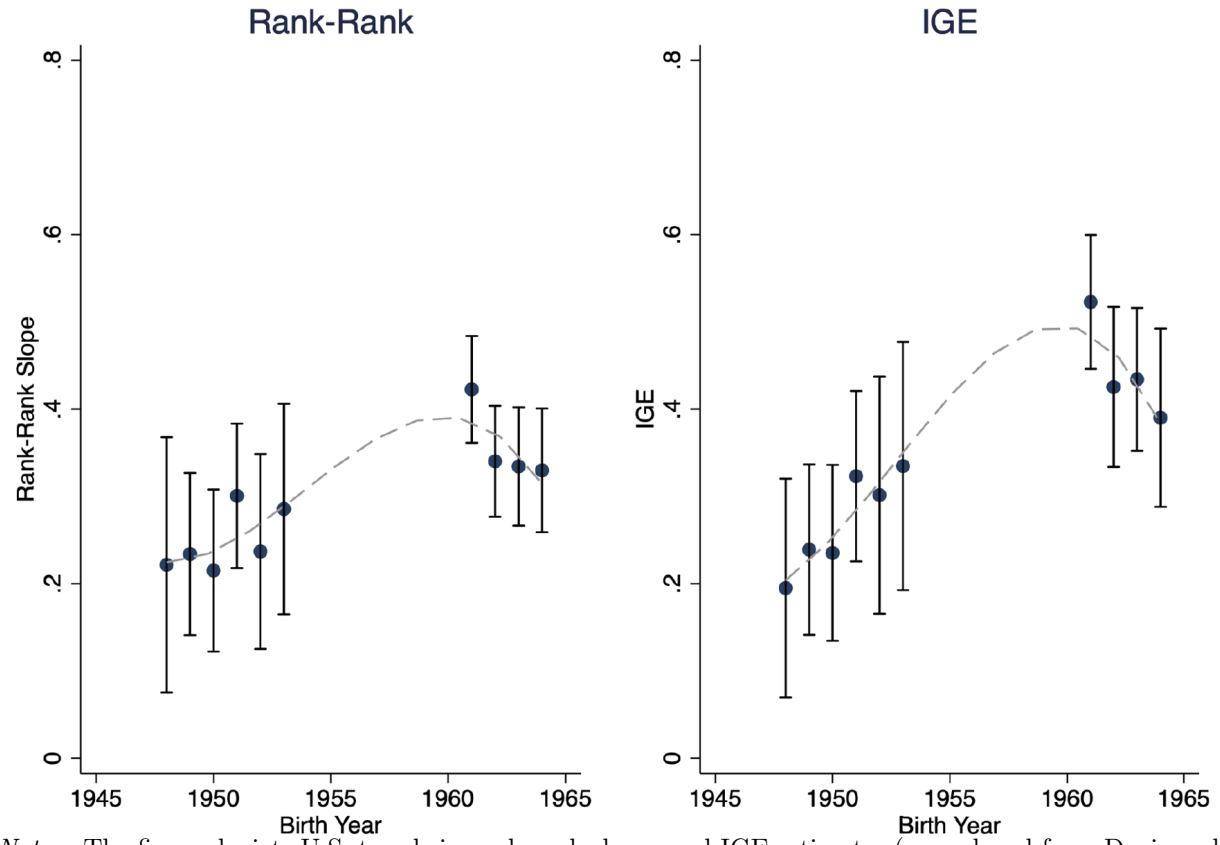
Figure B6: Top Income Shares in Switzerland in the Long-run, 1917-2021



Notes: The figure plots the evolution of pre-tax top income shares in Switzerland (1917–2021), based on the Swiss Inequality Database (SID) (2024) and official tax statistics from the Swiss Federal Tax Administration (FTA).This includes the Gini-coefficient, 0.1%, 1%, 5%, 10% and 20% income shares over the time period between 1917 and 2021.

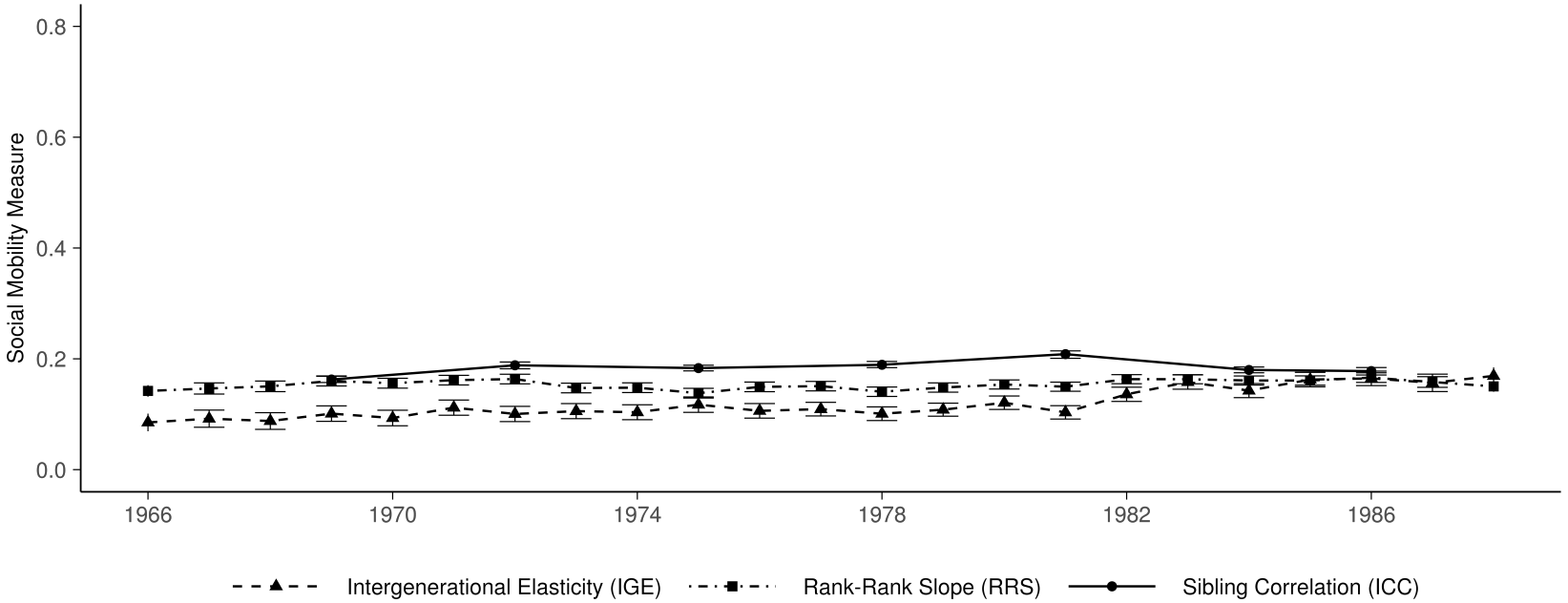
B.2 Social Mobility in the 1980s and the Long-run (1981-2021)

Figure B7: U.S. Trends in Rank-Rank Slopes and IGE Estimates, identically taken over from Davis and Mazumder (2024)



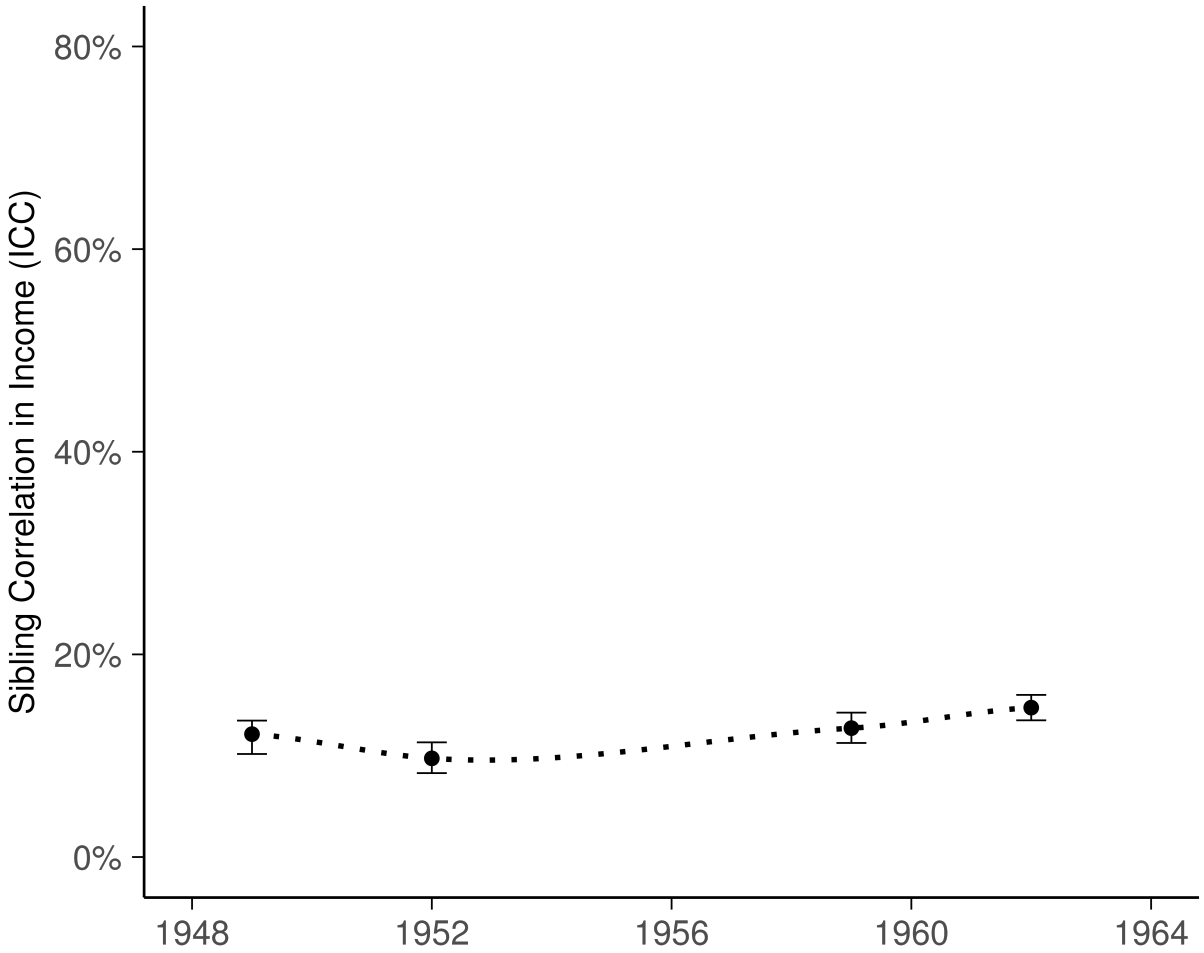
Notes: The figure depicts U.S. trends in rank-rank slopes and IGE estimates (reproduced from Davis and Mazumder (2024)).

Figure B8: Long-run trends in Intergenerational Mobility between 1996 to 2021 using different Mobility Measurements (ICC, IGE, RRS), Cohorts 1966-1988



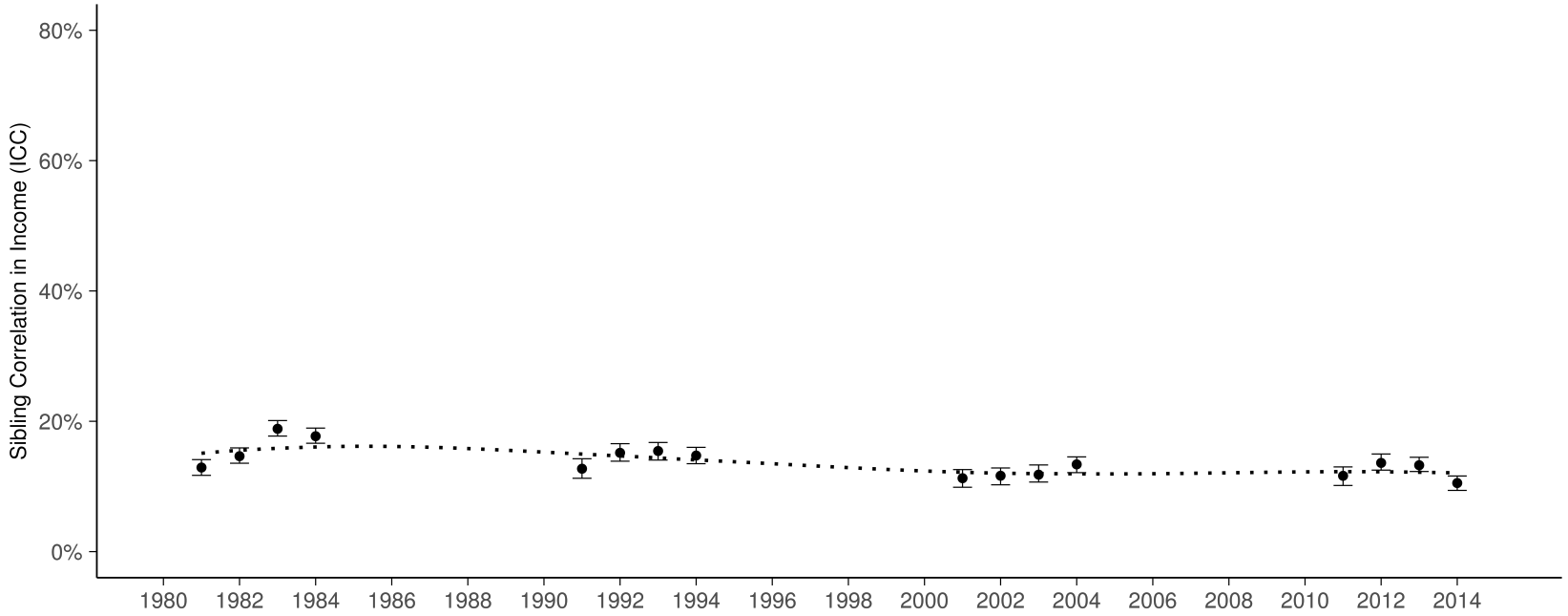
Notes: The figure presents long-run trends in intergenerational mobility for Swiss birth cohorts 1966–1988, using three complementary measures: Sibling Correlation (ICC), Intergenerational Elasticity (IGE), and rank-rank slopes (RRS). Income is measured at ages 30–33 according to standard practice (Chetty et al., 2014a). Lines represent cohort-specific point estimates; vertical bars denote 95% confidence intervals.

Figure B9: Intergenerational Mobility Trends in Switzerland in the 1980s, by Birth Cohorts (1948-53 and 1958-63), non-overlapping Cohorts



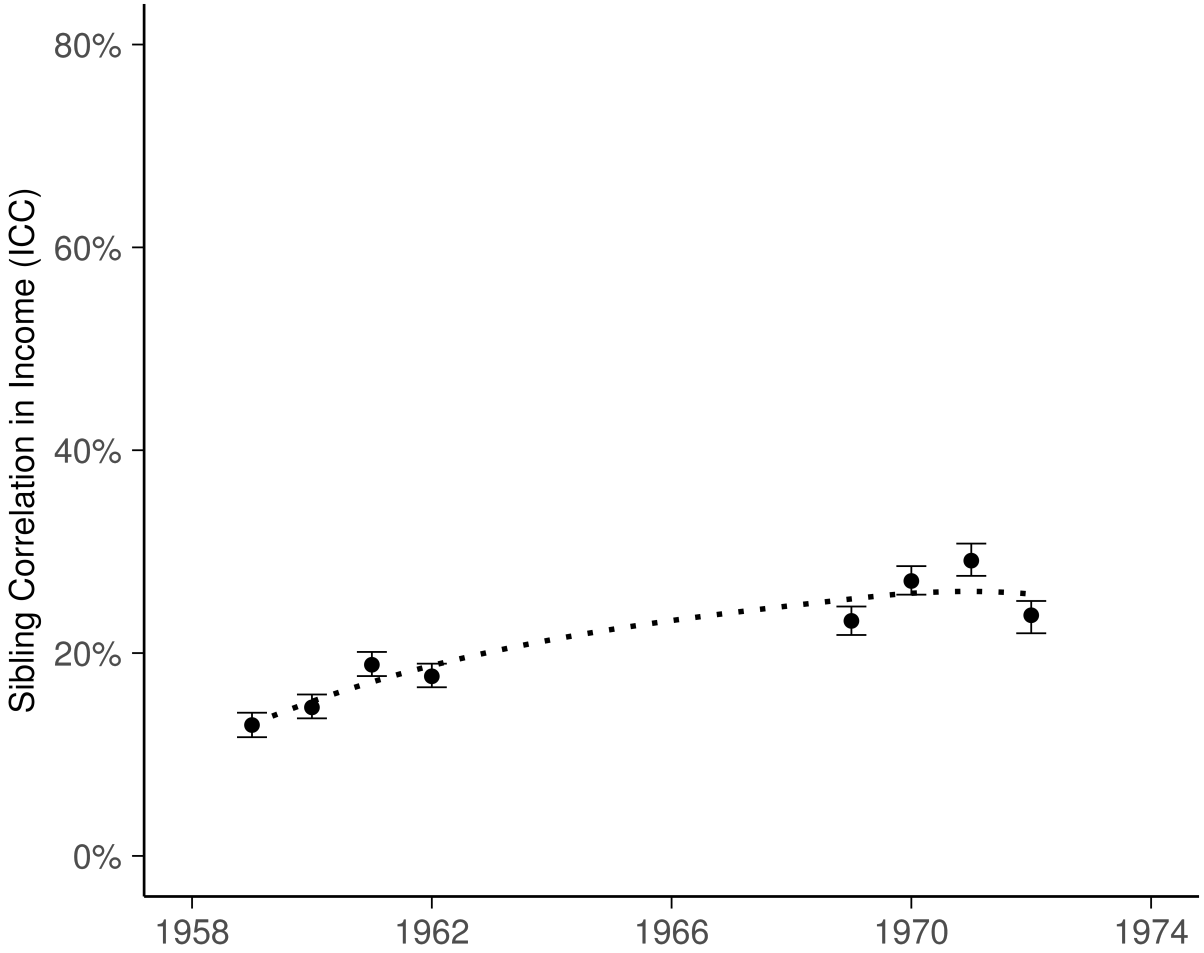
Notes: The figure shows trends in the intraclass correlation coefficient (ICC) for income, estimated separately for non-overlapping 3-year birth cohorts (1948–1950, 1951-1953 and 1958–1960, 1961-1963). Black dots represent point estimates; vertical lines denote 95% bootstrap confidence intervals. The analysis confirms that intergenerational income mobility remained stable across these cohorts during the 1980s, also when using non-overlapping cohorts.

Figure B10: Social Mobility across the Life Course of the same Cohort-group (Cohort 1958–1963), Income observed between 1981 and 2014



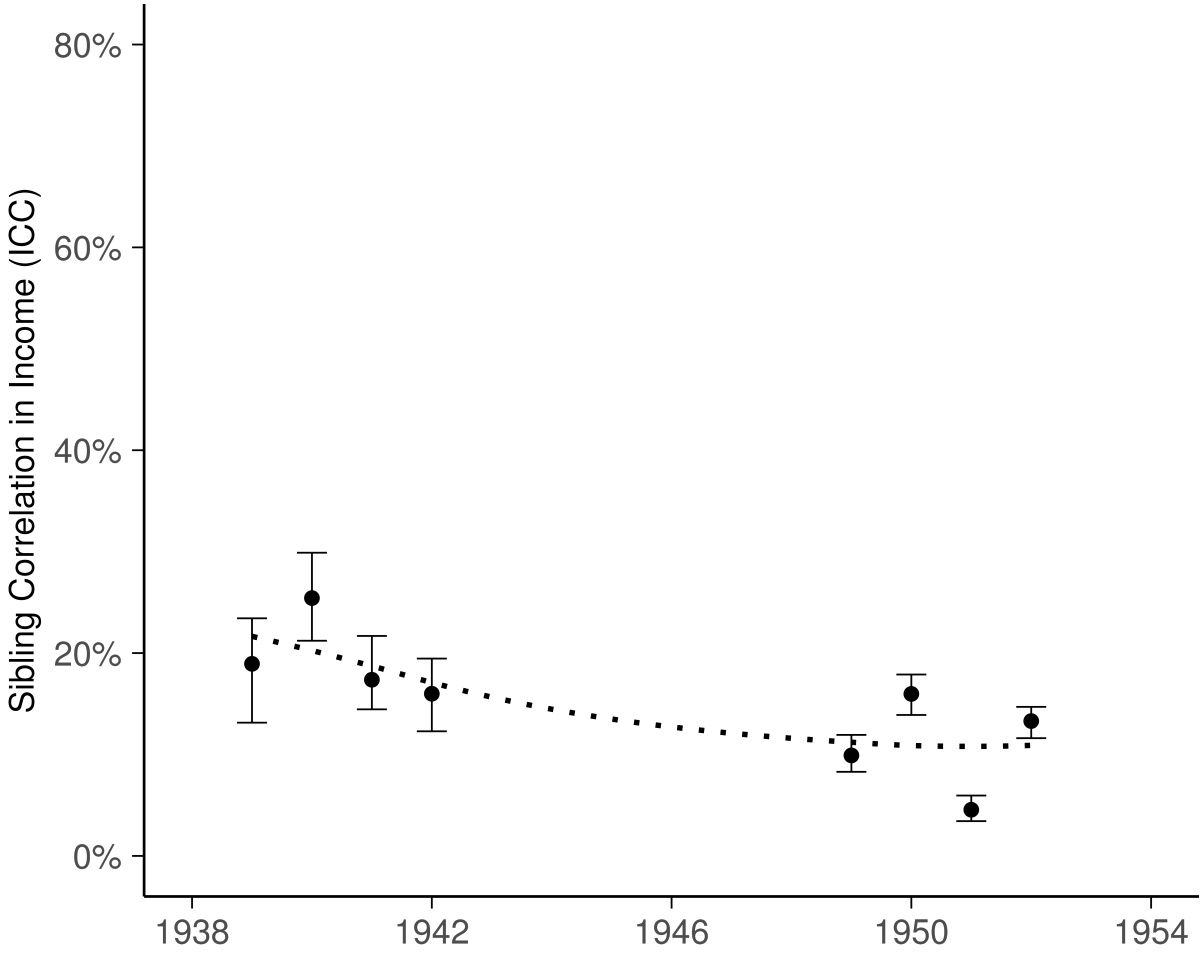
Notes: The figure depicts the development of the Intraclass Correlation Coefficient (ICC) in long-run income for the birth cohorts 1958–1963 over four decades. Income is measured at four distinct stages of the life course: around age 22 (1981–1984), age 32 (1991–1994), age 42 (2001–2004), and age 52 (2011–2014). Black dots represent point estimates; vertical lines denote 95% bootstrap confidence intervals.

Figure B11: Sibling Correlations in the 1980s based on younger Individuals (approx. 22 instead of 32 yrs)



Notes: The figure displays the development of the Intraclass Correlation Coefficient (ICC) in income for younger individuals (aged 18–26 years) during the early 1980s and early 1990s. Each point represents the sibling correlation in income for overlapping 3-year birth cohorts (1958–1963 and 1968-1973). We measure long-run, 4 year average income of the 1958-1963 birth cohorts during the time between 1981-1984 and long-run, 4 year average income of the 1968-1973 birth cohorts during the time between 1991-1994. Black dots denote point estimates; vertical lines represent 95% bootstrap confidence intervals.

Figure B12: Sibling Correlations in the 1980s based on older Individuals (approx. 42 instead of 32 yrs)

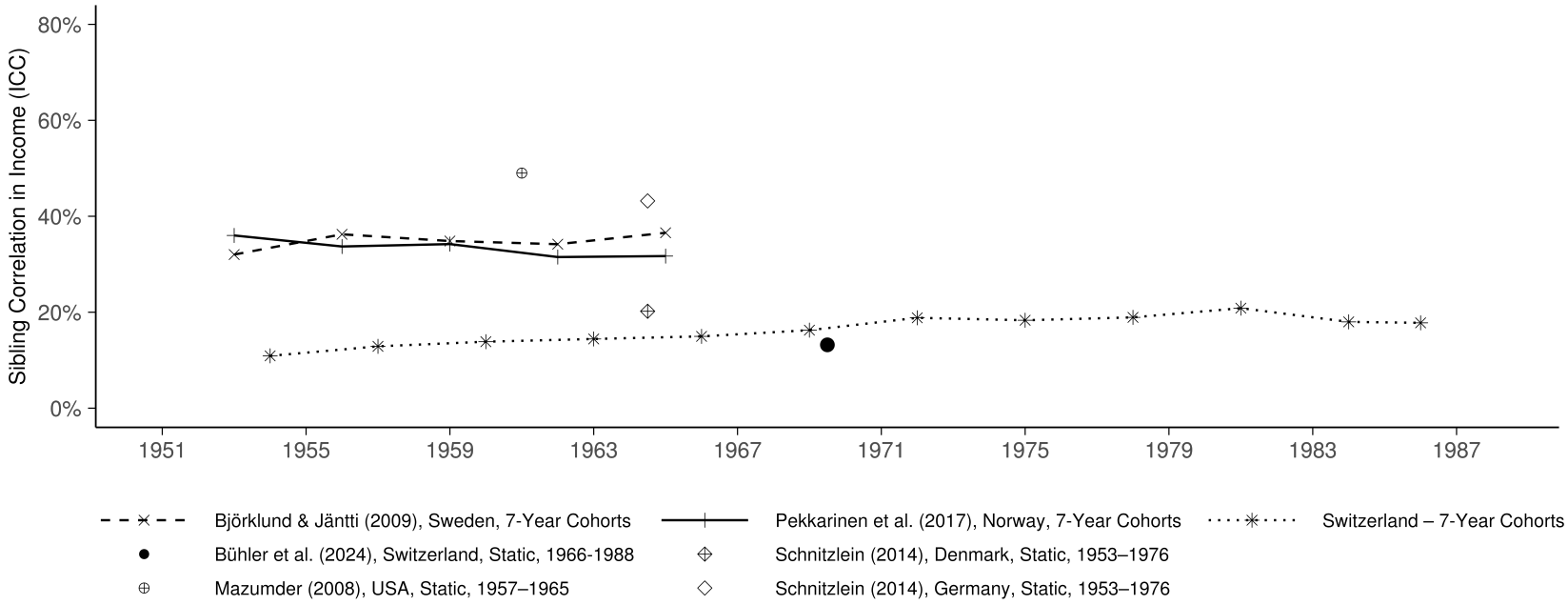


Notes: The figure displays the development of the Intraclass Correlation Coefficient (ICC) in income for younger individuals (aged 38–46 years) during the early 1980s and early 1990s. Each point represents the sibling correlation in income for overlapping 3-year birth cohorts (1938–1943 and 1948-1953). We measure long-run, 4 year average income of the 1938-1943 birth cohorts during the time between 1981-1984 and long-run, 4 year average income of the 1948-1953 birth cohorts during the time between 1991-1994. Black dots denote point estimates; vertical lines represent 95% bootstrap confidence intervals.

Figure B13: Long-run Trends in Intergenerational Income Mobility between 1981 and 2021

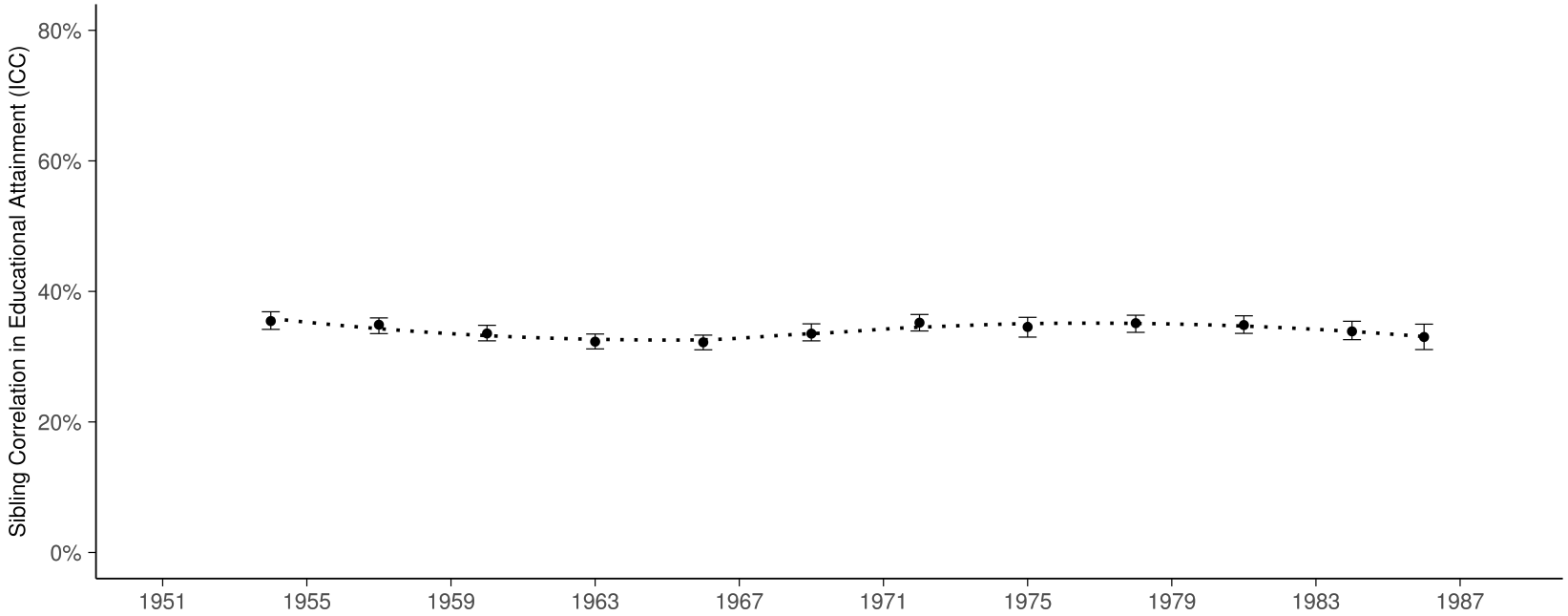
Notes: The figure depicts long-run trends in intergenerational income mobility in Switzerland for birth cohorts 1951–1988, using overlapping 7-year cohorts according to the existing literatur (see Björklund et al. (2009) and Pekkarinen et al. (2017) for details). The y-axis shows the estimated Intraclass Correlation Coefficient (ICC) based on long-run income measured at ages 30–33, observed between 1981 and 2021. Black dots represent cohort-specific point estimates; vertical lines denote 95% bootstrap confidence intervals.

Figure B14: International Long-run Trends in Intergenerational Income Mobility between 1981 and 2021



Notes: The figure compares international trends in intergenerational income mobility between 1981 and 2021. It plots cohort-specific sibling correlations in income (ICC) for Switzerland, Sweden, Norway, the United States, Germany, and Denmark, based on harmonized 7-year cohort definitions where available. Swedish and Norwegian trends are based on 7-year overlapping cohorts from Björklund et al. (2009) and Pekkarinen et al. (2017), respectively, while static estimates for the United States, Germany, and Denmark are drawn from Mazumder (2008) and Schnitzlein (2014). The figure highlights Switzerland's uniquely high and stable level of income mobility relative to other advanced economies.

Figure B15: International Long-run trends in Educational Intergenerational Mobility between 1981 and 2021



Notes: The figure shows the development of the Intraclass Correlation Coefficient (ICC) in educational attainment (years of education) for Swiss birth cohorts 1951–1988. As for income, each point estimate represents a 7-year overlapping birth cohort. Black dots depict point estimates, and vertical lines indicate 95% bootstrap confidence intervals. Again, a dotted LOESS (Locally Estimated Scatterplot Smoothing) curve is added to visualize potential trends. The ICC is estimated using linear mixed models, following the same methodological approach as in the main analysis for income.