



Human Capital and the Rise and Fall of Families

Gary S. Becker and Nigel Tomes



Abstract



More

Abstract

This paper develops a model of the transmission of earnings, assets, and consumption from parents to descendants. The model assumes utility-maximizing parents who are concerned about the welfare of their children. The degree of intergenerational mobility is determined by the interaction of this utility-maximizing behavior with investment and consumption opportunities in different generations and with different kinds of luck. We examine a number of empirical studies for different countries. Regression to the mean in earnings in rich countries appears to be rapid. Almost all the earnings advantages or disadvantages of ancestors are wiped out in three generations.



[Chicago Distribution Center](#)

[The University of Chicago](#)

[Accessibility](#)

[Open access at Chicago](#)

[Permissions](#)

[Statement of Publication Ethics](#)

[Diversity and Inclusion at the University of Chicago](#)

[Contact us](#)

[Terms and Conditions](#)

[Privacy Notice](#)

[Media and advertising requests](#)



© 2025 The University of Chicago and other publishing partners. All rights reserved, including rights for text and data mining and training of artificial intelligence technologies or similar technologies.