

OLEG YEROKHIN

University of Wollongong, Australia

THE EFFECTS OF BIRTH ORDER ON ADULT OUTCOMES: EVIDENCE FROM AUSTRALIA

Abstract:

This paper uses a nationally representative panel survey of Australian households, the Household Income Labour Dynamics survey in Australia (HILDA) to investigate how birth order affects education, labour market outcomes, health, personality traits, in-vivo transfers and inheritance of Australians. HILDA contains very rich information at the household and individual levels, covering demographics, family background, economic, health, and environmental conditions. These data are used to construct birth order and family background variables, and to estimate the effects of these variables on educational attainment, labour market outcomes, health, personality traits and financial transfers from parents are estimated in this paper. This is the first study to examine birth order effects using Australian data, and our results can be summarised as follows.

We find that later-born children are less likely to attend university and have lower educational attainment in general. They also have lower self-assessed and physical (but not mental) health. This effect persists even after we control for the educational attainment. Higher birth order is also associated with lower levels of Big-five personality traits such as agreeableness, conscientiousness, extraversion and openness, with the effects being stronger among females. We do not find any effect of birth order on parental financial transfers. These results contribute to the literature on the effects of birth order on health and labour market outcomes by providing novel evidence from Australia.

Keywords:

Birth order effects, labour market outcomes, education, health, personality traits