

Intergenerational transmission of poverty

Results based on the additional module
of Living Conditions Survey 2005

Madrid, April 2008

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Introduction

Poverty is a phenomenon that is closely linked to the economic development of a country. However, a high level of social well-being is not only reached with high rates of economic growth, but rather the aim should be for poverty to affect the individuals comprising the society as little as possible.

In this sense, one of the factors that might influence the degree of poverty of persons are the poverty situations experienced in adolescence, to the extent that these reduce the possibility of receiving an adequate education, and of acquiring and developing their abilities. In this way, the poverty suffered during this stage negatively influences the financial future of the adolescent.

The intergenerational transmission of poverty diminishes the level of equality of opportunity that individuals have. In the extreme case of a society in which being born in a poor household condemns the individual to being poor for life, this would be an extremely grave situation because poor persons would not have any chance or hope of escaping poverty, nor any incentive to make an effort and improve, which in addition to being tremendously unfair, could produce serious social conflicts. Obviously, the situation in European Union countries is not so extreme, but many countries are still far from ensuring an acceptable level of equality of opportunity. Therefore, given the objectives of the European Union regarding the reduction of poverty, the fight against its transmission is also a priority.

As a result, for any society that wishes to improve the living conditions of its population and increase the level of social cohesion, the analysis of the transmission of poverty between generations is just as important as the study of poverty from a static perspective. Thus, in a society with those objectives, it is essential to carry out studies on the influence of the socio-economic environment in which a person is trained on his or her later development and on which the impact produced on future living conditions is quantified.

This document presents the relationship between certain variables of the socio-economic situation of adults, during adolescence and in their current situation. Through the available data, the aim is to identify the mechanisms that can influence the transmission - between generations - of level of training, as well as of the financial situation in general and of poverty in particular.

The first part of the document shows the relationship between the current level of training of the adult and certain variables related to his or her stage of adolescence. The second part relates the current financial situation of the adult and his or her adolescence.

In most of the document, the concept of relative monetary poverty will be used, understanding this to be the situation of economic disadvantage measured through income.¹ Thus, a person will be considered poor when his or her income per consumption unit² is less than 60% of the median of the income per consumption unit of the society in which he or she lives.

¹Other concepts of poverty may be found in the document:
<http://www.ine.es/daco/daco42/sociales/pobreza.pdf>

²The number of consumption units of a household are calculated using the modified OECD scale:
First adult 1; Second and subsequent adults 0.5; Persons younger than 14 years old 0.3

In an attempt to study poverty as the multi-dimensional phenomenon that it is, this document also presents results on the deficiencies suffered by persons in their households, that is to say, on material deprivation. With these measures, the aim is to provide additional information that is customarily obtained through the analysis of the distribution of income with the habitual poverty measures.

The source of the data used for the preparation of this document is the Living Conditions Survey (LCS) ³, in which current information is collected regarding income and regarding different socio-economic characteristics of persons and their households.

In the year 2005, the LCS included a module on "Intergenerational Transmission of Poverty" ⁴. This collected, via retrospective questions, information on the socio-economic situation in which adults aged between 25 and 65 years old lived during their adolescence. The reference period used in the questionnaire is the time in which the current adults were between 12 and 16 years old, that is to say, when they were young adolescents, with all data referring to the household and the parents at that time. The questionnaire poses questions regarding the type of household, financial problems, number of siblings, as well as the age, level of training, activity and occupation of the parents of the adult.

Combining the available data on the current situation of the adult and that of his or her adolescence will help to understand more clearly the relations that exist between the reality lived in the past and the present.

The information provided in the document is structured in the following way:

1. The current level of training of the adult and its relation with the following variables during the stage of adolescence
 - 1.1. Level of training of the parents
 - 1.2. Type of occupation of the parents
 - 1.3. Situation with regard to the activity of the mother
 - 1.4. Household financial problems of the parents
 - 1.5. Household financial problems
 - 1.6. Number of siblings in the household
2. Current financial situation of the adult (income level, poverty and deprivation) and its relation with the following variables during the stage of adolescence:

³The results of the Living Conditions Survey (LCS) may be viewed on the following website:
http://www.ine.es/inebmenu/mnu_nivel_vida.htm

⁴Information may be obtained on the content of the module in the following regulation of the European Commission regarding the module of LCS 2005 on the intergenerational transmission of poverty:
<http://www.ine.es/daco/daco42/condivi/intergene.pdf>

Intergenerational transmission of poverty

1. The current level of training of adults and its relation with adolescence

Adolescence is a key period in the development of persons, in which the formation of the personality is completed, and during which many decisions are made that customarily affect, and on occasion condition, the future. In this way, the socio-economic condition of the household of an adolescent person is a factor that decisively influences the value that he or she concedes to his or her own training, and in his or her ability to spend time on studies and even on the type of studies that he or she decides to pursue, and therefore influences the level of training that he or she is able to achieve in the adult stage.

The educational level or level of training reached by an individual is closely related to the achievements that he or she is able to gain in his or her work and professional life. Likewise, the income of an individual is very closely related to his or her level of training. Normally, those persons with the highest levels of training tend to occupy the best-paid posts, with income that is higher than that of persons who have completed lower levels of training. From the aforementioned, we can deduce that the level of training also has a strong connection with economic capacity, and therefore, with poverty.

These theses are also supported by multiple empirical studies. The following two tables of results from LCS 2005 also support this theory. It is possible to deduce from Chart 1 that average annual income increases with the level of training of the household reference person, and this occurs regardless of whether it represents the total household income, income per capita or income per consumption unit.

Chart 1. Average annual income per household, person and consumption unit for the year 2004, by level of training of the reference person

	Average household income	Average income per person	Average income per consumption unit
Total	22,418	7,925	12,149
Primary education or lower	17,251	6,419	9,622
First stage secondary education	20,964	6,773	10,618
Second stage secondary education	24,623	8,380	13,049
Higher education	32,106	11,468	17,614

Source INE. Living Conditions Survey 2005

Chart 2, which follows, shows that, within the group of households in which the reference person has an level of training of primary education or lower, the majority group in which 29.5% of households are placed, these have annual available income of less than 9,000 euros. On the other hand, the most numerous group among households whose reference person has university training is that of households with available income greater than 35,000 euros.

Chart 2. Percentage of households, by annual household income in 2004 and level of training of the reference person ⁵

	Primary education or lower	First stage secondary education	Second stage secondary education	Higher education
Up to 9,000 (€)	29.5	13.0	11.4	5.7
9,000 to 14,000 (€)	20.2	19.6	12.9	8.8
14,000 to 19,000 (€)	15.9	18.9	15.5	9.7
19,000 to 25,000 (€)	13.6	18.0	17.7	17.6
25,000 to 30,000 (€)	12.5	19.3	23.1	19.4
More than 35,000 (€)	8.2	10.9	19.4	36.4

Vertical percentages

Source INE. Living Conditions Survey 2005

From the aforementioned, it is possible to corroborate the strong relation that exists between training and economic level. For these reasons, the study of the influence that the living conditions during adolescence have on the current level of training of the adult is essential for understanding, likewise, how the former might affect the current economic level, and therefore, the person's situation as regards poverty.

From the LCS microdata, some results have been obtained that relate the current level of training of the adult with a series of variables relating to his or her adolescence: level of training and occupation of the father, situation as regards the activity of the mother, household financial problems, and number of siblings in the household when the adult was between 12 and 16 years old.

1.1. CURRENT LEVEL OF TRAINING OF THE ADULT AND LEVEL OF TRAINING OF THE FATHER

The cultural and educational environment in which an adolescent grows can be a determining factor in terms of establishing his or her objectives as regards training and level of training, and therefore, there is an undeniable relation between the level of training of his or her parents and his or her own level of training. The following analysis considers the level of training of the father when the adult was an adolescent as the determining variable in the educational environment of the home.

The choice of the level of training of the father, and not that of the mother or any combination of the two, as the variable reflecting the educational environment in which the adolescent grows, is due to several reasons. Firstly, the results obtained by using the level of training of the father and that of the mother are very similar; secondly, if with the information available, the level of training of the mother is considered as a classification variable of the individuals, some categories do not reach sufficient representation. In addition, in the interests of simplicity in the interpretation of the results, it has been considered preferable to use a simple variable such as the level of training of one of the parents. Nonetheless, in the last paragraph of this section, some results are mentioned that were obtained by using the level of training of the mother.

⁶ In this table, as in all tables that show distributions, the sum of the percentages is not exactly 100, due to the rounding that is performed in the individual percentages in order to provide data to one single decimal.

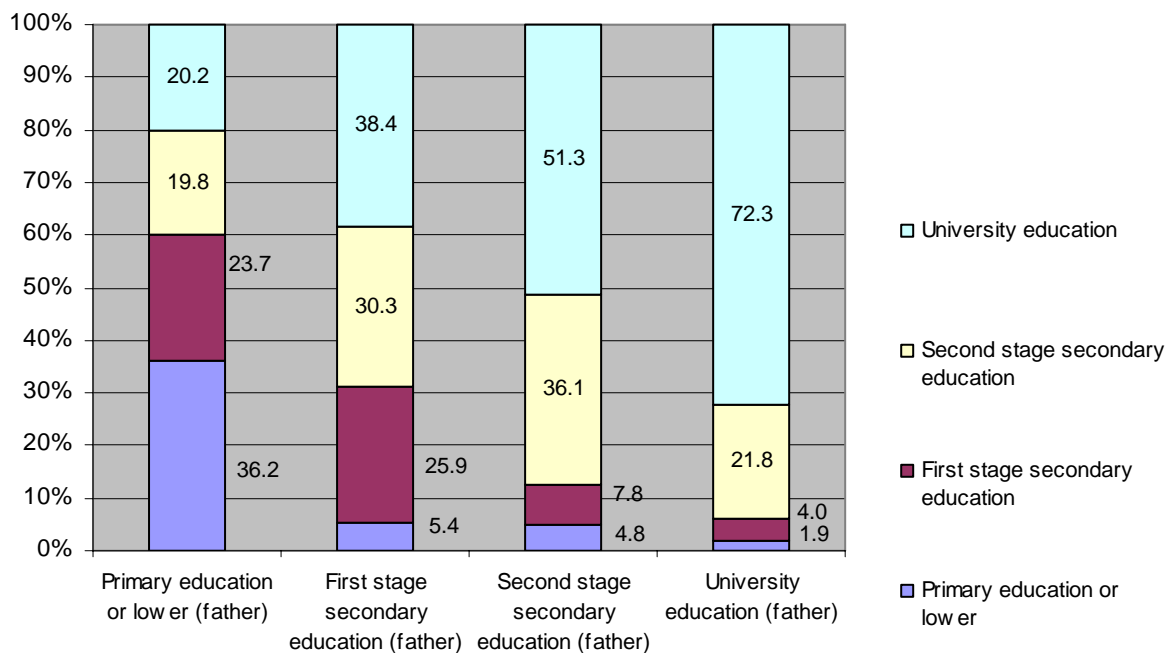
Graph 1 shows the distribution of the adults by current level of training, according to the level of training of the father.

In said Graph, it is possible to view how the percentage of adults who currently have a primary education or lower varies, depending on the group in which they are placed. The main difference is found between the children of fathers who had a primary education or lower, and the rest of adults: while somewhat more than one third of the adults whose father had a primary education or lower remain in the same situation as their father, the corresponding percentages in the remaining groups of adults are much less, and in addition, they decrease as the level of training of the father increases, in no case surpassing 5.4%.

Likewise, upon focusing on the adults with university training or similar, something similar happens: the percentage varies between the 20.2% of adults whose father had a primary education and the 72.3% of adults whose father had university training.

It would also be worth noting that the percentage of university-training adults among those coming from households in which the father only had a primary education is not at all negligible, which implies that, although with clear differences, access to a university education is taking place in all groups, which on the other hand does nothing more than confirm what mere observation of reality and other studies reveal.

Graph 1. Distribution of adults 25 to 65 years old, by level of training, classified by the level of training of the father⁶



⁶Many of the tables that present distributions have recalculated the percentages, considering that the total population are persons on whom the information necessary to classify them is available. In the tables in which this measure has been taken, and for which distributions are made with variables regarding the current moment, broad changes are not produced, given that the percentage of registers classified as "no data recorded" is insignificant. This measure would have a greater influence in the tables in which the distribution is made with variables regarding the adolescence of the adult, granted that there is a higher proportion of unclassifiable persons due to not having provided information, and therefore, the choice was made to preserve the category "no data recorded" or "not classifiable" in the Charts.

Source INE. Living Conditions Survey 2005

In summary, it may be affirmed, having observed Graph 1, that the higher the level of training reached by the father, the higher the probability of the children reaching an even higher degree of training.

In **Chart 3**⁷ the distribution of the adults classified into groups is presented, depending on their current level of training, according to the level of training of their father.

The second column of Chart 3 shows that most of the adults with a primary education (87%) come from homes in which the father had only a primary education or lower, with the proportion of adults with a university-trained father (only 0.5%) being insignificant. Likewise, the last column of Chart 3 shows that more than one half of the adults with a university education also had fathers with a primary education or lower. This situation is not unexpected, granted that, during period of time that the variable refers to, regarding the level of training of the father, access to higher education was not very frequent. It can also be deduced from Chart 3 that there is a greater variety of backgrounds among university-trained adults than among adults with a primary education or lower.

Chart 3. Adults aged 25 to 65 years old, classified by their current level of training and that of the father

	All	Primary education or lower	First stage secondary education	Second stage secondary education	Higher education
Number of adults (thousands)	24,589.0	7,424.7	5,144.6	5,243.4	6,715.4
Primary education or lower (father)	72.5	87.0	82.1	67.3	53.7
First stage secondary education (father)	5.5	1.0	6.9	7.9	7.8
Second stage secondary education (father)	5.7	0.9	2.1	9.6	10.6
Higher education (father)	8.2	0.5	1.6	8.4	21.7
No data recorded / Not classifiable	8.0	10.5	7.4	6.9	6.1

Vertical percentages

Source INE. Living Conditions Survey 2005

In addition to the aforementioned, it should be borne in mind that the time reference used in the variables on the level of training of the parents, covers an extensive range of time, since data is collected for the parents of adults aged 25 to 65 years old. It might be affirmed in general that, during this broad period, and despite the fact that,

⁷All sections of the first part of the document present two types of distribution, in which the same variables are managed. In the first place, we study the influence of the past on the present, with a graph presenting the distribution of adults divided into groups, via the adolescence variable, distributed using the variable of the current time. In the second place, we analyse the origin of the adults, beginning with their current situation, showing the distribution of the adults divided into groups in a Chart, via the variable corresponding to the current time, distributed using the adolescence variable.

in recent decades, the situation has changed substantially, the level of education reached by women was normally lower than that of their male partners. The data obtained with a table and a Graph that are the equivalent of those already presented, but calculated with the level of training of the mother, reflect the same aforementioned situation, but to a greater degree. All of the percentages of university-trained adults are higher than their equivalents when considering the education of the father, varying between 22.5% and 76.2%, while all of the percentages of adults with a primary education or lower are lower than their equivalents and go from 34.1% to 1.4%.

1.2 CURRENT LEVEL OF TRAINING OF THE ADULT AND TYPE OF OCCUPATION OF THE PARENTS

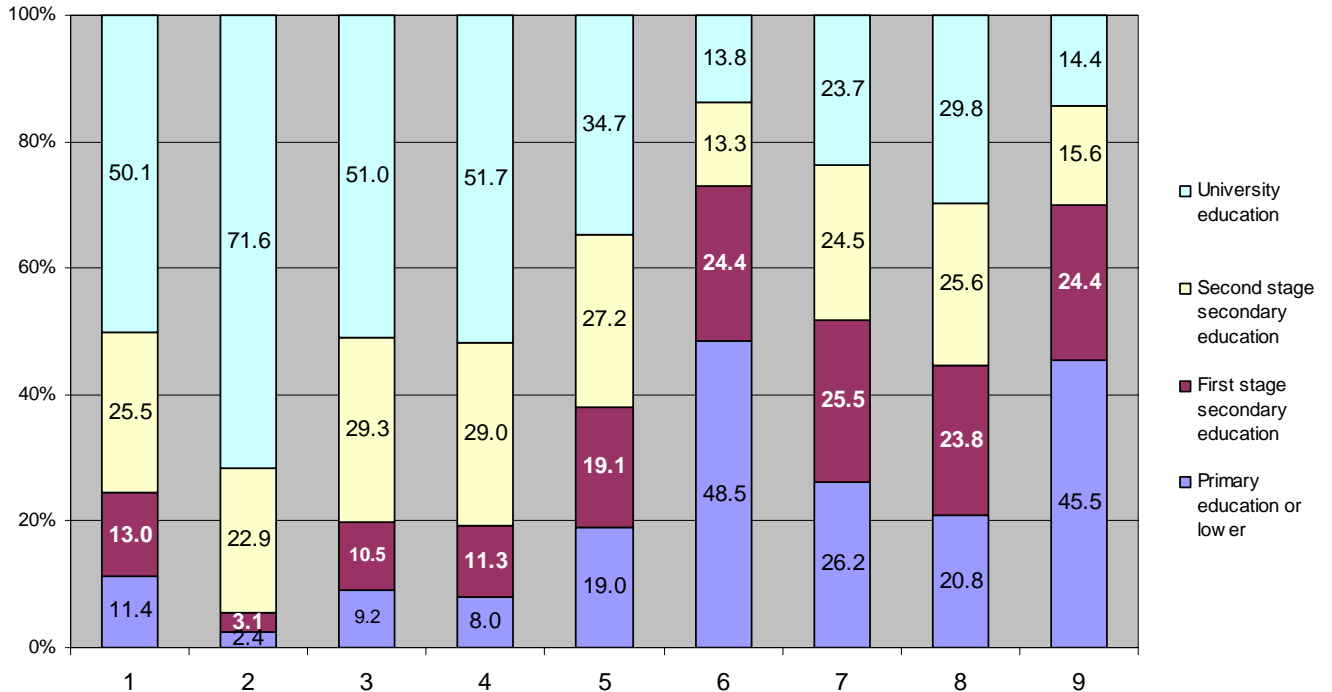
Among the variables that can describe the socio-economic situation of the household of the adult during his or her adolescence, is the type of occupation of his or her parents. The occupation of a person is related to his or her cultural baggage, and normally directly influences the level of income and can influence, in several ways, the level of training that his or her children will achieve. It is therefore particularly interesting to study the relationship between the occupation of the parents and the current level of training of the adult.

The occupation of the father, and not that of the mother, is used as an analysis variable, due to the fact that, during the period studied, most adults had fathers who worked and mothers who either did not work outside of the home, or if they did work outside of the home, they normally occupied posts that did not require a high qualification. Thus, the occupation of the father seems to be the variable that reflects the work environment of the household during the adults' adolescence better than the occupation of the mother.

Another possibility might have been to study the two variables jointly, but this would have produced an excessive drop in the sample sizes, which would have prevented obtaining conclusions with an acceptable level of statistical significance.

As may be observed in Graph 2, there is a high percentage of university-trained persons (nearly 72%) in the group of adults whose fathers belong to the "Scientific and intellectual technicians and professionals" group. These are followed by the adults whose fathers had occupations classified into the following categories: "Administrative type employees", "Support technicians and professionals" and "Company and public administration management". For these, more than one half of the adults have university training. In contrast, in the groups of adults whose fathers occupied a job post classified as "Workers skilled in agriculture and fishing" or as "Unskilled workers", there are small proportions of adults with university training or the like.

Graph 2. Adults aged 25 to 65 years old, by level of training and type of occupation of the father



- (1) Company and public administration management
 - (2) Scientific and intellectual technicians and professionals
 - (3) Support technicians and professionals
 - (4) Administrative type employees
 - (5) Workers in catering, personal, and protection services and trade salespersons
 - (6) Workers skilled in agriculture and fishing
 - (7) Craftspersons and workers qualified for the manufacturing, construction, and mining industries, except installation and machinery operators
 - (8) Installation and machinery operators and assemblers
 - (9) Unskilled workers
- Personnel in the Armed Forces is included in "no data recorded"
 Care of children or marriage: Includes the care of dependent persons or the transfer of the partner

The inverse situation is present in the case of persons with a primary education or lower, who are well-represented in the groups of workers skilled in agriculture and fishing and unskilled workers, groups 6 and 9⁸, among whom approximately one half of those adults have a level of training lower than the second stage of secondary education. In turn, the percentages of adults with a primary education among the persons from groups 1, 2, 3 and 4 are considerably low, specifically, for group 2 it is only 2.4%, with the other three groups standing below 11.5%.

Also worth noting are groups 6 and 9 as the groups presenting the lowest percentages of adults with a second stage secondary education, 13.3% and 15.6%, respectively. For the remaining groups, the percentage of persons with this type of education is relatively stable, varying between 22.9% and 29.3%.

⁸From this moment on, we will refer to group I, which designates those adults belonging to the classification group in which the father had an occupation what was classified as i in Graph 2.

In groups 1 to 4, the percentages of adults with a first stage secondary education do not exceed 13%, reaching the minimum, 3.1%, in group 2.

In summary, it can be affirmed that the adults classified in groups 1, 2, 3 or 4, that is, the adults whose fathers occupied at work posts that required more training, and generally provided more income as well, currently tend to have high levels of training: second stage secondary education or university education, the latter being more frequent.

On the other hand, it is worth mentioning the case of the children of workers skilled in agriculture and fishing, group 6, or unskilled workers, group 9, because these have significantly high percentages of persons with a primary education or lower or first stage secondary education. This might be due to the fact that, in this type of household, the financial capacity is limited, or that in them, the value granted to education is not very high.

The adults whose fathers were craftspersons or workers qualified for the manufacturing, construction, and mining industries, or installation and machinery operators, that is, adults from groups 7 and 8, are distributed homogeneously throughout the level of trainings.

The children of workers in catering, personal, and protection services and trade salespersons, group 5, do not coincide with any of the previous schemes, with approximately one third university-trained and 27.2% of adults with a second stage secondary education level.

In this section, we can conclude that the type of occupation of the parents is related to the level of training of their children, although we must consider that there are variables, such as the level of training of the parent or his or her income, that are very closely related to the type of occupation, which may be exercising certain influence on that relationship and may even be the cause of the same, and whose effect cannot be clearly quantified with the available data.

Next, we will analyse the distribution shown in **Chart 4**, a distribution of adults by type of occupation of the father, given the level of training that the adult has achieved.

On observing Chart 4, it stands out that among university-trained persons, all types of occupations of the father are very well represented, with the percentages varying between 7.5% of adults whose father was a worker skilled in agriculture and fishing and 18.1% of adults who are sons of craftspersons or workers qualified for the manufacturing, construction and mining industries.

On the other hand, worth noting is that, among adults with a primary education or lower, there are few children of executives, technicians and support professionals and administrative type employees, with 1.9%, 1.4% and 1.2%, respectively, and an almost negligible percentage of 0.3% of children of scientific and intellectual technicians and professionals.

Chart 4. Adults aged between 25 and 65 years old, by the type of occupation of the father, according to his level of training

	All	Primary education or lower (adult)	First stage secondary education (adult)	Second stage secondary education (adult)	University education (adult)
Todos	24,589.0	7,424.7	5,144.6	5,243.4	6,715.4
(1) Father	5.1	1.9	3.2	6.2	9.4
(2) Father	3.4	0.3	0.5	3.7	9.0
(3) Father	4.5	1.4	2.2	6.2	8.4
(4) Father	4.5	1.2	2.4	6.0	8.4
(5) Father	6.9	4.4	6.3	8.8	8.8
(6) Father	14.8	23.9	17.3	9.3	7.5
(7) Father	20.9	18.1	25.5	24.0	18.1
(8) Father	9.0	6.2	10.2	10.7	9.8
(9) Father	19.9	30.1	23.3	14.5	10.5
No data recorded	10.9	12.6	9.0	10.6	10.0

Vertical percentages.

Source INE. Living Conditions Survey 2005

1.3. CURRENT LEVEL OF TRAINING OF THE ADULT AND SITUATION REGARDING THE ACTIVITY OF THE MOTHER

Although, for the aforementioned reasons, an analysis was not performed on the relationship between the occupation of the mother and the level of training, it is worth analysing the influence that the situation as regards the activity of the mother has on the level of training of the children, during the period in which the current adults were adolescents. That is, it is important to study the influence of the mother working or not on the level of training reached by her children. The following **Chart 5** presents the distribution of adults, by level of training, classified according to the situation as regards the activity of the mother.

Chart 5. Adults classified by level of training, according to the situation as regards the activity of the mother

	All	Working (mother)	Not working (mother)
Number of adults (thousands)	24,589.0	7,590.4	16,070.3
Primary education or lower	30.3	27.8	30.4
First stage secondary education	21.0	22.0	20.7
Second stage secondary education	21.4	22.0	21.4
University education	27.4	28.2	27.4

Vertical percentages

Source INE. Living Conditions Survey 2005

On comparing the distributions according to the situation with regard to the activity of the mother, we find that the structures are similar. The proportions of adults with a level of training higher than primary education are slightly higher in the group of children of mothers who worked, although the differences are not of a sufficient magnitude so as to ensure that they are not due to the sampling error implicit in the data of any survey. The only difference that can be highlighted is shown by the adults who have only reached a primary education or lower, the percentage of these in the case of the mother not working is almost three points higher, 30.4%, than in the case of the mother working, during the adolescence of the adult, 27.8%.

Another notable fact, in accordance with the data shown below in **Chart 6**, is that almost two thirds of the adults, regardless of their level of training, come from homes in which the mothers did not work. This percentage varies very slightly between 64.5% in the group of adults with a first stage secondary education and 65.8% of adults with a primary education or lower.

Chart 6. Adults classified by the situation with regard to the activity of the mother, according to level of training

	All	Primary education or lower	First stage secondary education	Second stage secondary education	University education
Number of adults (thousands)	24,589.0	7,424.7	5,144.6	5,243.4	6,715.4
Working (mother)	30.9	28.3	32.5	31.9	31.7
Not working (mother)	65.4	65.8	64.5	65.6	65.5
No data recorded / Not classifiable	3.8	5.9	3.0	2.5	2.8

Vertical percentages

Source INE. Living Conditions Survey 2005

1.4. CURRENT LEVEL OF TRAINING OF THE ADULT AND HOUSEHOLD FINANCIAL PROBLEMS DURING ADOLESCENCE

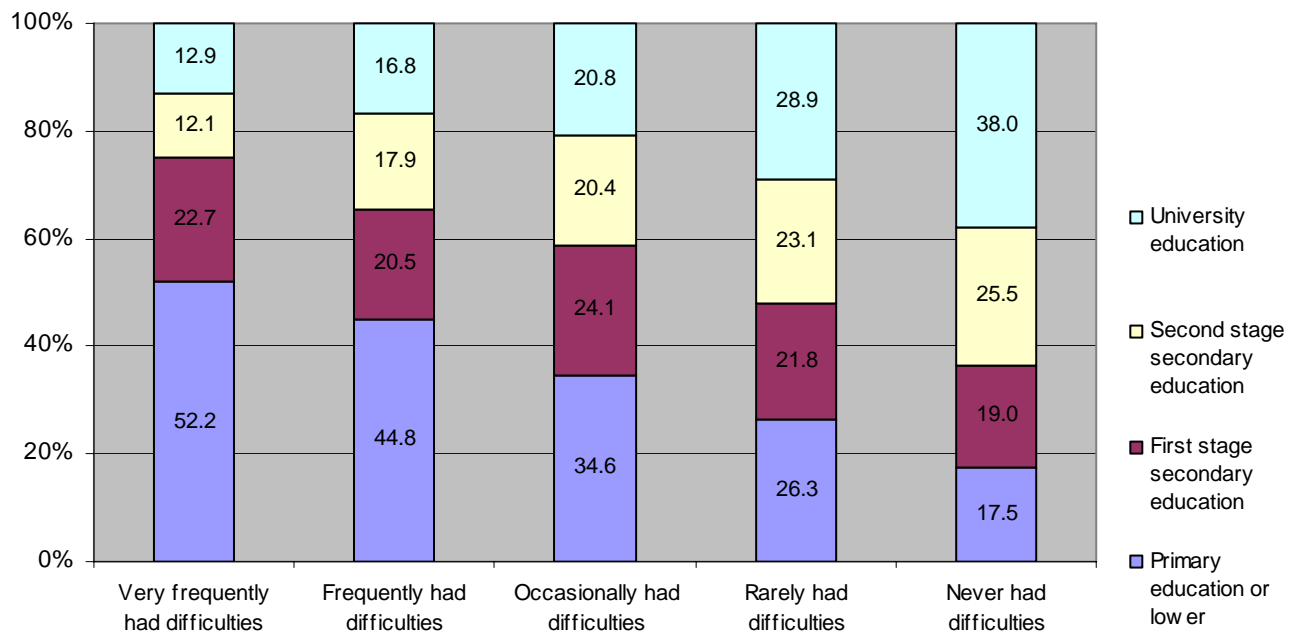
Income is one of the determining variables in the household financial situation. If information were available on this variable during the adolescent stage of the current adults, we would have a very useful instrument for studying relationships between said financial situation and the level of training of the adult.

However, it is not convenient to collect the variables related to income retrospectively, given that they usually yield low quality answers or cause a lack of response as a result of the memory effect, due to the time lapsed. In addition, the LCS is a complex survey in which a large amount of information is collected, and it has some time limitations and quality requirements that do not allow for obtaining this type of information.

In order to replace the retrospective questions relating to income, subjective information was collected on whether the adults, as adolescents, perceived that there were financial problems in the parents' household, and these were classified, depending on the frequency of the problems, into the following categories: very frequently, frequently, occasionally, rarely and never.

Graph 3 presents, for each level of difficulty, the distribution of adults according to level of training.

Graph 3. Adults classified by level of training and financial problems in the parent's household



Source INE. Living Conditions Survey 2005

A substantial difference is observed between the adults from households that had financial problems frequently and those that never had them. The distribution by level of training changes progressively with the level of financial difficulties. Therefore, the percentage of adults with a primary education or lower is 17.5% in the case of those coming from households that never had financial problems, 26.3% in the group of adults from households what rarely had them, and increases gradually with the frequency of problems to reach 52.2% in the case of adults from households that very frequently had difficulties during that period. The contrary occurs for university-trained persons; the percentage of the same increases gradually from 12.9% to 37.9% on going from groups of adults with more financial difficulties to groups with fewer difficulties.

We can then conclude that the financial troubles suffered during adolescence influence, without a doubt, the level of training that the person is able to reach later on in life. Thus, the persons who lived, during their adolescence, in households in which there were never financial difficulties, start with an advantage as compared with the persons coming from household in which there were frequently financial problems.

The following **Chart 7** shows adults divided into groups, depending on their current level of training, by the frequency of the financial problems that they had during adolescence.

Chart 7. Adults classified by current level of training and the financial problems suffered during adolescence.

	All	Primary education or lower	First stage secondary education	Second stage secondary education	University educaion
All. Number of adults (thousands)	24,589.00	7,424.70	5,144.60	5,243.40	6,715.40
Very frequently had difficulties	11.9	20.5	12.9	6.8	5.6
Frequently had difficulties	10.2	15.2	10.1	8.6	6.3
Occasionally had difficulties	19.2	21.9	22.1	18.3	14.6
Rarely had difficulties	19.6	17	20.3	21.1	20.6
Never had difficulties	35.9	20.8	32.5	42.7	49.8
No data recorded / Not classifiable	3.3	4.5	2.2	2.5	3.1

Vertical percentages

Source INE. Living Conditions Survey 2005

We have observed that, while the adults with a primary education or lower are evenly distributed, with percentages, according to the frequency of financial problems, that are very similar, standing between 15% and 22%, the situation is quite different for the rest of the groups of adults, with the majority group being that of adults who never had financial problems during adolescence.

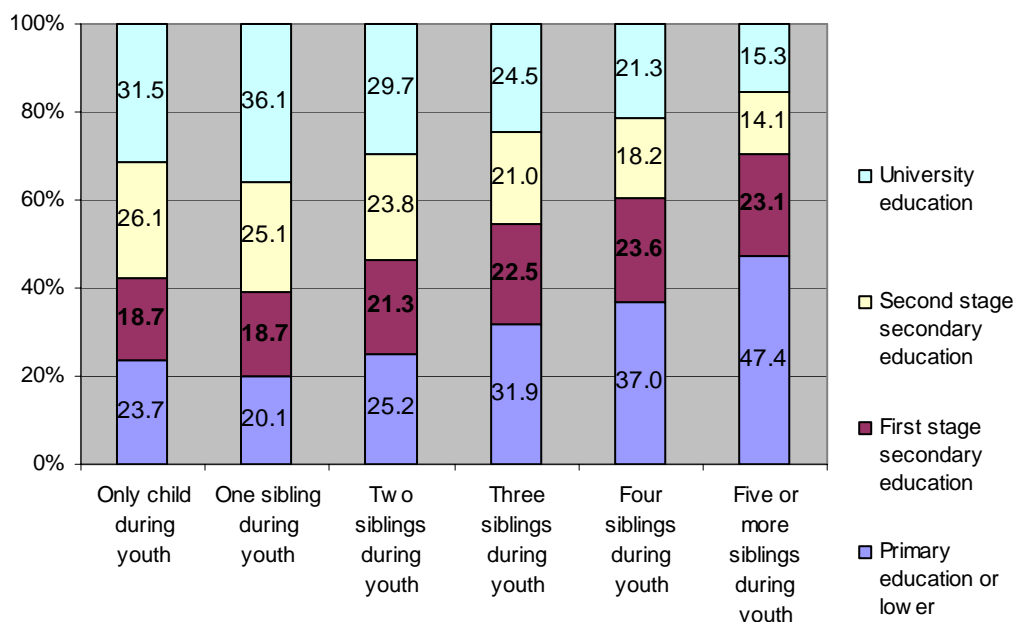
In general, as the level of training increases, the percentage of adults coming from households that never had difficulties increases, from 20.8% in the case of adults with a first stage secondary education, to 49.8% of the group of adults with a university education. Likewise, on moving from a group of adults with one level of training to another with a higher level, the percentage of adults who had financial problems very frequently during adolescence decreases, from 20.5% in the case of adults with a second stage secondary education to 5.6% in the case of university-trained adults.

1.5. CURRENT LEVEL OF TRAINING OF THE ADULT AND NUMBER OF SIBLINGS DURING ADOLESCENCE

Another variable whose influence on the future of the adolescent it seems reasonable to consider, is the number of siblings who lived in the household during that period. The increase in the number of children in a family reduces the resources that the household can spend on each one of them, and therefore also decreases the possibilities of providing them with a good education. It would also be necessary to bear in mind that large families are more frequent in adults of a certain age, who had a lower level of training than younger adults.

Graph 4 presents the distribution, by levels of training of the adults, according to the number of siblings that the current adult had during adolescence.

Graph 4. Adults classified by the number of siblings in adolescence and the current level of training



Source INE. Living Conditions Survey 2005

On observing Graph 4, we can affirm that the number of siblings in the household during adolescence is related to the level of training reached in the adult stage. In general, the higher the number of siblings in adolescence, the lower the percentage of university-trained adults and the higher the percentage of persons with a primary education or lower. Actually, the aspect of the distribution worsens with each additional sibling. The exception to this trend is constituted by only children, as they are found slightly lower than adults with one sibling. In the group of adults without siblings, the percentage of university-trained persons, 31.5%, is lower than in the group of adults with one sibling, 36%. Likewise, the percentage of only children with a primary education or lower, 23.7%, is higher than the same percentage for the group of persons with one sibling, 20.1%.

The following **Chart 8** presents the distribution of adults, by the level of training achieved, according to the number of siblings in adolescence.

Chart 8. Adults classified by current level of training and number of siblings during adolescence.

	All	Primary education or lower	First stage secondary education	Second stage secondary education	University education
Number of adults (thousands)	24,589.0	7,424.7	5,144.6	5,243.4	6,715.4
Only child	6.0	4.7	5.3	7.3	6.9
One sibling	24.9	16.5	22.2	29.1	32.7
Two siblings	23.9	19.9	24.3	26.7	26.0
Three siblings	16.0	16.9	17.1	15.8	14.4
Four siblings	10.0	12.3	11.3	8.5	7.8
Five or more siblings	15.9	24.9	17.5	10.5	8.9
No data recorded / Not classifiable	3.4	4.9	2.3	2.1	3.4

Vertical percentages
Source INE. Living Conditions Survey 2005

Only children constitute a minority and there are no substantial differences depending on the current level of training. In contrast, there is no single common pattern for the majority group.

The percentage of adults with one sibling, among those with a primary education or lower, is 16.5%, and it increases with the level of training to reach almost one third, 32.7%, in the case of adults with university studies.

On the other hand, the percentage of adults who had more than four siblings during adolescence decreases on moving on to groups of adults with a higher level of training. Thus, the percentage varies from 24.9% for the group of adults with a primary education or lower, to 8.9% for the adults with a university education.

In summary, among the adults with the highest level of training, we find those who had few siblings, while among the adults with low levels of training, we find a higher percentage of persons with four or more siblings.

2. Current financial situation of the adult and relationship with adolescence

Up to this point, we have studied the relationship between the circumstances during the adolescent stage of adults and their current level of training. This section presents the results showing the links between variables relating to adolescence and to the current financial situation of the adults.

For the purpose of collecting the current financial conditions of the adult with sufficient clarity, the following variables have been used: average income, income quartile and situation regarding poverty.

Firstly, results are presented on average income and income quartiles in which the adults are situated, depending on the situation from which they began in adolescence. Secondly, the relationship is analysed between the socio-economic conditions in which they lived in adolescence and the current situation regarding poverty.

In the analysis of current poverty, we first use the more traditional focus based on income, and provide measures of monetary poverty ⁹. Subsequently, a study is performed on the deficiencies suffered by adults from the perspective of material deprivation, thus completing the information provided by the poverty rates based only on income.

In the tables on material deprivation, information is shown regarding certain goods, services and abilities that the households do not possess or cannot afford. Specifically, we will analyse the information relating to the following household deficiencies or problems: cannot afford one week of holidays away from home per year; cannot afford one meal with meat, chicken or the vegetarian equivalent at least every two days; cannot handle unexpected expenses; cannot keep the dwelling at an adequate temperature during the colder months; have not kept up, in the last twelve months, with the payment of the rent, mortgage, deferred payments on purchases or with utility bills; cannot afford to have a car, due to financial difficulties; have problems in the dwelling, due to lack of natural light or to leaks; dampness on the walls, floors, ceilings or foundations; or rotten areas in floors, windowsills or doors.

The LCS also provides data regarding the percentage of persons who do not have a telephone, colour television, personal computer, washing machine or automobile. In Spain, the percentage of persons who lack these goods because they cannot afford them is very small, and in addition, in some cases, the samples do not provide statistically significant results, and therefore, it was decided not to consider them in this document.

2.1. CURRENT FINANCIAL SITUATION AND LEVEL OF TRAINING OF THE FATHER

2.1.1. CURRENT INCOME LEVEL AND SITUATION OF THE FATHER

The fact that the educational environment in which an adolescent grows influences his or her future financial situation, specifically his or her level of income, is undeniable.

Due to the strong relationship between the level of training and current income, the intergenerational transmission of level of training, studied previously, indirectly affects the future income of the adolescent, given that on transmitting the level of education, one transmits with it the possibilities of obtaining one level of income or another.

Likewise, granted the relationship between training and income, the level of training reached by the father determines, to a certain degree, the economic conditions that the household can provide for the adolescent. In turn, these may influence the level of the training that the individual may reach as an adult, and therefore affect his or her income, but also influence in another more direct way the living conditions in adult life, providing him or her with certain financial capabilities, for example, the possibility of starting a business.

⁹A person is considered to be poor if he or she has equivalent income that is less than 60% of the median of the distribution of this income.

This section studies the final relationship between the level of training of the father, a variable chosen to reflect the educational environment, and the level of income per consumption unit of the household that the son or daughter is currently a part of.

As could be predicted, the income of the son or daughter, both in per capita value and in consumption unit, increases with the level of training reached by the father. This information appears in **Chart 9**.

The average income per consumption unit varies between 12,325 euros for persons whose parents had a level of training equivalent to primary education or lower, and 18,732 euros deposited on average for adults whose parents obtained a university degree. There is therefore a difference of more than 6,000 euros between the groups at opposite ends of the spectrum as regards the training of the parents. All of the aforementioned indicates that the education of the parents is related to the financial possibilities that the adolescent will have in his or her adult life.

Chart 9. Average income, per capita and per consumption unit and by level of training of the father

	Average income per person (€)	Average income per consumption unit (€)
Primary education or lower (father)	8,102	12,325
First stage secondary education (father)	9,727	14,674
Second stage secondary education (father)	10,776	16,218
University education (father)	12,662	18,732
No data recorded / Not classifiable	8,008	11,897

Source INE. Living Conditions Survey 2005

We must remember that both income per capita and income per consumption unit are based on the total available household income. Given that an important percentage of the adults aged 25 to 65 years old, specifically 12.4% of them, still live with their father, the income of their households do not depend solely on their own income but also on that of their father, and therefore, in these cases, the father has a direct influence on the current level of income of his or her adult sons or daughters.

Graph 5 presents the distribution of the adults classified into groups by level of training of the father, by quartiles of income per consumption unit ¹⁰, calculated with the entire population.

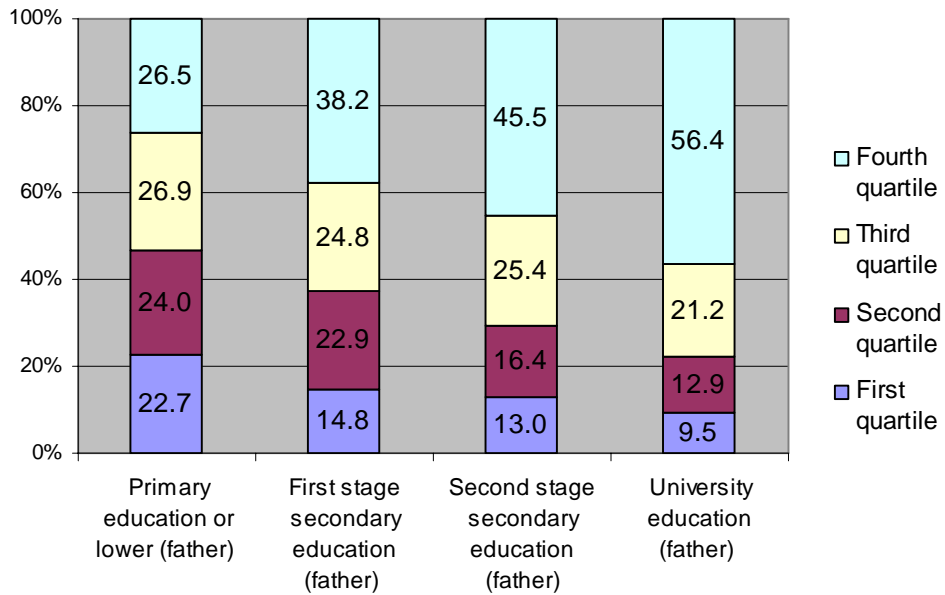
In Graph 5, it may be observed that the adults whose father had a level of training less than or equivalent to primary education are distributed evenly across the quartiles. For the remaining cases, the majority group is that of adults whose income per consumption unit belongs to the fourth quartile.

The percentage of adults in the fourth quartile is 26.5% in the group of adults whose father was classified with the lowest level of training, and reaches 56.4% in the case of adults whose father had university (or equivalent) training. Similarly, the

¹⁰The quartiles of income have been calculated, considering the entire population, not only adults. This explains, for example, why the percentage of adults in the fourth quartile is higher than 25% in all of the groups.

percentage of adults in the first quartile decreases with the level of training of the father, varying between 22.7% of the adults whose father had a primary education or lower, and 9.5% of the adults whose father had a university education level.

Graph 5. Adults aged 25 to 65 years old, classified by the level of training of the father and the quartile of income per consumption unit to which they belong.



Source INE. Living Conditions Survey 2005

It can be deduced that the largest divergence is found between the first group and the rest, given that the differences between the adults whose father had at most a primary education level and the rest are significant. In the first group, the probability of being in the first or second quartile is 0.47, which means that almost one half of the individuals are in these quartiles; in the remaining groups, the probability is less than 0.38, reaching 0.22 in the case of sons and daughters of university-trained fathers.

One may conclude, with the results obtained, that the higher the level of training of the father, the higher the probability that his children will obtain higher income in their adult lives, belonging to the last quartile.

2.1.2. POVERTY, MATERIAL DEPRIVATION AND LEVEL OF TRAINING OF THE FATHER

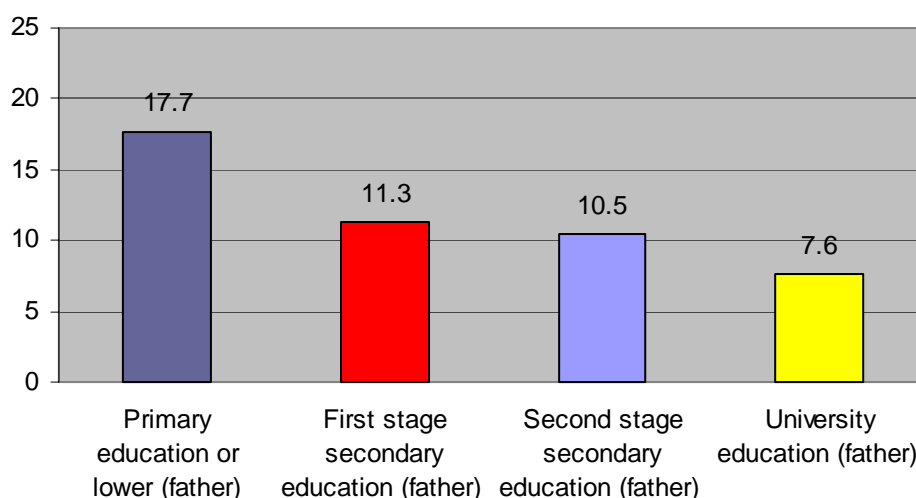
Furthering somewhat more the analysis of the financial situation, and focusing the attention on the most disadvantaged groups, we will next study how the level of training of the parent affects the situation of the adult as regards poverty and material deprivation.

In the first place, data is presented that relate the level of training of the father with the poverty rates of the adults, and subsequently, those that relate that same level with the material deprivation that the adults suffer.

- *Poverty rates of the adults, classified by the level of training of the father*

The relationship between the education of the father and the probability of the adult being below the poverty line is shown through Graph 6, in which poverty rates by level of training of the father may be observed.

Graph 6. Poverty rates, by the level of training of the father



Source INE. Living Conditions Survey 2005

The most noteworthy difference in this Graph is seen between the group of adults whose father reached primary education or lower, with 17.7% of the adults under the poverty line, and the remaining group, with rates lower than 11.5%. The results allow us to deduce that the father's possession of a level of training higher than primary education diminishes the probability of his descendents suffering from poverty.

Among the other three groups, there are also differences, although these are less than the aforementioned. The group with the smallest probability of being poor is that of children of university-trained persons, with 7.6% poor. The difference between this poverty rate and that of the nearest group as per level of training, is approximately three points.

- Distribution of poor and non-poor persons and the level of training of the father

Chart 10 shows the distribution, by level of training of the father, of the adults, according to whether they are poor or not.

The distributions of poor and non-poor persons, although showing slight differences, have a similar structure. The majority of adults, 71.2% in the case of non-poor persons and 79.6% in the case of poor persons, come from homes in which the father had, at most, a primary education level of lower during the adolescence of his children.

As a noteworthy difference, we can indicate that 9.1% of persons who belong to the group of adults who currently do not suffer from poverty, come from households in which the father had university training, this percentage is more than twice that calculated for poor adults, 3.8%. Something similar occurs with the other level of training categories, but the discrepancies are not so pronounced.

Chart 10. Distribution of poor and non-poor persons, by level of training of the father

Total adults (thousands)	24589.0	3973.5	20554.7
Primary education or lower (father)	72.5	79.6	71.2
First stage secondary education (father)	5.5	3.9	5.9
Second stage secondary education (father)	5.7	3.7	6.1
University education (father)	8.2	3.8	9.1
No data recorded	8.0	9.0	7.8

Vertical percentages

Source INE. Living Conditions Survey 2005

- Material deprivation, according to the level of training of the father

This section completes the information obtained from the poverty rates based on income, with data on the proportions of adults suffering from material deprivation previously mentioned in the introduction.

As can be observed in **Chart 11**, in general, the greatest proportions of adults suffering from deprivation are found among the persons coming from households whose father had, at most, a first stage secondary education level.

Chart 11. Percentage of adults who suffer from deprivation, according to the education of the father ¹¹

Level of training of the father	Primary education or lower	First stage secondary education	Second stage secondary education	University education
Holidays (1)	41.4	31.3	23	16.2
Cannot keep the dwelling at an adequate temperature in the winter (2)	8	8.8	5.4	4
Had delays (3)	6.1	6.6	5.1	5.9
Does not eat meat or the vegetarian equivalent (4)	2.1	1.8	1.5	1.6
Cannot handle unforeseen expenses (5)	32.4	25.4	19.9	15.6
Does not have a car (6)	5.3	7.5	4.1	3.3
Dark dwelling (7)	9.8	10	11.2	9.9
Leaks (8)	17	15.4	14.8	14.3

Source INE. Living Conditions Survey 2005

The greatest differences among the groups are found upon focusing on the percentage of persons who cannot afford to take holidays; this increases when passing onto a group with a lower level of training of the father, thus only 16.2% of the children of university-trained fathers suffer from this situation, as compared with 41.4% of the persons whose father had a primary education or lower. On analysing another aspect of deprivation, the ability to handle unforeseen expenses, we find the same tendency as in the case of holidays, with the percentage diminishing from the 32.4% corresponding to the children whose father had a primary education or lower, to the 15.6% of the children of fathers with university training. For the rest of the deprivation, the contrasts among groups are less noticeable.

2.2. CURRENT FINANCIAL SITUATION AND TYPE OF OCCUPATION OF THE FATHER

¹¹ In all of the tables related to material deprivation, there are eight types of deprivation; the following are some details of this deprivation:

- (1) Holidays: the entire household cannot afford at least one week of holidays per year.
- (2) Dwelling with an adequate temperature in the winter: the household cannot afford to keep the dwelling at an adequate temperature during the cold months.
- (3) Had delays: had delays in some payments of the mortgage, rent or utility bills.
- (4) Does not eat meat or the vegetarian equivalent: cannot afford one meal with meat, chicken or fish (or the vegetarian equivalent), at least every two days.
- (5) Cannot handle unforeseen expenses: without seeking financial aid, without reducing their debt capacity and without resorting to loans or terms to deal with the habitual expenses that previously were paid in cash.
- (6) Does not have a car: cannot afford one. Does not have a company car available for private use either.
- (7) Dark dwelling: the household suffers from a lack a natural light in some bedroom of the dwelling.
- (8) Leaks: Leaks or damp areas in walls, floors, ceilings and foundations, or rotting floors.

2.2.1 CURRENT INCOME LEVEL AND TYPE OF OCCUPATION OF THE FATHER

As previously mentioned, the type of occupation of the father is an essential variable in studying the influence of adolescence on adult life.

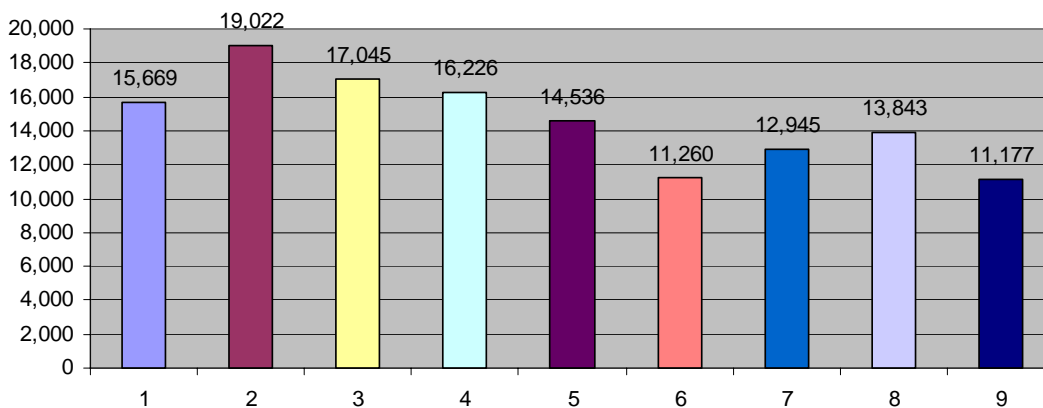
The occupation of a person is frequently related to the cultural knowledge and interests that he or she has, and customarily determines the level of income that he or she may reach. Therefore, the occupation of the father foreseeably has a certain influence on the type of education of the adolescent, his or her aspirations and financial possibilities during the stage of training, and in short, will indirectly influence the income that he or she may obtain in adult life, and consequently, influence the current income of his or her household.

Graph 7 presents the relationship between the type of occupation of the father during the adolescence of the adult, and the average level of income per current consumption unit of the household to which her or she currently belongs.

The Graph shows that it is the children of scientific and intellectual technicians and professionals who enjoy the highest average income per consumption unit, 19,022 euros, followed by the children of technicians and support professionals and administrative type employees, all with average income per consumption unit above 16,000 euros. On the other hand, the adults with the lowest average income per consumption unit are the children of farmers and fishermen, with 11,260 euros, and the children of unskilled workers, with 11,177 euros.

In this analysis, and as previously said, we must not forget that a percentage of these adults that is not at all negligible, 12.4%, still live with their father, with the income of the father thus directly influencing the income per consumption unit of the household shared by father and child.

Graph 7. Average level of income per consumption unit, by type of occupation of the father ¹²



Source INE. Living Conditions Survey 2005

¹² Categories 1 to 9, which appear in all of the graphs and Charts involving the type of occupation of the father, are as follows:

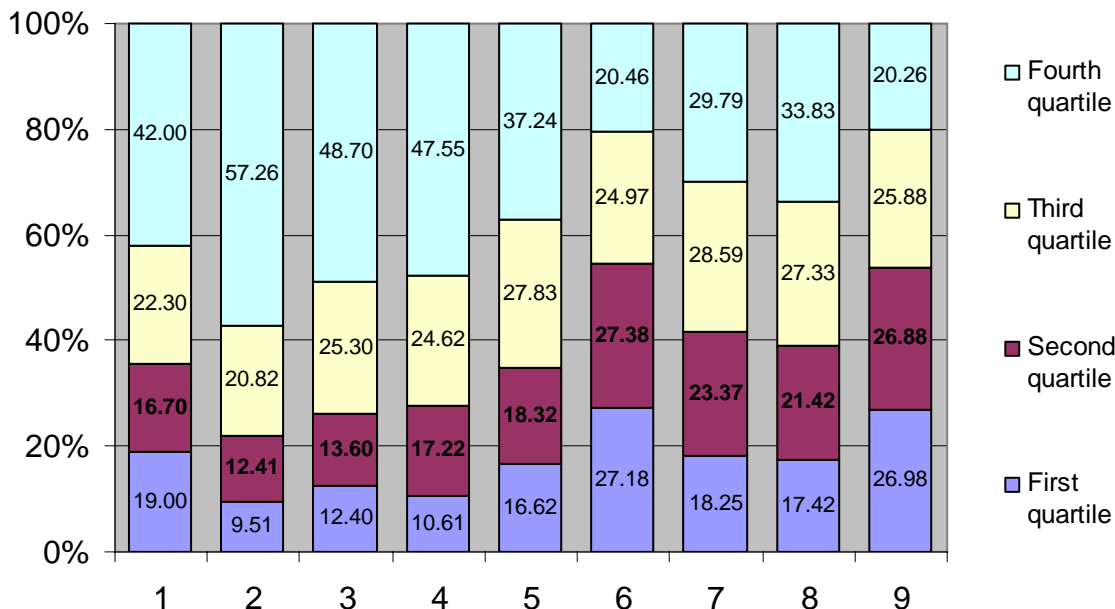
- (1) Company and public administration management
- (2) Scientific and intellectual technicians and professionals
- (3) Support technicians and professionals
- (4) Administrative type employees
- (5) Workers in catering, personal, and protection services and trade salespersons
- (6) Workers skilled in agriculture and fishing
- (7) Craftspersons and workers qualified for the manufacturing, construction, and mining industries, except installation and machinery operators
- (8) Installation and machinery operators and assemblers
- (9) Unskilled workers

Personnel in the Armed Forces is included in "no data recorded"

Also offered next in Graph 8 is the distribution by quartiles of current income per consumption unit, which allows for studying whether the probability of being in a particular quartile of income depends on, or is related to, the type of occupation that the father had.

We can deduce from the Graph that the occupation of the father influences the probability of belonging to a quartile of income. In the first quartile, the percentage of adults varies between 9.5% for the group whose father was employed as a scientific or intellectual technician or professional, and 27.2% for the group whose father was employed in agriculture or fishing. The situation in the second quartile is similar, with the lowest proportions among the children of support technicians, scientific technicians and professionals, executives and administrators, 12.4%, 13.6%, 16.7% and 17.2%, respectively, and the highest proportions among the children of farmers and fishermen, 27.4%, and the children of unskilled workers, 26.9%. In the third quartile, we observe that the divergences between occupations are smaller than in the two previous quartiles, while in the fourth quartile, the occupation of the father marks clear differences, with the lowest percentage of adults in this quartile, 20.3%, in the group whose father had an occupation that did not require qualifications, and the highest percentage, 57.3%, in the group of adults whose father was a scientific or intellectual technician or professional.

Graph 8. Adults aged 25 to 65 years old, classified by type of occupation of the father, and quartile of income per consumption unit they belong to¹³



Source INE. Living Conditions Survey 2005

¹³See footnote number 12

2.2.2 POVERTY, MATERIAL DEPRIVATION AND TYPE OF OCCUPATION OF THE FATHER

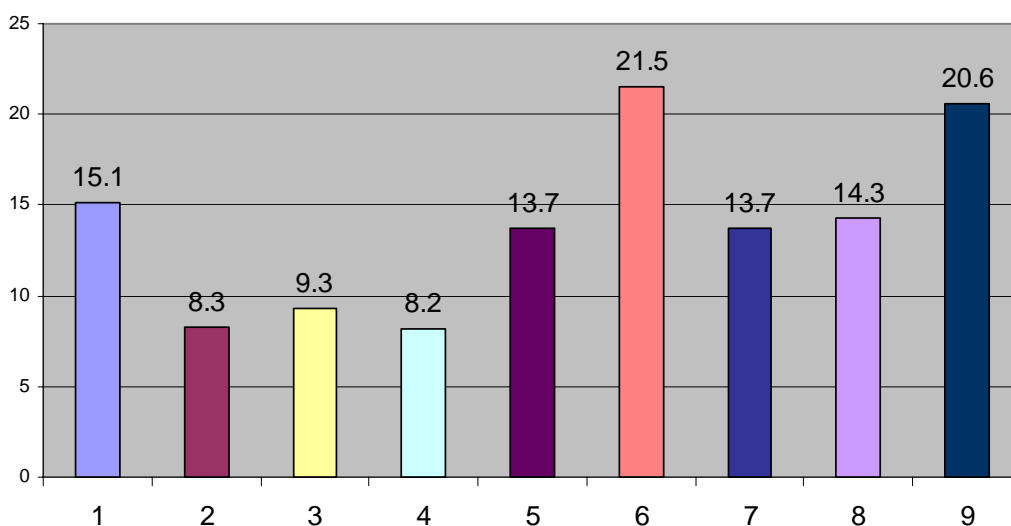
- Poverty rates of adults classified by type of occupation of the father

The incidence of poverty is higher in the group of adults whose father worked in agriculture or in fishing, or had an occupation that required no special qualification. As can be observed in Graph 9, the highest poverty rates by type of occupation of the father are found in groups 6 and 9, with 21.6% and 20.6%, respectively.

In contrast, it is the children of technicians and professionals, groups 2 and 3, and of administrative type employees, group 4, who have the least probability of being below the poverty line. The poverty rate does not exceed 9.3% in any of the three groups.

The rest of the groups are in an intermediate position, with rates varying between 13.7% and 15.1%.

Graph 9. Poverty rates, according to the type of occupation of the father¹⁴



Source INE. Living Conditions Survey 2005

- Distribution of poor and non-poor persons, according to the type of occupation of the father

Considering the distribution of the poor and of those denominated non-poor, by type of occupation of the father, as shown in **Chart 12**, we can point out that in both cases, the majority of the adults are descendents of fathers who had occupations classified in groups 6, 7, 8 and 0, that is, that generally did not require a very high level of training.

¹⁴See footnote number 12

Chart 12. Distribution of poor and non-poor persons, by type of occupation of the father

	All	Poor	Non-poor
Total adults (thousands)	24,589.0	3,973.5	20,554.7
(1) Father	5.1	4.8	5.2
(2) Father	3.4	1.8	3.7
(3) Father	4.5	2.6	4.9
(4) Father	4.5	2.3	4.9
(5) Father	6.9	5.9	7.2
(6) Father	14.8	19.8	13.9
(7) Father	20.9	17.7	21.5
(8) Father	9.0	8.0	9.2
(9) Father	19.9	25.4	18.9
No data recorded	10.9	11.9	10.7

Vertical percentages

Source INE. Living Conditions Survey 2005

The most noteworthy difference is that the proportion of children of fathers with occupations in groups 2, 3 and 4, that is, technicians, professionals and administrative employees, is more than double among non-poor persons, 13.5%, than that of poor persons, 6.7%.

- Material deprivation, according to the type of occupation of the father

Chart 13 presents the percentage of adults who currently suffer from deprivation, depending on the type of occupation of their father when they were adolescents.

Chart 13. Percentage of adults who suffer from deprivation, according to the type of occupation that the father had ¹⁵

	Holidays	Cannot keep the dwelling at an adequate temperature in the winter	Had delays	Does not eat meat or the vegetarian equivalent
Todos	37.7	7.8	6.1	2.1
(1) Father	23.1	3.1	4.1	0.9
(2) Father	15.5	5.2	5.7	1.5
(3) Father	24.2	5.1	4.9	1.6
(4) Father	21.7	5.1	6.5	1.6
(5) Father	32.0	7.0	6.0	1.8
(6) Father	44.6	8.4	4.5	2.5
(7) Father	35.8	8.2	6.5	1.7
(8) Father	37.4	6.4	6.9	1.3
(9) Father	49.9	9.4	7.5	2.9
No data recorded	39.2	10.5	6.2	2.6

Source INE. Living Conditions Survey 2005

¹⁵See footnote number 12

From Chart 13, we can deduce that the adults who most suffer from material deprivation, in general, are those whose fathers had an occupation belonging to group 9, unskilled workers. The highest proportions of adults with deficiencies are found in this group, 49.9% of them cannot afford to take holidays, 39.8% cannot handle unforeseen expenses and 19.7% have problems in their dwelling related to leaks or damp areas.

Chart 13. Percentage of adults who suffer from deprivation, according to the type of occupation that their father had (continuation)

	Cannot handle unforeseen expenses	Does not have a car	Dark dwelling	Leaks
Todos	30.2	5.3	9.9	16.6
(1) Father	18.4	3.0	7.2	11.3
(2) Father	14.2	2.4	9.6	14.3
(3) Father	20.4	2.9	10.5	15.1
(4) Father	23.2	3.6	9.5	15.7
(5) Father	26.6	5.4	8.9	14.6
(6) Father	30.7	5.2	9.1	16.9
(7) Father	28.5	4.8	10.2	16.6
(8) Father	30.1	5.2	10.1	16.1
(9) Father	39.8	7.2	11.3	19.7
No data recorded	35.2	6.7	9.9	16.4

Source INE. Living Conditions Survey 2005

On the other hand, the groups of adults with the lowest incidence of material deprivation are the children of executives of companies and of public administrations, and the children of scientific and intellectual technicians and professionals.

2.3. CURRENT FINANCIAL SITUATION AND SITUATION WITH REGARD TO THE ACTIVITY OF THE MOTHER

2.3.1 CURRENT INCOME LEVEL AND SITUATION WITH REGARD TO THE ACTIVITY OF THE MOTHER

Chart 14 presents the average income per person and per consumption unit of adults, according to the situation with regard to the activity of their mothers.

The average income per consumption unit of the adults whose mother worked is 13,380 euros, and that of adults whose mother did not work is 13,177 euros. Although the former is slightly higher than the latter, to affirm that there really are differences between the two groups of adults is very risky, given that the distance between them is not so broad as to be able to ensure that the difference is statistically significant.

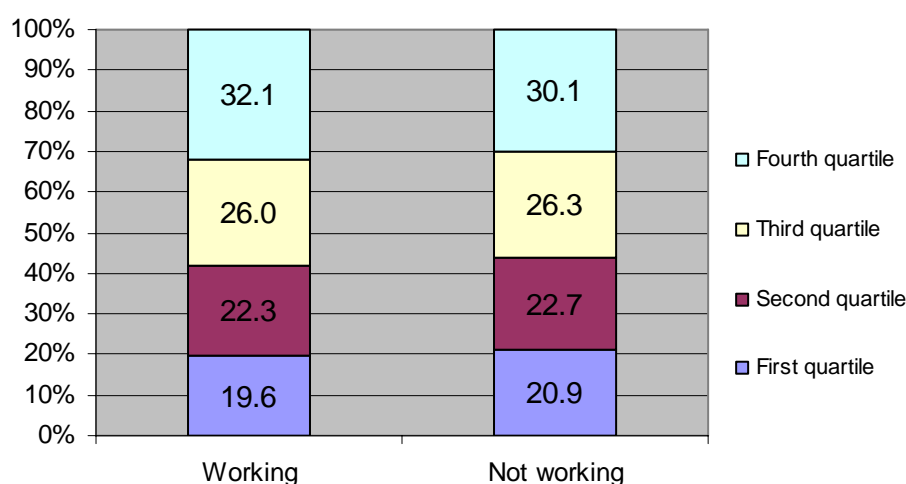
Chart 14. Average level of income per consumption unit, by the situation of the activity of the mother

	Average income per person	Average income per consumption
Total	8,712	13,170
Working	8,826	13,380
Not working	8,720	13,177

Source INE. Living Conditions Survey 2005

Graph 10 presents the distributions of the adults whose mother worked and that of those whose mother did not work, by quartile of income per consumption unit in which they are currently situated.

Graph 10. Adults aged 25 to 65 years old, classified by the situation with regard to the activity of the mother and the quartile of income per consumption unit to which they belong.



Source INE. Living Conditions Survey 2005

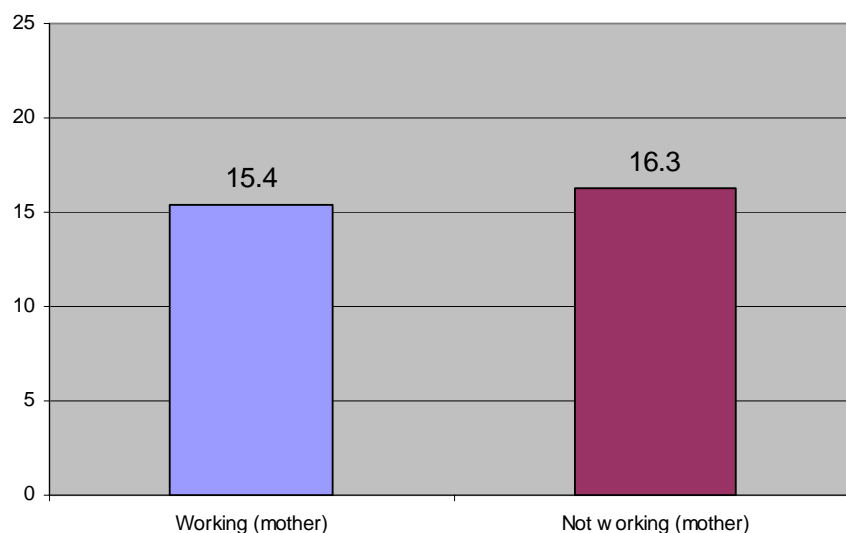
As may be observed in the Graph, the two distributions are practically identical, with the greatest difference in the percentage of persons with income in the fourth quartile, this being in the case in which the mother worked, 32.1%, higher than in the other group, 30.1%.

2.3.2 POVERTY, MATERIAL DEPRIVATION AND SITUATION WITH REGARD TO THE ACTIVITY OF THE MOTHER

- Poverty rates of the adults classified by situation of the activity of the mother

Graph 11 presents the relationship with regard to the activity of the mother during the adolescence of the adult, and the probability of currently being poor.

Graph 11. Poverty rates, according to the situation with regard to the activity of the mother



Source INE. Living Conditions Survey 2005

- Distribution of poor and non-poor persons, according to the situation with regard to the activity of the mother

Chart 15 presents the distribution of poor and non-poor persons, by situation with regard to the activity of the mother.

The two target distributions are practically identical. Approximately two thirds of adults had a mother who did not work.

Chart 15. Distribution of poor and non-poor persons, by situation with regard to the activity of the mother

	All	Poor	Non-poor
Total adults (thousands)	24,589.0	3,973.5	20,554.7
Working (mother)	30.9	29.4	31.2
Not working (mother)	65.4	65.9	65.2
No data recorded / Not classifiable	3.8	4.7	3.6

Vertical percentages

Source INE. Living Conditions Survey 2005

- Material deprivation, according to the situation with regard to the activity of the mother

The proportions of adults who suffer from material deprivation, according to the situation with regard to the activity of their mothers, are presented in Chart 15.

In **Chart 16**, we observe that the percentage of persons who suffer from deprivation is slightly higher in the case of the adults whose mother worked than in the case of those whose mother did not work. We must be wary in interpreting these results, due to the

fact that the differences between the percentages cannot be considered statistically significant in some cases.

We can conclude that, although the results show some differences, these are not sufficient to allow for affirming that there is a real difference between these two groups in adults with regard to material deprivation.

Chart 16. Percentage of adults who suffer from deprivation, according to the situation of the activity of the mother

	Holidays	Cannot keep the dwelling at an adequate temperature in the winter	Had delays	Does not eat meat or the vegetarian equivalent
All	37.7	7.8	6.1	2.1
Working (mother)	38.4	8.2	7.5	1.6
Not working (mother)	37.1	7.5	5.6	2.3
No data recorded / Not classifiable	42.2	10.7	4.9	2.0

Source INE. Living Conditions Survey 2005

Chart 16. Percentage of adults who suffer from deprivation, according to the situation of the activity of the mother (continuation)

	Cannot handle unforeseen expenses	Does not have a car	Dark dwelling	Leaks
All	30.2	5.3	9.9	16.6
Working (mother)	30.0	5.9	11.0	18.8
Not working (mother)	29.9	5.0	9.5	15.7
No data recorded / Not classifiable	36.7	5.5	9.6	14.3

Source INE. Living Conditions Survey 2005

2.4. CURRENT FINANCIAL SITUATION AND HOUSEHOLD FINANCIAL PROBLEMS DURING ADOLESCENCE

2.4.1 CURRENT INCOME LEVEL AND FINANCIAL PROBLEMS DURING ADOLESCENCE

The frequency of the financial problems suffered in the household during adolescence seems to be, initially, a variable that might be related to the current level of income, and therefore we will next study its possible influence.

Chart 17 shows the average income per consumption unit of adults, according to the frequency of household financial problems during adolescence.

Chart 17. Average level of income per person and per consumption unit, according to the frequency of the financial problems suffered in the household during adolescence

	Average income per person (€)	Average income per consumption unit (€)
Very frequently	7648	11501
Frequently	7897	11899
Occasionally	7948	12082
Rarely	8660	13082
Never	9695	14702

Source INE. Living Conditions Survey 2005

As could be foreseen, the adults who, during adolescence, lived in a household in which they very frequently or frequently had financial problems, obtain lower income per consumption unit in their current household than those who rarely or never had said difficulties during adolescence.

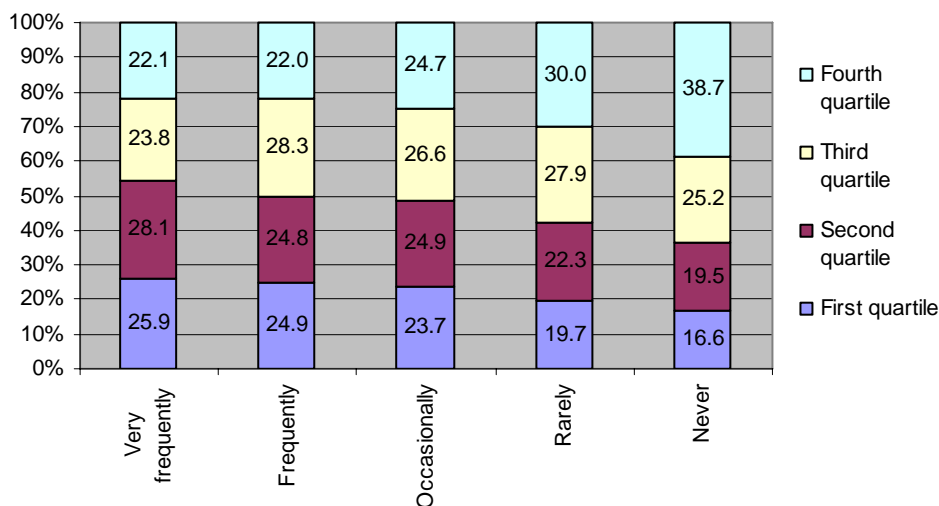
Thus, Chart 17 also highlights the difference, by more than 3,000 euros, existing between the adults whose households had difficulties very frequently, which currently receive 11,501 euros per consumption unit on average, and those who come from households in which there were never financial difficulties during the adolescence of the current adult, the latter reaching an average income per consumption unit of 14,702 euros.

Graph 12 shows the distribution in quartiles of income per consumption unit of the adults, according to the financial problems or difficulties that they experienced in their household during adolescence.

We can plainly distinguish between two clearly differentiated situations: on the one hand, that of the groups of adults who suffered financial difficulties in the home very frequently, frequently or occasionally, and on the other hand, that of the groups of adults who never or rarely had them.

63.9% of the adults who never had financial difficulties stand in the third and fourth quartiles, this group clearly distancing itself from the rest, in which the same percentage is approximately 50%.

Graph 12. Distribution of the adults classified by the frequency of the financial problems suffered in the home during adolescence, and the quartile of income per consumption unit to which they belong



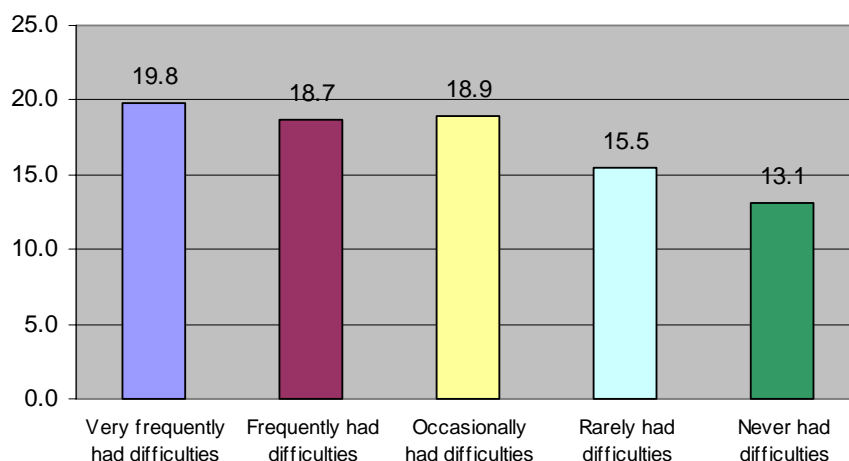
Source INE. Living Conditions Survey 2005

2.4.2 POVERTY, MATERIAL DEPRIVATION AND FINANCIAL PROBLEMS DURING ADOLESCENCE

- Poverty rates of the adults classified by financial problems in adolescence

Next, in **Graph 13**, we can observe the poverty rates according to the financial problems suffered by the household during the adolescence of the current adult.

Graph 13. Current poverty rates, according to the financial problems in their household



Source INE. Living Conditions Survey 2005

The poverty rates of Graph 13 show the situation that could initially be expected, that is, they increase with the frequency of the financial difficulties in the household during adolescence. In the group of adults who never had difficulties, the proportion of poor persons is 13.1%, which reaches 19.8% in the case of adults who had difficulties very frequently. Therefore, we may conclude that the financial environment during puberty has a clear influence on future income and on the probability of becoming poor,

although the fact of not having had financial difficulties during adolescence does not exclude one from belonging to the group of adults currently classified as poor.

- Distribution of poor and non-poor persons, according to financial problems during adolescence

Chart 18 presents the distribution of the adults classified as poor and non-poor, according to the frequency of the financial problems or difficulties that they suffered in their household as adolescents.

Chart 18 points out how, both in the group of those classified as poor and in the group that is non-poor, there is a high percentage of persons who did not have financial difficulties. Specifically, 29.1% of poor persons and 37.2% of non-poor persons.

The difference that demands the most attention among poor and non-poor persons is found in the percentage of adults who occasionally, frequently or very frequently suffered difficulties during adolescence, as in the case of poor persons, this percentage is 48.7%, while in the case of non-poor persons, the equivalent is 40%.

Chart 18. Distribution of poor and non-poor persons, according to the frequency of financial problems in the household

	All	Poor	Non-poor
Total adults (thousands)	24,589.00	3,973.5	20,554.7
Very frequently had difficulties during youth	11.9	14.5	11.4
Frequently had difficulties during youth	10.2	11.8	10.0
Occasionally had difficulties during youth	19.2	22.4	18.6
Rarely had difficulties during youth	19.6	18.8	19.7
Never had difficulties during youth	35.9	29.1	37.2
No data recorded / Not classifiable	3.3	3.4	3.2

Vertical percentages
Source INE. Living Conditions Survey 2005

- Material deprivation, according to financial problems during adolescence

The proportion of adults who currently suffer from material deprivation increases with the frequency with which financial problems occurred in the household during adolescence. This takes place with all household goods and financial conditions, presented as follows in **Chart 19**.

Chart 19. Percentage of adults who suffer from deprivation, according to the financial problems of the family

	All	Very frequently had difficulties	Frequently had difficulties	Occasionally had difficulties	Rarely had difficulties	Never had difficulties	No data recorded / Not classifiable
Holidays	37.7	55.5	49.8	43.9	37.1	25.3	37.3
Cannot keep the dwelling at an adequate temperature in the winter	7.8	15.5	11.2	8.2	6.1	5.1	7.8
Had delays	6.1	12.1	6.8	6.7	4.9	4.6	3.3
Does not eat meat or the vegetarian equivalent	2.1	4.1	3.4	2.1	1.6	1.4	1.1
Cannot handle unforeseen expenses	30.2	49.9	40.9	36.4	27.4	18.9	29.8
Does not have a car	5.3	9.4	7.3	6.1	5.1	3.4	2.1
Dark dwelling	9.9	14	10.1	10.9	9.7	8.1	11.4
Leaks	16.6	23.9	21.2	17.7	14.8	13.5	14.2

Source INE. Living Conditions Survey 2005

One type of deprivation that produces the most differences among the groups studied is that of being able to afford to take one week of holidays per year. While more than one half of the adults who very frequently suffered from financial difficulties during adolescence are currently unable to afford one week of holidays, those adults who never had difficulties do not suffer from this deficiency as much, with 25.3% of this group unable to do so.

2.5. CURRENT FINANCIAL SITUATION AND NUMBER OF SIBLINGS IN ADOLESCENCE

2.5.1 CURRENT INCOME LEVEL AND NUMBER OF SIBLINGS IN ADOLESCENCE

Intuition leads us to believe that the number of siblings in the household can be a key variable in determining the financial and educational conditions enjoyed during adolescence, and that will affect their future financial potential. Therefore, this variable is included in the following analysis.

In fact, after observing Chart 20, we can affirm that, having had a certain number of siblings in adolescence affects that average income obtained as an adult. In general terms, the average income per consumption unit decreases as the number of siblings increases, going from 14,347 euros in the case of having one sibling to 11,416 euros for persons with five or more siblings.

The only exception to the previous rule are the adults who were only children during adolescence. These adults have an average income per consumption unit, 13,740

euros, higher than that of adults who had two or more siblings, but below the adults who had only one sibling during adolescence.

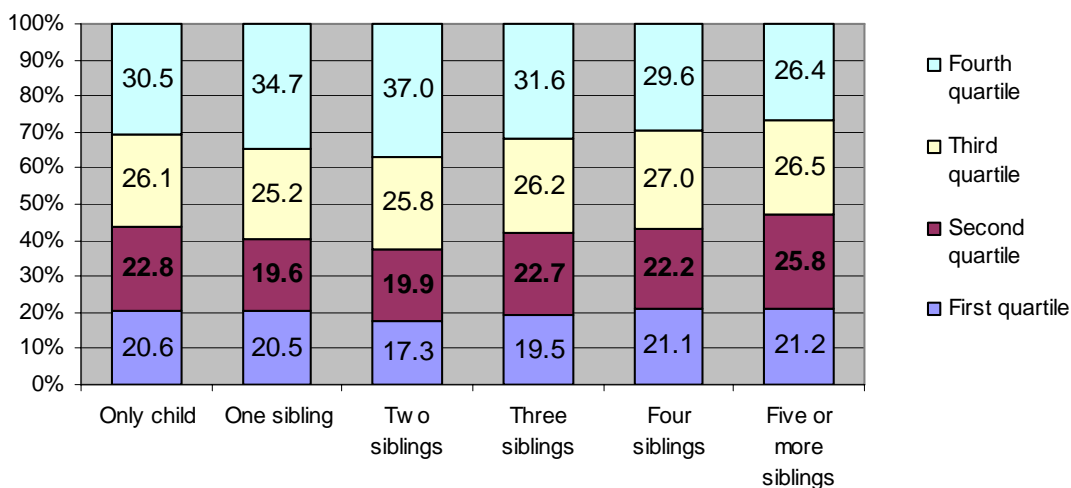
Chart 20. Average level of income per person and per consumption unit, according to the number of siblings in adolescence

	Average income per person (€)	Average income per consumption unit (€)
Only child	9,309	13,740
One sibling	9,551	14,347
Two siblings	8,783	13,346
Three siblings	8,530	12,970
Four siblings	8,276	12,579
Five or more siblings	7,463	11,416

Source INE. Living Conditions Survey 2005

On observing the distribution by quartiles of adults as shown in Graph 14, worth noting is the situation of the group of adults with two siblings. This group has the highest percentage of adults in the fourth quartile, 37.0%, and the lowest percentages in the first and second quartiles, 37.2%, thus clearly differentiating itself from the rest of the groups, and showing its advantage in this way.

Graph 14. Distribution of the adults classified according to the number of siblings in adolescence and the quartile of income per consumption unit to which they belong



Source INE. Living Conditions Survey 2005

2.5.2 POVERTY, MATERIAL DEPRIVATION AND NUMBER OF SIBLINGS IN ADOLESCENCE

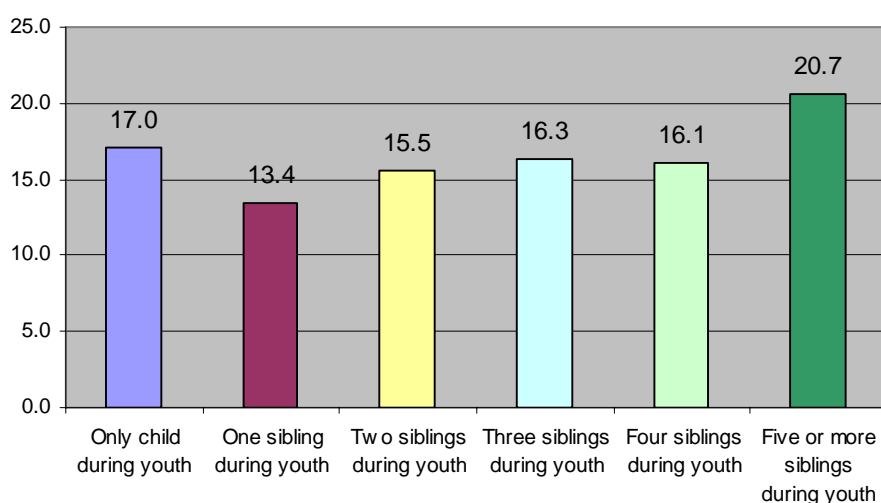
- Poverty rates of adults classified by the number of siblings in adolescence

As previously mentioned, the number of siblings in the household is a basic variable for carrying out analysis regarding the influence of the circumstances lived in adolescence on the current financial situation of the adult.

In its presentation of poverty rates, Graph 15 clarifies the influence of the number of siblings. The proportion of adults below the poverty line is greater, the higher the number of siblings in adolescence, ranging from a poverty rate of 13.4% in the group of adults who had one sibling to 20.7% in the case of those who had five or more siblings.

The exception to the rule are only children, whose poverty rate, 17%, is higher than that of adults who had one, two, three or four siblings.

Graph 15. Poverty rates according to the number of siblings in the household



Source INE. Living Conditions Survey 2005

- Distribution of poor and non-poor persons, according to the number of siblings in adolescence

Chart 21 presents the distributions of poor and non-poor adults, according to the number of siblings living in the household during the adolescence of said adults.

In both poor and non-poor distributions, the least numerous group is of only children. In general, the higher the number of siblings, the lower the proportion of adults, a small exception appearing in the distribution of poor persons, in which the percentage of adults with two siblings, 22.9%, is slightly higher than that of adults with one sibling, 20.6%. In addition, the proportion of adults in the group with five or more siblings when they were young is greater than the proportion of the previous group, but this is due to the aggregation of the groups with five, six, seven and more siblings.

Chart 21. Distribution of poor and non-poor persons by number of siblings in the household

	All	Poor	Non-poor
Total adults (thousands)	24,589.0	3,973.5	20,554.7
Only child during youth	6.0	6.3	5.9
One sibling during youth	24.9	20.6	25.7
Two siblings during youth	23.9	22.9	24.1
Three siblings during youth	16.0	16.1	15.9
Four siblings during youth	10.0	10.0	10.0
Five or more siblings during youth	15.9	20.3	15.0
No data recorded	3.4	3.8	3.3

Vertical percentages

Source INE. Living Conditions Survey 2005

- Material deprivation, according to the number of siblings in adolescence

Chart 22 presents the percentage of persons who suffer different types of deprivation, according to the number of siblings in adolescence.

The group with the highest proportion of persons suffering deprivation is that of adults with five or more siblings, in practically all of the aspects considered.

Chart 22. Percentage of adults who suffer from deprivation, according to the number of siblings

	All	Only child	One sibling	Two siblings	Three siblings	Four siblings	Five or more siblings	No data recorded
Holidays	37.7	29.9	31.2	34	38.9	44.6	50.5	38.6
Cannot keep the dwelling at an adequate temperature in the winter	7.8	6.9	6.4	6.7	8	8.8	11.6	6.9
Had delays	6.1	5.8	5.3	5.2	6.6	6.8	8.6	3.7
Does not eat meat or the vegetarian equivalent	2.1	2.1	1.7	1.4	2.6	2.6	3.1	1.4
Cannot handle unforeseen expenses	30.2	24.8	24.9	27.2	30.8	33	42.5	31.5
Does not have a car	5.3	5.4	3.7	4	5.4	6.9	9.3	2.4
Dark dwelling	9.9	9.9	9.4	8.9	10.2	11.4	11.2	9.6
Leaks	16.6	14.9	15.1	16.1	17.1	16.6	20.4	13.8

Source INE. Living Conditions Survey 2005

Conclusions

The results obtained in the document show the importance that the circumstances in which persons lived during adolescence have on the level of training and financial position that they have currently reached as adults. We can conclude that, although all of the variables considered affect the education and financial situation of the adult, it is the level of training of the father and the frequency of financial problems during adolescence that have the greatest influence. The "situation with regard to the activity of the mother" variable, though presenting a certain degree of relationship with the level of training and financial situation, seems to have a lesser influence than the remaining variables.

In this document, we have tried to quantify the relationships between the variables that seemed to be the most interesting and that provided the most reliable results. These are also available in the microdata ¹⁶ from LCS 2005, other variables susceptible of analysis in the context of intergenerational transmission that have not been the subject of analysis in this report, for example, the age of the parents.

This report is limited to the performance of a descriptive study of some of the variables available regarding the intergenerational transmission of training, income and financial position, providing a very general perspective. There are numerous possibilities that the LCS provides in carrying out this type of analysis, due to the wealth of existing information in it, and thus we can expect that studies will arise in the future on the subject, taking advantage of the potential of this survey.

¹⁶The microdata from the Living Conditions Survey (LCS 2004, LCS 2005 and LCS 2006) are available for purchase.