



Seminarios de Macroeconomía y Finanzas

It Takes a Village:

The Economics of Parenting with Neighborhood and Peer Effects

Expositor: Fabrizio Zilibotti– Yale University

Miércoles 04 de Marzo, 13:00 a 14:30 hrs

Sala de Conferencias, Agustinas 1180, piso 3

Inscripciones, con al menos 48 horas de anticipación:

seminarios@bcentral.cl

Los Seminarios de Macroeconomía y Finanzas tienen como objetivo difundir investigación académica y aplicada de investigaciones del Banco y externos.

Abstract

This paper is part of a research program on the relationship between inequality, neighborhoods, and parenting investments. As children reach adolescence, peer interactions become increasingly central to their development, whereas the direct influence of parents wanes. Nevertheless, parents may continue to exert leverage by shaping their children's peer groups. We study interactions of parenting style and peer effects in a model where children's skill accumulation depends on both parental inputs and peers, and where parents can affect the peer group by restricting who their children can interact with. We estimate the model and show that it is able to capture empirical patterns regarding the interaction of peer characteristics, skill accumulation, and parental behavior in the Add Health data. We use the estimated model for policy simulations. We find that interventions that move children to a more favorable neighborhood (e.g., busing) lose impact when they are scaled up, because parents' equilibrium responses push against successful integration with the new peer group.