WIC Colloquium

On Differential Fertility and the Dynamics of Inequality

Monday, September 30th, 2019
14:00-15:00
No registration required

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We propose a dynamic stochastic model of the intergenerational transmission of capital that accounts for fertility differentials. The evolution of the distribution of capital depends on a parent-to-child capital transmission technology, which captures how capital is diluted across siblings, and on a fertility-capital relationship, which can be rationalised as the outcome of a decision problem in which parents have aspirational preferences over the outcomes of their children. We derive a simple and explicit mapping from fertility and technology to the long run distribution of capital and use our result to characterise the effects of policy interventions on long run inequality.

About the presenter
Francis Dennig is Assistant Professor in Economics at Yale-NUS College. He works on issues relating to inequality and to climate change. From theoretical modelling to numerical simulations, he is interested in a wide range of methods. The unifying theme is the use of formal methods to gain insights into important policy questions.