Birth Order, Educational Attainment, and Earnings An Investigation Using the PSID

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Abstract
We examine the implications of being early in the birth order, and whether a pattern exists within large families of falling then rising attainment with respect to birth order. Unlike other studies using U.S. data, we go beyond grade for age and look at racial differences. Drawing from OLS and fixed effects estimations, we find that being first-born confers a significant educational advantage that persists when considering earnings; being last-born confers none. These effects are significant for large Black families at the high school level, and for White families of any size at both high school and college levels.

I. Introduction

Whether birth order affects performance has been an open empirical question for decades. In this study, we examine whether being early in the birth order implies a distinct educational and professional advantage, and whether within large families a pattern exists of falling then rising attainment with respect to birth order.

The empirical results presented here, drawn from the Panel Study of Income Dynamics (PSID), show that being first-born does confer an advantage, while being last-born confers none. In particular, we stress the importance of controlling for the age of the mother at childbirth. The age of the mother at childbirth is positively correlated with a child’s education. At the same time, it is mechanically, positively