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1  **CODE FOR "The Inheritance of Race Revisited" by Brady, Finnigan, Legewie & Kohler in
   Sociological Science
2  **September 18, 2020
3  ** Using WZB-PSID File 2015 Version 2
4  **Codebook for version of WZB-PSID File:
   https://bradydave.files.wordpress.com/2020/05/wzbpsid_2015v2_codebook.pdf
5  **Code for building WZB-PSID File:
   https://bradydave.files.wordpress.com/2020/09/wzb-psid_file_v2_build.pdf
6  **Dataset available upon request from David Brady; Unfortunately, the PSID (because of an
   apparently anachronistic view of data) won't let me post the dataset.
7
8  * Intro
9  set more off
10
11 ** Edit this fit to your environment
12 local path ~/Clouds/BoxUP/WZB-PSID-File // <- Path to WZB-PSID File
13 local version 2015V2 // <- Version of WZB-PSID File
14 local thisdir . // <- Path to this Do-File
15 local stout dta // <- Where to write files created with this
   file (relative to thisdir)
16 local doversion 20190408
17
18 ** Auto-install user-written programs if not already installed
19
20 capture which _gxtile // this is from egenmore
21 if _rc {
22     ssc install egenmore
23 }
24
25 ** Create stout
26 capture mkdir `thisdir'/'`stout'
27
28 ** Load Data
29 use `path'/wzbpsid_`version', replace
30
31 * Data Management
32 ** Outcome Variables
33 *** Total assets value variables
34 gen asset01=wlt01+dbt01
35 gen asset02=wlt02+dbt01
36
37 **Gen home equity ONLY measure**
38 gen wlt03=wlt02-wlt01
39
40 *** Equivalize econ resources by HH size
41 replace inc03eq=(inc03)/(fu01^.5) // inc03eq had been equivalized with oecd scale
42 replace inc04eq=(inc04)/(fu01^.5) // inc03eq had been equivalized with oecd scale
43
44 foreach var of varlist wlt01 wlt02 wlt03 dbt01 asset01 asset02 {
45     gen `var'eq = `var'/(fu01^.5)
46 }
47
48 *Percentile Versions of Key Economic Resource Variables*
49 gen inc03rank = .
50 forvalues t = 1970/1997 {
51     qui sum inc03 if wave==`t' [w=wght01]
52     local n = r(N)
53     xtile p = inc03 if wave==`t' [aw = wght01], nq(`n')
54     replace inc03rank = 100*p/`n' if wave==`t'
55     drop p
56 }
57
58 forvalues t = 1999(2)2015 {
59     qui sum inc03 if wave==`t' [w=wght01]
60     local n = r(N)
61     xtile p = inc03 if wave==`t' [aw = wght01], nq(`n')
62     replace inc03rank = 100*p/`n' if wave==`t'
63     drop p
64 }
65

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66 gen inc03eqrank = .
67 forvalues t = 1970/1997 {
68     qui sum inc03eq if wave==`t' [w=wght01]
69     local n = r(N)
70     xtile p = inc03eq if wave==`t' [aw = wght01], nq(`n')
71     replace inc03eqrank = 100*p/`n' if wave==`t'
72     drop p
73 }
74
75 forvalues t = 1999(2)2015 {
76     qui sum inc03eq if wave==`t' [w=wght01]
77     local n = r(N)
78     xtile p = inc03 if wave==`t' [aw = wght01], nq(`n')
79     replace inc03eqrank = 100*p/`n' if wave==`t'
80     drop p
81 }
82
83 gen inc04rank = .
84 forvalues t = 1970/1997 {
85     qui sum inc04 if wave==`t' [w=wght01]
86     local n = r(N)
87     xtile p = inc04 if wave==`t' [aw = wght01], nq(`n')
88     replace inc04rank = 100*p/`n' if wave==`t'
89     drop p
90 }
91
92 forvalues t = 1999(2)2015 {
93     qui sum inc04 if wave==`t' [w=wght01]
94     local n = r(N)
95     xtile p = inc04 if wave==`t' [aw = wght01], nq(`n')
96     replace inc04rank = 100*p/`n' if wave==`t'
97     drop p
98 }
99
100 gen inc04eqrank = .
101 forvalues t = 1970/1997 {
102     qui sum inc04eq if wave==`t' [w=wght01]
103     local n = r(N)
104     xtile p = inc04eq if wave==`t' [aw = wght01], nq(`n')
105     replace inc04eqrank = 100*p/`n' if wave==`t'
106     drop p
107 }
108
109 forvalues t = 1999(2)2015 {
110     qui sum inc04eq if wave==`t' [w=wght01]
111     local n = r(N)
112     xtile p = inc04eq if wave==`t' [aw = wght01], nq(`n')
113     replace inc04eqrank = 100*p/`n' if wave==`t'
114     drop p
115 }
116
117 gen wlt02eqrank = .
118 forvalues t = 1984(5)1999 {
119     qui sum wlt02eq if wave==`t' [w=wght01]
120     local n = r(N)
121     xtile p = wlt02eq if wave==`t' [aw = wght01], nq(`n')
122     replace wlt02eqrank = 100*p/`n' if wave==`t'
123     drop p
124 }
125
126 forvalues t = 2001(2)2015 {
127     qui sum wlt02eq if wave==`t' [w=wght01]
128     local n = r(N)
129     xtile p = wlt02eq if wave==`t' [aw = wght01], nq(`n')
130     replace wlt02eqrank = 100*p/`n' if wave==`t'
131     drop p
132 }
133
134 gen wlt01eqrank = .
135 forvalues t = 1984(5)1999 {

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136     qui sum wlt01eq if wave==`t' [w=wgght01]
137     local n = r(N)
138     xtile p = wlt01eq if wave==`t' [aw = wgght01], nq(`n')
139     replace wlt01eqrank = 100*p/`n' if wave==`t'
140     drop p
141 }
142
143 forvalues t = 2001(2)2015 {
144     qui sum wlt01eq if wave==`t' [w=wgght01]
145     local n = r(N)
146     xtile p = wlt01eq if wave==`t' [aw = wgght01], nq(`n')
147     replace wlt01eqrank = 100*p/`n' if wave==`t'
148     drop p
149 }
150
151 gen wlt02rank = .
152 forvalues t = 1984(5)1999 {
153     qui sum wlt02 if wave==`t' [w=wgght01]
154     local n = r(N)
155     xtile p = wlt02 if wave==`t' [aw = wgght01], nq(`n')
156     replace wlt02rank = 100*p/`n' if wave==`t'
157     drop p
158 }
159
160 forvalues t = 2001(2)2015 {
161     qui sum wlt02 if wave==`t' [w=wgght01]
162     local n = r(N)
163     xtile p = wlt02 if wave==`t' [aw = wgght01], nq(`n')
164     replace wlt02rank = 100*p/`n' if wave==`t'
165     drop p
166 }
167
168 gen wlt03eqrank = .
169 forvalues t = 1984(5)1999 {
170     qui sum wlt03eq if wave==`t' [w=wgght01]
171     local n = r(N)
172     xtile p = wlt03eq if wave==`t' [aw = wgght01], nq(`n')
173     replace wlt03eqrank = 100*p/`n' if wave==`t'
174     drop p
175 }
176
177 forvalues t = 2001(2)2015 {
178     qui sum wlt03eq if wave==`t' [w=wgght01]
179     local n = r(N)
180     xtile p = wlt03eq if wave==`t' [aw = wgght01], nq(`n')
181     replace wlt03eqrank = 100*p/`n' if wave==`t'
182     drop p
183 }
184
185 *Rename Percentile Versions*
186 rename inc03rank pctinc03
187 rename inc03eqrank pctinc03eq
188 rename inc04rank pctinc04
189 rename inc04eqrank pctinc04eq
190 rename wlt01eqrank pctwlt01eq
191 rename wlt02rank pctwlt02
192 rename wlt02eqrank pctwlt02eq
193 rename wlt03eqrank pctwlt03eq
194
195 *** Childhood economic resources while less than 18 years old
196 tempvar avg
197 foreach var of varlist ///
198     inc03eq inc04 inc04eq pctinc04 pctinc04eq pctinc03 pctinc03eq ///
199     wlt01eq wlt02 wlt02eq pctwlt01eq pctwlt02 pctwlt02eq pctwlt03eq ///
200     dbt01eq asset01eq asset02eq inc02 inc03 wlt03eq {
201     egen `avg' = mean(`var') if age < 18, by(x1110111)
202     by x1110111 (`avg'), sort: gen child`var' = `avg'[1]
203     drop `avg'
204 }
205

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206 *** Top and Bottom Code Childhood Wealth and Childhood Income at 1% and 99%*
207 foreach var of varlist childwlt01eq childwlt02eq childwlt03eq childinc03eq childinc04eq
childwlt02 childinc02 childinc03 {
208     _pctile `var' if wave==2015 & inrange(age,29,.), percentiles(1 99)
209     replace `var' = r(r1) if `var' < r(r1) & !mi(`var')
210     replace `var' = r(r2) if `var' > r(r2) & !mi(`var')
211 }
212
213 *** Squared terms for childhood econ resources
214 foreach var of varlist childinc03eq childinc04eq childwlt01eq childwlt02eq childdbt01eq
childdasset01eq childdasset02eq {
215     gen `var'sq = `var'^2
216 }
217
218 *** Logged values of adult and childhood equivalized econ resources (bottom coding at zero)
219 foreach var of varlist inc*eq wlt*eq dbt01eq asset*eq childinc* childwlt* {
220     gen ln`var' = cond(`var' >= 1, ln(`var'), 0)
221 }
222
223 *** Inverse hyperbolic sine version of adult and childhood wealth and income
224 // ihs(y) = log(y + sqrt(y^2+1))
225 foreach var of varlist inc02 inc04 inc04eq wlt02 wlt02eq wlt03eq childinc04 childinc04eq*
childwlt02eq* childwlt03eq* childinc02 childinc03 childwlt02 {
226     gen ihs`var' = log(`var' + sqrt(`var'^2+1))
227 }
228
229 *** Life satisfaction
230 gen lifesat=lsat
231 replace lifesat= . if lsat==0 | lsat==8 | lsat==9
232 replace lifesat = 6 - lifesat
233
234 **** Poor Health
235 gen poorhealth=hlt10
236 recode poorhealth (1=0) (5=1) (4=1) (3=0) (2=0)
237
238 **** Psychological distress
239 gen psychd=hlt09
240 recode psychd (99=.)
241
242 **** Subjective Health
243 gen srhealth = 6 - hlt10
244
245 * Chronic Health Conditions - asthma, blood pressure, cancer, diabetes, arthritis, lung
disease
246 gen chronic=0 if hlt01==0 & hlt02==0 & hlt03==0 & hlt04==0 & hlt06==5 & hlt07==5
247 replace chronic=1 if hlt01==1|hlt02==1|hlt03==1|hlt04==1| hlt06==1|hlt07==1
248
249 egen echronic=max(chronic), by(x1110111)
250 gen everchronic=0 if echronic==0
251 replace everchronic=1 if echronic==1
252
253 *** Acute Health Events
254 gen heartattack=0 if hlt05==0
255 replace heartattack=1 if hlt05==1
256 gen stroke=0 if hlt08==0
257 replace stroke=1 if hlt08==1
258 gen acute=0 if heartattack==0 & stroke==0
259 replace acute=1 if heartattack==1| stroke==1
260 egen everacute=max(acute), by(x1110111)
261
262 ** Demographic controls
263 *** Self-reported sex
264 gen female=0 if sex==1
265 replace female=1 if sex==2
266
267 *** Race
268 gen black=0 if !mi(race01)
269 replace black=1 if race01==2
270
271 gen white=0 if !mi(race01)

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272  replace white=1 if race01==1
273
274  gen hispanic=0 if !mi(race01)
275  replace hispanic=1 if race01==5
276  replace hispanic=1 if race02>0 & race02<9
277
278  gen otherrace=1 if !mi(race01)
279  replace otherrace=0 if black==1 | hispanic==1 | race01==1
280
281  *** Age
282  gen agesq=age^2
283
284  *** Region
285  gen south=0 if sta01fips !=.
286  replace south=1 ///
287     if inlist(sta01fips,10, 11, 12, 13, 24, 37, 45, 51, 54, 01, 21, 28, 47, 05, 22, 40, 48)
288
289  gen northeast=0 if sta01fips !=.
290  replace northeast=1 ///
291     if inlist(sta01fip,9, 23, 25, 33, 44, 50, 34, 36, 42)
292
293  gen west=0 if sta01fips !=.
294  replace west=1 ///
295     if inlist(sta01fips,4, 8, 16, 35, 30, 49, 32, 56, 02, 06, 15, 41, 53)
296
297  gen abroad=0 if sta01fips !=.
298  replace abroad=1 if sta01fips==0
299
300  *** Employment
301  gen employ=0 if !mi(emp00)
302  replace employ=1 if emp00==1
303
304  *** Home Ownership
305  gen homeown=0 if !mi(prp01)
306  replace homeown=1 if prp01==1
307
308  *** Education
309  gen lessshr=0 if !mi(edu00)
310  replace lessshr=1 if edu00<12
311  gen somecollr=0 if !mi(edu00)
312  replace somecollr=1 if edu00>12 & edu00<16
313  gen colleger=0 if !mi(edu00)
314  replace colleger=1 if edu00==16
315  gen gradr=0 if !mi(edu00)
316  replace gradr=1 if edu00>16 & !mi(edu00)
317
318  gen hsgrad=0 if lessshr==1
319  replace hsgrad=1 if lessshr==0
320
321  gen collegegrad=0 if colleger==0
322  replace collegegrad=1 if colleger==1
323  replace collegegrad=1 if gradr==1
324
325  *** Partner binary variable
326  recode marital (1=1) (nonmiss=0), gen(partner)
327
328  ** Household level indicators
329  *** HH ID unique to each year*
330  gen long hhidwave= x11102*10000
331  replace hhidwave=hhidwave+wave
332  egen hhcount=count(x11101), by(hhidwave)
333
334  *** Lead Earner of HH
335  tempvar agemis inc01mis
336  gen `agemis' = cond(mi(age),0,age)
337  gen `inc01mis' = !mi(inc01)
338  by wave x11102 (`inc01mis' inc01 `agemiss'), sort: gen lead = _n==_N
339
340  *** Lead Education of HH
341  by wave x11102 (lead), sort: gen leadeduc = edu00[_N] if !mi(lead[_N])

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342
343 *** Lead Age of HH
344 by wave x11102 (lead), sort: gen leadage = age[_N] if !mi(lead[_N])
345
346 *** Lead Average Age & Education When Child
347 tempvar avg
348 foreach var of varlist leadage leaeduc {
349     egen `avg' = mean(`var') if age < 18, by(x1110111)
350     by x1110111 (`avg'), sort: gen child`var' = `avg'[1]
351     drop `avg'
352 }
353
354 egen avgsibsize= mean(ch02-1) if age<18, by(x1110111)
355 replace avgsibsize=0 if avgsibsize<0
356 egen childsize= max(avgsibsize), by(x1110111)
357
358 *** EGP and occupation of Lead Earner at Highest Point in Childhood
359 egen modeegp= mode(egp10) if age<18 & !mi(egp10), by(x1110111)
360 egen childdegp= max(modeegp), by(x1110111)
361
362 *** Create single mom and single parent variables*
363 replace inc01 = -1 if mi(inc01)
364 bysort wave x11102 (inc01): gen singmom = inrange(marital[_N],2,7) & (inrange(ch01,1,.) |
inrange(ch02,1,.) & sex[_N]==2
365 replace inc01 = . if inc01 == -1
366 egen avgsingmom = mean(singmom) if age<18, by(x1110111)
367 egen childsingmom= max(avgsingmom), by(x1110111)
368
369 *** Generate adult single parent variables*
370 gen singparent=0 if partner==1|ch07==0
371 replace singparent=1 if partner==0 & ch07>0 & ch07<14
372 egen eversingpar= max(singparent) if singparent!=., by(x1110111)
373
374 *Label Key Variables*
375 label variable ihschildinc02 "HH Earnings Non-Equivalized"
376 label variable ihschildwlt02 "HH Net Worth Non-Equivalized"
377 label variable ihschildinc04eq "HH Post-Fisc Income Equivalized"
378 label variable ihschildwlt02eq "HH Net Worth Equivalized"
379 label variable ihswlt02eq "Net Worth"
380 label variable ihswlt02eq "Net Worth"
381 label variable ihsinc04eq "HH Income"
382 label variable homeown "Home Ownership"
383 label variable employ "Employment"
384 label variable hsgrad "H.S. Graduation"
385 label variable collegegrad "College Graduation"
386 label variable edu00 "Years of Schooling"
387 label variable singparent "Single Parenthood"
388 label variable partner "Partnered"
389 label variable srhealth "Self-Rated Health"
390 label variable poorhealth "Poor/Fair Self-Rated Health"
391 label variable psychd "Psychological Distress"
392 label variable chronic "Chronic Health Condition"
393 label variable everacute "Acute Health Event"
394
395 *DEFINE ANALYTICAL SAMPLES*
396 egen incobs= count(inc04) if age<18, by (x1110111)
397 egen wltobs= count(wlt02) if age<18, by (x1110111)
398 egen incobsch=max(incobs), by (x1110111)
399 egen wltobsch=max(wltobs), by (x1110111)
400 tab incobsch if age>29 & age!=. & wave==2015, m
401 tab wltobsch if age>29 & age!=. & wave==2015, m
402 gen sample=0
403 replace sample=1 if incobsch>1 & wltobsch>1 & !mi(incobsch) & !mi(wltobsch)
404 replace sample=0 if age<30
405 replace sample=0 if wave!=2015
406 replace sample=0 if hispanic==1|otherrace==1
407 gen sampleothers=0
408 replace sampleothers=1 if incobsch>1 & wltobsch>1 & !mi(incobsch) & !mi(wltobsch)
409 replace sampleothers=0 if age<30
410 replace sampleothers=0 if wave!=2015

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411 gen sampleone=0
412 replace sampleone=1 if incobsch>0 & wltobsch>0 & !mi(incobsch) & !mi(wltobsch)
413 replace sampleone=0 if age<30
414 replace sampleone=0 if wave!=2015
415 gen samplesrc = 1 if inrange(int(x1110111/1000),0,2999)
416 replace samplesrc = 0 if inrange(int(x1110111/1000),3000,4999)
417 replace samplesrc = 0 if inrange(int(x1110111/1000),5000,6999)
418 replace samplesrc = 0 if inrange(int(x1110111/1000),7001,9308)
419 replace samplesrc = 0 if incobsch<2 | wltobsch<2 | incobsch==. | wltobsch==.
420 replace samplesrc=0 if age<30
421 replace samplesrc=0 if wave!=2015
422
423 **save datafile after variable construction and coding
424
425 *MAIN ANALYSES*
426 log using <name log file>, replace
427
428 *Descriptive statistis for sample on all variables*
429 tabstat ihswlt02eq pctwlt02eq ihsinc04eq pctinc04eq homeown employ hsgrad collegegrad edu00
singparent partner lifesat srhealth poorhealth psychd chronic everacute childinc04
childwlt02 ihschildwlt02eq ihschildinc04eq childpctwlt02 childpctinc04 black age agesq
female childsibsize childleadage childleadeduc childsingmom south northeast west if sample
==1 [w=wght01], stats (mean sd skew n)
430 *Check number of observations of income and wealth during childhood*
431 tabstat wltobsch incobsch if sample==1 [w=wght01], stats (mean min p10 p25 p50 max sd n)
432 *Check intergenerational mobility/transmission for wealth and income
433 reg lnwlt02eq lnchildwlt02eq if sample==1 [pw=wght01]
434 reg lninc04eq lnchildinc04eq if sample==1 [pw=wght01]
435 reg pctwlt02eq childpctwlt02eq if sample==1 [pw=wght01]
436 reg pctinc04eq childpctinc04eq if sample==1 [pw=wght01]
437 reg ihswlt02eq ihschildwlt02eq if sample==1 [pw=wght01]
438 reg ihsinc04eq ihschildinc04eq if sample==1 [pw=wght01]
439 *Check correlations between childhood wealth and childhood income for all blacks, and whites*
440 pwcorr ihschildwlt02eq ihschildinc04eq childpctwlt02eq childpctinc04eq childwlt02eq
childinc04eq if sample==1 [w=wght01], obs
441 pwcorr ihschildwlt02eq ihschildinc04eq childpctwlt02eq childpctinc04eq childwlt02eq
childinc04eq if sample==1 & black==1 [w=wght01], obs
442 pwcorr ihschildwlt02eq ihschildinc04eq childpctwlt02eq childpctinc04eq childwlt02eq
childinc04eq if sample==1 & black==0 [w=wght01], obs
443
444 *Standardize Dependent Variables*
445 foreach y in ihswlt02eq pctwlt02eq ihsinc04eq pctinc04eq edu00 lifesat srhealth psychd {
446 quietly sum `y' if sample==1 & black!=. & ihschildwlt02eq!=. & ihschildinc04eq!=. & age
!=. & female!=. & childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. &
south!=. & northeast!=. & west!=. [aw = wght01]
447 gen `y'_std = (`y' - r(mean))/r(sd)
448 }
449
450 *KHB Decomposition Analyses*
451 *Outcome ihswlt*
452 khb regress ihswlt02eq_std black || ihschildwlt02eq ihschildinc04eq if sample==1 [pw=wght01
], concomitant (female) sum d zstandard verbose
453 khb regress ihswlt02eq_std black || ihschildwlt02eq ihschildinc04eq age agesq childsibsize
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose
454
455 *Outcome pctwlt02*
456 khb regress pctwlt02eq_std black || childpctwlt02eq childpctinc04eq if sample==1 [pw=wght01
], concomitant (female) sum d zstandard verbose
457 khb regress pctwlt02eq_std black || childpctwlt02eq childpctinc04eq age agesq childsibsize
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose
458
459 *Outcome ihsinc*
460 khb regress ihsinc04eq_std black || ihschildwlt02eq ihschildinc04eq if sample==1 [pw=wght01
], concomitant (female) sum d zstandard verbose
461 khb regress ihsinc04eq_std black || ihschildwlt02eq ihschildinc04eq age agesq childsibsize
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose
462

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463 *Outcome pctinc*
464 khb regress pctinc04eq_std black || childpctwlt02eq childpctinc04eq if sample==1 [pw=wght01
], concomitant (female) sum d zstandard verbose
465 khb regress pctinc04eq_std black || childpctwlt02eq childpctinc04eq age agesq childsibsize
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose
466
467 *Outcome homeown*
468 *standardize childhood wealth & income so we get standardized ames in last commands*
469 foreach x in ihschildwlt02eq ihschildinc04eq {
470 quietly sum `x' if sample==1 & homeown!=. & black!=. & age!=. & female!=. & childsibsize
!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. & northeast!=. & west
!=. [aw = wght01]
471 gen `x'_std = (`x' - r(mean))/r(sd)
472 }
473 *run khb to get reduced and full mediation results*
474 khb logit homeown black || ihschildwlt02eq ihschildinc04eq if sample==1 & age!=. &
childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01], concomitant (female) sum d zstandard verbose ape
475 *run logit on full model with standardized versions of childhood wealth and income*
476 qui logit homeown black female ihschildwlt02eq_std ihschildinc04eq_std if sample==1 & age!=.
& childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01]
477 *get ames for standardized childhood wealth and income*
478 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
479 khb logit homeown black || ihschildwlt02eq ihschildinc04eq age agesq childsibsize
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose ape
480 qui logit homeown black female ihschildwlt02eq_std ihschildinc04eq_std age agesq
childsibsize childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=
wght01]
481 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
482 drop ihschildwlt02eq_std ihschildinc04eq_std
483
484 *Outcome employ*
485 foreach x in ihschildwlt02eq ihschildinc04eq {
486 quietly sum `x' if sample==1 & employ!=. & black!=. & age!=. & female!=. & childsibsize
!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. & northeast!=. & west
!=. [aw = wght01]
487 gen `x'_std = (`x' - r(mean))/r(sd)
488 }
489 khb logit employ black || ihschildwlt02eq ihschildinc04eq if sample==1 & age!=. &
childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01], concomitant (female) sum d zstandard verbose ape
490 qui logit employ black female ihschildwlt02eq_std ihschildinc04eq_std if sample==1 & age!=.
& childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01]
491 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
492 khb logit employ black || ihschildwlt02eq ihschildinc04eq age agesq childsibsize
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose ape
493 qui logit employ black female ihschildwlt02eq_std ihschildinc04eq_std age agesq childsibsize
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01]
494 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
495 drop ihschildwlt02eq_std ihschildinc04eq_std
496
497 *Outcome hsgrad*
498 foreach x in ihschildwlt02eq ihschildinc04eq {
499 quietly sum `x' if sample==1 & hsgrad!=. & black!=. & age!=. & female!=. & childsibsize
!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. & northeast!=. & west
!=. [aw = wght01]
500 gen `x'_std = (`x' - r(mean))/r(sd)
501 }
502 khb logit hsgrad black || ihschildwlt02eq ihschildinc04eq if sample==1 & age!=. &
childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01], concomitant (female) sum d zstandard verbose ape
503 qui logit hsgrad black female ihschildwlt02eq_std ihschildinc04eq_std if sample==1 & age!=.
& childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01]
504 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)

```



```

505   khb logit hsgrad black || ihschildwlt02eq ihschildinc04eq age agesq childsibsize
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose ape
506   qui logit hsgrad black female ihschildwlt02eq_std ihschildinc04eq_std age agesq childsibsize
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01]
507   margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
508   drop ihschildwlt02eq_std ihschildinc04eq_std
509
510   *Outcome collegegrad*
511   foreach x in ihschildwlt02eq ihschildinc04eq {
512     quietly sum `x' if sample==1 & collegegrad!=. & black!=. & age!=. & female!=. &
childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [aw = wght01]
513     gen `x'_std = (`x' - r(mean))/r(sd)
514   }
515   khb logit collegegrad black || ihschildwlt02eq ihschildinc04eq if sample==1 & age!=. &
childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01], concomitant (female) sum d zstandard verbose ape
516   qui logit collegegrad black female ihschildwlt02eq_std ihschildinc04eq_std if sample==1 &
age!=. & childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01]
517   margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
518   khb logit collegegrad black || ihschildwlt02eq ihschildinc04eq age agesq childsibsize
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose ape
519   qui logit collegegrad black female ihschildwlt02eq_std ihschildinc04eq_std age agesq
childsibsize childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=
wght01]
520   margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
521   drop ihschildwlt02eq_std ihschildinc04eq_std
522
523   *Outcome edu00*
524   khb regress edu00_std black || ihschildwlt02eq ihschildinc04eq if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose
525   khb regress edu00_std black || ihschildwlt02eq ihschildinc04eq age agesq childsibsize
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose
526
527   *Outcome singparent*
528   foreach x in ihschildwlt02eq ihschildinc04eq {
529     quietly sum `x' if sample==1 & singparent!=. & black!=. & age!=. & female!=. &
childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [aw = wght01]
530     gen `x'_std = (`x' - r(mean))/r(sd)
531   }
532   khb logit singparent black || ihschildwlt02eq ihschildinc04eq if sample==1 & age!=. &
childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01], concomitant (female) sum d zstandard verbose ape
533   qui logit singparent black female ihschildwlt02eq_std ihschildinc04eq_std if sample==1 & age
!=. & childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01]
534   margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
535   khb logit singparent black || ihschildwlt02eq ihschildinc04eq age agesq childsibsize
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose ape
536   qui logit singparent black female ihschildwlt02eq_std ihschildinc04eq_std age agesq
childsibsize childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=
wght01]
537   margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
538   drop ihschildwlt02eq_std ihschildinc04eq_std
539
540   *Outcome partner*
541   foreach x in ihschildwlt02eq ihschildinc04eq {
542     quietly sum `x' if sample==1 & partner!=. & black!=. & age!=. & female!=. & childsibsize
!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. & northeast!=. & west
!=. [aw = wght01]
543     gen `x'_std = (`x' - r(mean))/r(sd)
544   }
545   khb logit partner black || ihschildwlt02eq ihschildinc04eq if sample==1 & age!=. &
childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &

```

```

546 northeast!=. & west!=. [pw=wght01], concomitant (female) sum d zstandard verbose ape
qui logit partner black female ihschildwlt02eq_std ihschildinc04eq_std if sample==1 & age!=.
& childsibsizel!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01]
547 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
548 khb logit partner black || ihschildwlt02eq ihschildinc04eq age agesq childsibsizel
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose ape
549 qui logit partner black female ihschildwlt02eq_std ihschildinc04eq_std age agesq
childsibsizel childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=
wght01]
550 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
551 drop ihschildwlt02eq_std ihschildinc04eq_std
552
553 *Outcome lifesat*
554 khb regress lifesat_std black || ihschildwlt02eq ihschildinc04eq if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose
555 khb regress lifesat_std black || ihschildwlt02eq ihschildinc04eq age agesq childsibsizel
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose
556
557 *Outcome srhealth*
558 khb regress srhealth_std black || ihschildwlt02eq ihschildinc04eq if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose
559 khb regress srhealth_std black || ihschildwlt02eq ihschildinc04eq age agesq childsibsizel
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose
560
561 *Outcome poorhealth*
562 foreach x in ihschildwlt02eq ihschildinc04eq {
563 quietly sum `x' if sample==1 & poorhealth!=. & black!=. & age!=. & female!=. &
childsibsizel!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [aw = wght01]
564 gen `x'_std = (`x' - r(mean))/r(sd)
565 }
566 khb logit poorhealth black || ihschildwlt02eq ihschildinc04eq if sample==1 & age!=. &
childsibsizel!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01], concomitant (female) sum d zstandard verbose ape
567 qui logit poorhealth black female ihschildwlt02eq_std ihschildinc04eq_std if sample==1 & age
!=. & childsibsizel!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01]
568 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
569 khb logit poorhealth black || ihschildwlt02eq ihschildinc04eq age agesq childsibsizel
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose ape
570 qui logit poorhealth black female ihschildwlt02eq_std ihschildinc04eq_std age agesq
childsibsizel childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=
wght01]
571 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
572 drop ihschildwlt02eq_std ihschildinc04eq_std
573
574 *Outcome psychd*
575 khb regress psychd_std black || ihschildwlt02eq ihschildinc04eq if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose
576 khb regress psychd_std black || ihschildwlt02eq ihschildinc04eq age agesq childsibsizel
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose
577
578 *Outcome chronic*
579 foreach x in ihschildwlt02eq ihschildinc04eq {
580 quietly sum `x' if sample==1 & chronic!=. & black!=. & age!=. & female!=. & childsibsizel
!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. & northeast!=. & west
!=. [aw = wght01]
581 gen `x'_std = (`x' - r(mean))/r(sd)
582 }
583 khb logit chronic black || ihschildwlt02eq ihschildinc04eq if sample==1 & age!=. &
childsibsizel!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01], concomitant (female) sum d zstandard verbose ape
584 qui logit chronic black female ihschildwlt02eq_std ihschildinc04eq_std if sample==1 & age!=.
& childsibsizel!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &

```

```

northeast!=. & west!=. [pw=wght01]
585 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
586 khb logit chronic black || ihschildwlt02eq ihschildinc04eq age agesq childsibsiz
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose ape
587 qui logit chronic black female ihschildwlt02eq_std ihschildinc04eq_std age agesq
childsibsiz childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=
wght01]
588 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
589 drop ihschildwlt02eq_std ihschildinc04eq_std
590
591 *Outcome everacute*
592 foreach x in ihschildwlt02eq ihschildinc04eq {
593     quietly sum `x' if sample==1 & everacute!=. & black!=. & age!=. & female!=. &
childsibsiz!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [aw = wght01]
594     gen `x'_std = (`x' - r(mean))/r(sd)
595 }
596 khb logit everacute black || ihschildwlt02eq ihschildinc04eq if sample==1 & age!=. &
childsibsiz!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01], concomitant (female) sum d zstandard verbose ape
597 qui logit everacute black female ihschildwlt02eq_std ihschildinc04eq_std if sample==1 & age
!=. & childsibsiz!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=. [pw=wght01]
598 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
599 khb logit everacute black || ihschildwlt02eq ihschildinc04eq age agesq childsibsiz
childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=wght01],
concomitant (female) sum d zstandard verbose ape
600 qui logit everacute black female ihschildwlt02eq_std ihschildinc04eq_std age agesq
childsibsiz childleadage childleadeduc childsingmom south northeast west if sample==1 [pw=
wght01]
601 margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
602 drop ihschildwlt02eq_std ihschildinc04eq_std
603
604 log close
605
606 *FULL MODELS WITH ALL CONTROLS FOR APPENDIX*
607 *Outcome ihswlt*
608 regress ihswlt02eq black ihschildwlt02eq ihschildinc04eq age agesq childsibsiz childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
609 outreg2 using fullmodels, word dec(2) tstat noobs replace
610 *Outcome pctwlt02*
611 regress pctwlt02eq black childpctwlt02eq childpctinc04eq age agesq childsibsiz childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
612 outreg2 using fullmodels, word dec(2) tstat noobs append
613 *Outcome ihsinc*
614 regress ihsinc04eq black ihschildwlt02eq ihschildinc04eq age agesq childsibsiz childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
615 outreg2 using fullmodels, word dec(2) tstat noobs append
616 *Outcome pctinc*
617 regress pctinc04eq black childpctwlt02eq childpctinc04eq age agesq childsibsiz childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
618 outreg2 using fullmodels, word dec(2) tstat noobs append
619 *Outcome homeown*
620 logit homeown black ihschildwlt02eq ihschildinc04eq age agesq childsibsiz childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
621 outreg2 using fullmodels, word dec(2) tstat noobs append
622 *Outcome employ*
623 logit employ black ihschildwlt02eq ihschildinc04eq age agesq childsibsiz childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
624 outreg2 using fullmodels, word dec(2) tstat noobs append
625 *Outcome hsgrad*
626 logit hsgrad black ihschildwlt02eq ihschildinc04eq age agesq childsibsiz childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
627 outreg2 using fullmodels, word dec(2) tstat noobs append
628 *Outcome collegegrad*
629 logit collegegrad black ihschildwlt02eq ihschildinc04eq age agesq childsibsiz childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
630 outreg2 using fullmodels, word dec(2) tstat noobs append
631 *Outcome edu00*

```

```

632 regress edu00 black ihschildwlt02eq ihschildinc04eq age agesq childsibsize childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
633 outreg2 using fullmodels, word dec(2) tstat noobs append
634 *Outcome singparent*
635 logit singparent black ihschildwlt02eq ihschildinc04eq age agesq childsibsize childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
636 outreg2 using fullmodels, word dec(2) tstat noobs append
637 *Outcome partner*
638 logit partner black ihschildwlt02eq ihschildinc04eq age agesq childsibsize childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
639 outreg2 using fullmodels, word dec(2) tstat noobs append
640 *Outcome lifesat*
641 regress lifesat black ihschildwlt02eq ihschildinc04eq age agesq childsibsize childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
642 outreg2 using fullmodels, word dec(2) tstat noobs append
643 *Outcome srhealth*
644 regress srhealth black ihschildwlt02eq ihschildinc04eq age agesq childsibsize childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
645 outreg2 using fullmodels, word dec(2) tstat noobs append
646 *Outcome poorhealth*
647 logit poorhealth black ihschildwlt02eq ihschildinc04eq age agesq childsibsize childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
648 outreg2 using fullmodels, word dec(2) tstat noobs append
649 *Outcome psychd*
650 regress psychd black ihschildwlt02eq ihschildinc04eq age agesq childsibsize childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
651 outreg2 using fullmodels, word dec(2) tstat noobs append
652 *Outcome chronic*
653 logit chronic black ihschildwlt02eq ihschildinc04eq age agesq childsibsize childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
654 outreg2 using fullmodels, word dec(2) tstat noobs append
655 *Outcome everacute*
656 logit everacute black ihschildwlt02eq ihschildinc04eq age agesq childsibsize childleadage
childleadeduc childsingmom south northeast west female if sample==1 [pw=wght01]
657 outreg2 using fullmodels, word dec(2) tstat noobs append
658
659 **Robustness Checks*
660 *Below are almost all robustness checks and appendices - if you need code for anything in
the paper that you don't see here, please feel encouraged to contact David Brady
661
662 ** Joscha's little helper
663 cap prog drop khb_outcome
664 program define khb outcome
665     * Output relevant estimates
666     matrix b = e(b)
667     matrix V = e(V)
668     matrix D = e(disentangle)
669     mata : st_matrix("Dsum", colsum(st_matrix("D")))
670     local stars ""
671     if (abs(b[1,1]/sqrt(V[1,1])) > 1.96) {
672         local stars "*"
673     }
674     if (abs(b[1,1]/sqrt(V[1,1])) > 2.58) {
675         local stars "***"
676     }
677     dis %4.3f b[1,1] "`stars'(" %3.2f b[1,1]/sqrt(V[1,1]) ")"
678     dis %3.2f %3.2f Dsum[1, 4] ""
679     dis %3.2f D[1, 3] ""
680     dis %3.2f D[2, 3] ""
681     dis %4.0f e(N)
682     * dis "Black: Total Effect: " %4.3f b[1,1] " (" %3.2f b[1,1]/sqrt(V[1,1]) ")"
683     * dis "% of Total Black Mediated: " %3.2f Dsum[1, 4] ""
684     * dis "% Mediated by Childhood Wealth: " %3.2f D[1, 3] ""
685     * dis "% Mediated by Childhood Income: " %3.2f D[2, 3] ""
686     * dis "N: " %4.0f e(N)
687 end
688
689 * Not Transforming Childhood Wealth and Income
690 foreach y of varlist ihswlt02eq pctwlt02eq ihsinc04eq pctinc04eq homeown employ hsgrad
collegegrad edu00 singparent partner lifesat srhealth poorhealth psychd chronic everacute {

```

```

691   dis_n "OUTCOME: `y'"
692   * pct outcome variables
693   local mediators childwlt02eq childinc04eq
694   * binary or numeric outcome?
695   local binary = 0
696   qui inspect `y'
697   if (r(N_unique) == 2) {
698     local binary = 1
699   }
700   * Estimate model for linear outcome
701   if (`binary' == 0) {
702     cap drop `y'_std
703     qui egen `y'_std = std(`y') if sample==1 & black!=. & age!=. & agesq!=. & female!=. &
childsize!=. & childleage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=.
704     qui khb regress `y'_std black || `mediators' if sample==1 [pw=wght01], concomitant (
female) sum d zstandard verbose
705   }
706   * Estimate model for binary outcome
707   if (`binary' == 1) {
708     qui khb logit `y' black || `mediators' if sample==1 & age!=. & childsize!=. &
childleage!=. & childleadeduc!=. & childsingmom!=. & south!=. & northeast!=. & west!=. [pw
=wght01], concomitant (female) sum d zstandard verbose ape
709   }
710   * show output
711   khb_outcome
712 }
713
714 * Including All Races
715 foreach y of varlist ihswlt02eq pctwlt02eq ihsinc04eq pctinc04eq homeown employ hsgrad
collegegrad edu00 singparent partner lifesat srhealth poorhealth psychd chronic everacute {
716   dis_n "OUTCOME: `y'"
717   * pct outcome variables
718   local mediators ihschildwlt02eq ihschildinc04eq
719   if ("`y'" == "pctwlt02eq" | "`y'" == "pctinc04eq") {
720     local mediators childpctwlt02eq childpctinc04eq
721   }
722   * binary or numeric outcome?
723   local binary = 0
724   qui inspect `y'
725   if (r(N_unique) == 2) {
726     local binary = 1
727   }
728   * Estimate model for linear outcome
729   if (`binary' == 0) {
730     cap drop `y'_std
731     qui egen `y'_std = std(`y') if sampleothers==1 & black!=. & age!=. & agesq!=. & female
!=. & childsize!=. & childleage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=.
732     qui khb regress `y'_std black || `mediators' if sampleothers==1 [pw=wght01], concomitant
(female hispanic otherrace) sum d zstandard verbose
733   }
734   * Estimate model for binary outcome
735   if (`binary' == 1) {
736     qui khb logit `y' black || `mediators' if sampleothers==1 & age!=. & childsize!=. &
childleage!=. & childleadeduc!=. & childsingmom!=. & south!=. & northeast!=. & west!=. [pw
=wght01], concomitant (female hispanic otherrace) sum d zstandard verbose ape
737   }
738   * show output
739   khb_outcome
740 }
741
742 * Other Wealth Excluding Home Equity *
743 gen ihswlt01eq = log(wlt01eq + sqrt(wlt01eq^2+1))
744 gen ihschildwlt01eq = log(childwlt01eq + sqrt(childwlt01eq^2+1))
745 tempvar avg
746 foreach var of varlist pctwlt01eq pctwlt01 {
747   egen `avg' = mean(`var') if age < 18, by(x1110111)
748   cap drop child`var'
749   by x1110111 (`avg'), sort: gen child`var' = `avg'[1]

```



```

750     drop `avg'
751 }
752
753 foreach y of varlist ihswlt01eq pctwlt02eq ihsinc04eq pctinc04eq homeown employ hsgrad
collegegrad edu00 singparent partner lifesat srhealth poorhealth psychd chronic everacute {
754     dis _n "OUTCOME: `y'"
755     * pct outcome variables
756     local mediators ihschildwlt01eq ihschildinc04eq
757     if("`y'" == "pctwlt02eq" | "`y'" == "pctinc04eq") {
758         local mediators childpctwlt01eq childpctinc04eq
759     }
760     * binary or numeric outcome?
761     local binary = 0
762     qui inspect `y'
763     if (r(N_unique) == 2) {
764         local binary = 1
765     }
766     * Estimate model for linear outcome
767     if (`binary' == 0) {
768         cap drop `y'_std
769         qui egen `y'_std = std(`y') if sample==1 & black!=. & age!=. & agesq!=. & female!=. &
childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=.
770         qui khb regress `y'_std black || `mediators' if sample==1 [pw=wght01], concomitant (
female) sum d zstandard verbose
771     }
772     * Estimate model for binary outcome
773     if (`binary' == 1) {
774         qui khb logit `y' black || `mediators' if sample==1 & age!=. & childsibsize!=. &
childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. & northeast!=. & west!=. [pw
=wght01], concomitant (female) sum d zstandard verbose ape
775     }
776     * show output
777     khb_outcome
778 }
779
780 * Require Only One Measure of Childhood Wealth & Income +++
781 foreach y of varlist ihswlt02eq pctwlt02eq ihsinc04eq pctinc04eq homeown employ hsgrad
collegegrad edu00 singparent partner lifesat srhealth poorhealth psychd chronic everacute {
782     dis _n "OUTCOME: `y'"
783     * pct outcome variables
784     local mediators ihschildwlt02eq ihschildinc04eq
785     if("`y'" == "pctwlt02eq" | "`y'" == "pctinc04eq") {
786         local mediators childpctwlt02eq childpctinc04eq
787     }
788     * binary or numeric outcome?
789     local binary = 0
790     qui inspect `y'
791     if (r(N_unique) == 2) {
792         local binary = 1
793     }
794     * Estimate model for linear outcome
795     if (`binary' == 0) {
796         cap drop `y'_std
797         qui egen `y'_std = std(`y') if sampleone==1 & black!=. & age!=. & agesq!=. & female!=. &
childsibsize!=. & childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=.
798         qui khb regress `y'_std black || `mediators' if sampleone==1 [pw=wght01], concomitant (
female) sum d zstandard verbose
799     }
800     * Estimate model for binary outcome
801     if (`binary' == 1) {
802         qui khb logit `y' black || `mediators' if sampleone==1 & age!=. & childsibsize!=. &
childleadage!=. & childleadeduc!=. & childsingmom!=. & south!=. & northeast!=. & west!=. [pw
=wght01], concomitant (female) sum d zstandard verbose ape
803     }
804     * show output
805     khb_outcome
806 }
807

```

```

808 * Require Childhood Wealth and Income Both Be Observed *
809 tempvar avg
810 foreach var of varlist inc04eq wlt02eq pctwlt02eq pctinc04eq {
811     egen `avg' = mean(`var') if age < 18 & !mi(wlt02eq) & !mi(inc04eq), by(x1110111)
812     by x1110111 (`avg'), sort: gen child`var'lw = `avg'[1]
813     gen ihschild`var'lw = log(child`var'lw + sqrt(child`var'lw^2+1))
814     drop `avg'
815 }
816 khb regress ihswlt02eq_std black || ihschildwlt02eqlw ihschildinc04eqlw if sample==1 [pw=
wght01], concomitant (female) sum d zstandard verbose
817 rename ihschildwlt02eqlw ihschwlt02eqlw
818 rename ihschildinc04eqlw ihschinc04eqlw
819 rename childpctwlt02eqlw chpctwlt02eqlw
820 rename childpctinc04eqlw chpctinc04eqlw
821
822 foreach y of varlist ihswlt02eq pctwlt02eq ihsinc04eq pctinc04eq homeown employ hsgrad
collegegrad edu00 singparent partner lifesat srhealth poorhealth psychd chronic everacute {
823     dis n "OUTCOME: `y'"
824     * pct outcome variables
825     local mediators ihschwlt02eqlw ihschinc04eqlw
826     if("`y'" == "pctwlt02eq" | "`y'" == "pctinc04eq") {
827         local mediators chpctwlt02eqlw chpctinc04eqlw
828     }
829     * binary or numeric outcome?
830     local binary = 0
831     qui inspect `y'
832     if (r(N_unique) == 2) {
833         local binary = 1
834     }
835     * Estimate model for linear outcome
836     if (`binary' == 0) {
837         cap drop `y'_std
838         qui egen `y'_std = std(`y') if sample==1 & black!=. & age!=. & agesq!=. & female!=. &
childsibsize!=. & childleage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=.
839         qui khb regress `y'_std black || `mediators' if sample==1 [pw=wght01], concomitant (
female) sum d zstandard verbose
840     }
841     * Estimate model for binary outcome
842     if (`binary' == 1) {
843         qui khb logit `y' black || `mediators' if sample==1 & age!=. & childsibsize!=. &
childleage!=. & childleadeduc!=. & childsingmom!=. & south!=. & northeast!=. & west!=. [pw
=wght01], concomitant (female) sum d zstandard verbose ape
844     }
845     * show output
846     khb_outcome
847 }
848
849 * Adjusting for EGP Class *
850 khb regress ihswlt02eq_std black || ihschildwlt02eq ihschildinc04eq childegp if sample==1 [
pw=wght01], concomitant (female) sum d zstandard verbose
851
852 foreach y of varlist ihswlt02eq pctwlt02eq ihsinc04eq pctinc04eq homeown employ hsgrad
collegegrad edu00 singparent partner lifesat srhealth poorhealth psychd chronic everacute {
853     dis _n "OUTCOME: `y'"
854     * pct outcome variables
855     local mediators ihschildwlt02eq ihschildinc04eq childegp
856     if("`y'" == "pctwlt02eq" | "`y'" == "pctinc04eq") {
857         local mediators childpctwlt02eq childpctinc04eq childegp
858     }
859     * binary or numeric outcome?
860     local binary = 0
861     qui inspect `y'
862     if (r(N_unique) == 2) {
863         local binary = 1
864     }
865     * Estimate model for linear outcome
866     if (`binary' == 0) {
867         cap drop `y'_std
868         qui egen `y'_std = std(`y') if sample==1 & black!=. & age!=. & agesq!=. & female!=. &

```



```

childsibsize!=. & childleage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=.
869     qui khb regress `y'_std black || `mediators' if sample==1 [pw=wght01], concomitant (
female) sum d zstandard verbose
870   }
871   * Estimate model for binary outcome
872   if (`binary' == 1) {
873     qui khb logit `y' black || `mediators' if sample==1 & age!=. & childsibsize!=. &
childleage!=. & childleadeduc!=. & childsingmom!=. & south!=. & northeast!=. & west!=. [pw
=wght01], concomitant (female) sum d zstandard verbose ape
874   }
875   * show output
876   khb_outcome
877 }
878
879 * Only Including SRC Sample
880 foreach y of varlist ihswlt02eq pctwlt02eq ihsinc04eq pctinc04eq homeown employ hsgrad
collegegrad edu00 singparent partner lifesat srhealth poorhealth psychd chronic everacute {
881   dis _n "OUTCOME: `y'"
882   * pct outcome variables
883   local mediators ihschildwlt02eq ihschildinc04eq
884   if ("`y'" == "pctwlt02eq" | "`y'" == "pctinc04eq") {
885     local mediators childpctwlt02eq childpctinc04eq
886   }
887   * binary or numeric outcome?
888   local binary = 0
889   qui inspect `y'
890   if (r(N_unique) == 2) {
891     local binary = 1
892   }
893   * Estimate model for linear outcome
894   if (`binary' == 0) {
895     cap drop `y'_std
896     qui egen `y'_std = std(`y') if samplesrc==1 & black!=. & age!=. & agesq!=. & female!=. &
childsibsize!=. & childleage!=. & childleadeduc!=. & childsingmom!=. & south!=. &
northeast!=. & west!=.
897     qui khb regress `y' std black || `mediators' if samplesrc==1 [pw=wght01], concomitant (
female) sum d zstandard verbose
898   }
899   * Estimate model for binary outcome
900   if (`binary' == 1) {
901     qui khb logit `y' black || `mediators' if samplesrc==1 & age!=. & childsibsize!=. &
childleage!=. & childleadeduc!=. & childsingmom!=. & south!=. & northeast!=. & west!=. [pw
=wght01], concomitant (female) sum d zstandard verbose ape
902   }
903   * show output
904   khb_outcome
905 }
906
907 **Mortality Analyses**
908 *** keep only necessary variables b/c this gets big
909 keep x110111 x1102 xsqnr wave waveorder wght* ybirth yod sex ///
910   inc03 inc03eq pctinc03eq lninc03eq ihsinc04 ihsinc04eq ///
911   inc04 inc04eq pctinc04 pctinc04eq lninc04eq ///
912   wlt01eq pctwlt01eq lnwlt01eq ///
913   wlt02eq pctwlt02 pctwlt02eq lnwlt02eq ihswlt02 ihswlt02eq ///
914   childasset01eq childasset01~sq ///
915   childasset02eq childasset02~sq ///
916   childdbt01eq childdbt01eqsq ///
917   childinc* childpctinc* lnchildinc* ihschildinc* ///
918   childwlt* childpctwlt* lnchildwlt* ihschildwlt* ///
919   female black white hispanic otherrace age agesq south northeast west abroad employ homeown
///
920   singmom avgsingmom childsingmom singparent eversingpar ///
921   lessshr somecollr collegger gradr hsgrad collegegrad ///
922   partner lead leadeduc leage ///
923   childleage childleadeduc childsibsize childegp ///
924   modeegp incobsch wltobsch sample*
925
926 **** Assertion: Year of death constant for each person?

```

```

927  sort x1110111 wave
928  by x1110111 (wave): assert yod[1]==yod[_N]
929
930  **** Fill in record for years in which respondent has already died (or is not yet alive)
931  fillin x1110111 wave
932
933  **** Copy the value for yod into the records just created
934  by x1110111 (yod), sort: replace yod = yod[1]
935
936  **** Because coding of yod in psid is often a range of values, impute midpoints
937  gen yodr = yod if inrange(yod,1969,2015)
938  gen x0 = strofreal(yod) if yod!=0
939  replace x0 = "0109" if x0 == "709"
940  gen x1 = date("1/1/" + substr(x0,1,2), "MDY", 2015) if !inrange(yod,1969,2015)
941  gen x2 = date("12/31/" + substr(x0,3,2), "MDY", 2015) if !inrange(yod,1969,2015)
942  replace yodr = year((x2 + x1)/2) if mi(yodr)
943  drop x0 x1 x2 yod
944
945  *** Drop observations created before the death year*
946  drop if _fillin & wave < yodr
947  drop _fillin
948
949  *** Create variable for age of death*
950  gen ageatdeath = yodr - ybirth
951
952  *** Assertion: Use sex differences as a check on age of death*
953  sum ageatdeath if sex == 1, meanonly
954  local male = r(mean)
955  sum ageatdeath if sex == 2, meanonly
956  assert r(mean) > `male'
957
958  *** Assertion: Year of death in reasonable range
959  assert inrange(yodr,1969,2015) if wave==2015 & !mi(yodr)
960
961  *** Generate mortality binary variable in 2015 if dead by 2015
962  gen mortality = inrange(yodr,1968,2015) if wave == 2015
963
964  *** Insert last known weights for respondents dead by 2015
965  sort x1110111 wave
966  by x1110111 (wave): replace wght01 = wght01[_n-1] if mi(wght01)
967
968  *** Insert last known values of independent variables for respondents dead by 2015
969  foreach var of varlist *child* ///
970     black white hispanic otherrace ///
971     age* leadage ///
972     female ///
973     south northeast west abroad ///
974     homeown ///
975     incobsch wltobsch ///
976     sample* {
977     by x1110111 (wave): replace `var' = `var'[_n-1] if mi(`var')
978 }
979
980  *** Still alive
981  gen byte stillalive = mi(yodr)
982
983  order x1110111 x11102 xsqnr wave waveorder wght* sex ybirth yodr /// ///
984     inc03 inc03eq pctinc03eq lninc03eq ///
985     inc04 inc04eq pctinc04 pctinc04eq lninc04eq ihsinc04 ihsinc04eq ///
986     wlt01eq pctwlt01eq lnwlt01eq ///
987     wlt02eq pctwlt02 pctwlt02eq lnwlt02eq ihswlt02 ihswlt02eq ///
988     childasset01eq childasset01~sq ///
989     childasset02eq childasset02~sq ///
990     childdbt01eq childdbt01eqsq ///
991     childinc* childpctinc* lnchildinc* ihschildinc* ///
992     childwlt* childpctwlt* lnchildwlt* ihschildwlt* ///
993     ageatdeath mortality ///
994     female black white hispanic otherrace age agesq south northeast west abroad employ homeown
995     ///
996     singmom avgsingmom childsingmom singparent eversingpar ///

```

```

996     lessshr somecollr colleger gradr hsgrad collegegrad ///
997     partner lead leaeduc leaage ///
998     childleadage childleaeduc childsize childgep ///
999     modeegp incobsch wltobsch stillalive ///
1000
1001     compress
1002
1003     gen mortsample=0
1004     replace mortsample=1 if incobsch>1 & wltobsch>1 & !mi(incobsch) & !mi(wltobsch)
1005     replace mortsample=0 if age<30
1006     replace mortsample=0 if black==0 & white==0
1007     replace mortsample=0 if wave!=2015
1008
1009     capture program drop showoutputonly
1010     program showoutputonly
1011
1012     ** Outcome Mortality
1013     display `"Outcome Mortality"'
1014     quietly khb logit mortality black || ihschildwlt02eq ihschildinc04eq ///
1015         if mortsample==1 [pw=wght01], ///
1016         concomitant(female) sum d zstandard ape
1017     khb_outcome
1018
1019     ** All Covariates
1020     display `"All Covariates"'
1021     quietly khb logit mortality black || ihschildwlt02eq ihschildinc04eq ///
1022         age agesq childsize childleadage childleaeduc childsingmom ///
1023         if mortsample==1 [pw=wght01], ///
1024         concomitant(female) sum d zstandard ape
1025     khb_outcome
1026     end
1027
1028     showoutputonly
1029
1030     **Get AMES for childhood wealth and income for mortality
1031     foreach x in ihschildwlt02eq ihschildinc04eq {
1032         quietly sum `x' if mortsample==1 [aw = wght01]
1033         gen `x'_std = (`x' - r(mean))/r(sd)
1034     }
1035     qui logit mortality black female ihschildwlt02eq_std ihschildinc04eq_std if mortsample==1 [
1036     pw=wght01]
1037     margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
1038     qui logit mortality black female ihschildwlt02eq_std ihschildinc04eq_std age agesq
1039     childsize childleadage childleaeduc childsingmom south northeast west if mortsample==1 [
1040     pw=wght01]
1041     margins, dydx(black ihschildwlt02eq_std ihschildinc04eq_std)
1042
1043     **NLSY ANALYSES**
1044     // Ryan Finnigan
1045     // rfinnigan@ucdavis.edu
1046     // March 2019
1047     /* This do file recodes and subsets data from the 1997 cohort of the National Longitudinal
1048     Survey of Youth (NLSY97). I downloaded the data from the NLS investigator, then formatted
1049     and merged the data in the file nlsy97data.do */
1050
1051     cd "/Users/ryanfinnigan/Box Sync/race wealth/dave paper"
1052
1053     // main data
1054     use "/Users/ryanfinnigan/Box Sync/FinniganNLSY97/FinniganNLSY97.dta", clear
1055
1056     // wave variable
1057     gen wave = year - 1996
1058     replace wave = 16 if year==2013
1059     replace wave = 17 if year==2015
1060
1061     // recoding missing values
1062     foreach x in marital hsize famtype famtype2 famtype6 famtype18 region msa rural income

```

```

povratio parincome earn wage wagerate occ ind selfemp union hours health hsdegree colldegree
  enrolled parnetworth97 networth_age30 networth_age35 {
1061     recode `x' (-5/-1 = .)
1062 }
1063
1064 * OUTCOMES *
1065 // merging cpi
1066 merge m:1 year using "/Users/ryanfinnigan/Box Sync/nlsy97/cpi.dta"
1067 drop if _merge==2
1068 drop _merge
1069
1070 // adjusting for inflation
1071 gen adultnetworth_cpi = cpi*networth_age30
1072 label var adultnetworth_cpi "Net Worth, Age 30 (2015 dollars)"
1073 gen income_cpi = cpi*income
1074 label var income_cpi "Income (2015 dollars)"
1075
1076 // top- and bottom-coding 1%
1077 sum income_cpi if year==2015 [aw = ccwt], det
1078 replace income_cpi = r(p99) if income_cpi>r(p99) & income_cpi<.
1079 replace income_cpi = r(p1) if income_cpi<r(p1)
1080
1081 sum adultnetworth_cpi if year==2015 [aw = ccwt], det
1082 replace adultnetworth_cpi = r(p99) if adultnetworth_cpi>r(p99) & adultnetworth_cpi<.
1083 replace adultnetworth_cpi = r(p1) if adultnetworth_cpi<r(p1)
1084
1085 // hh size at asset measurement
1086 gen h = hhsize if assets_age30==wave
1087 egen hhsize30 = max(h), by(id)
1088 drop h
1089
1090 // net worth (age 30) adjusted for HH size
1091 gen networtheq = adultnetworth_cpi/sqrt(hhsize30)
1092
1093 // IHS net worth (age 30)
1094 gen ihsnw = ln(networtheq + sqrt( networtheq^2 + 1))
1095 label var ihsnw "IHS Net Worth (age 30)"
1096
1097 // net worth rank at age 30
1098 quietly sum networtheq if assets_age30==wave
1099 local n = r(N)
1100 xtile a = networtheq if assets_age30==wave [aw = ccwt], nq(`n')
1101 replace a = 100*a/`n'
1102 egen nwrnk = max(a), by(id)
1103 label var nwrnk "Net Worth Rank (age 30)"
1104 drop a
1105
1106 // income adjusted for HH size
1107 gen incomeeq = income_cpi/sqrt(hhsize)
1108 label var incomeeq "Income"
1109
1110 // IHS income
1111 gen ihsinc = ln(incomeeq + sqrt( incomeeq^2 + 1))
1112 label var ihsinc "IHS Income"
1113
1114 // income rank
1115 // the NLSY oversamples low-income households, so percentiles have to be calculated with
// sample weights (i.e., can't use the rank function with egen, which would make the median
// rank over 50 for the weighted sample)
1116 quietly sum incomeeq if year==2015
1117 local n = r(N)
1118 xtile incrank = incomeeq if year==2015 [aw = ccwt], nq(`n')
1119 replace incrank = 100*incrank/`n'
1120 label var incrank "Income Rank"
1121
1122 // income at age 30 (when assets measured)
1123 gen i30 = incomeeq if assets_age30==wave
1124 egen inc30 = max(i30), by(id)
1125 label var inc30 "Income (age 30)"
1126 drop i30

```

```

1127
1128 // IHS income (age 30)
1129 gen ihsinc30 = ln(inc30 + sqrt( inc30^2 + 1))
1130 label var ihsinc30 "IHS Income (age 30)"
1131
1132 // income rank at age 30
1133 quietly sum inc30 if assets_age30==wave
1134 local n = r(N)
1135 xtile a = inc30 if assets_age30==wave [aw = ccwt], nq(`n')
1136 replace a = 100*a/`n'
1137 egen incrank30 = max(a), by(id)
1138 label var incrank30 "Income Rank (age 30)"
1139 drop a
1140
1141 // homeownership (age 30)
1142 * own_age30
1143
1144 // employment
1145 recode employed15 (-4/-1 = .) (1/max = 1)
1146 label var employed15 "Employed in Year"
1147
1148 // HS grad
1149 recode maxdegree (0 = 0) (nonmiss = 1), gen(hsgrad)
1150 label var hsgrad "HS Grad"
1151
1152 // college grad
1153 recode maxdegree (0/3 = 0) (4/max = 1), gen(collgrad)
1154 label var collgrad "College Grad"
1155
1156 // years of schooling
1157 * maxeduc
1158
1159 // partnered (married or cohabiting)
1160 recode marital (1 3 4 5 7 9 = 1) (nonmiss = 0), gen(partnered)
1161 label var partnered "Married or Cohabiting"
1162
1163 // single parenthood
1164 recode numkids (-4 = 0) (-3/-1 = .)
1165 gen singpar = .
1166 replace singpar = 1 if numkids>0 & partnered==0
1167 replace singpar = 0 if numkids==0 | partnered==1
1168 label var singpar "Single Parent"
1169
1170 // Self-rated Health
1171 recode health (1 = 1 "Excellent") (2 = 2 "Very Good") (3 = 3 "Good") (4 = 4 "Fair") (5 = 5
" Poor"), gen(srh)
1172 label var srh "Self-Rated Health"
1173
1174 // Fair/poor health
1175 recode srh (4 5 = 1) (1/3 = 0), gen(poorhealth)
1176 label var poorhealth "Poor Health"
1177
1178 // mental health (higher = worse)
1179 gen mhcalm15r = -1*mhcalm15 + 5
1180 gen mhhappy15r = -1*mhhappy15 + 5
1181
1182 gen poormh = mhnervous15 + mhcalm15r + mhdown15 + mhhappy15r + mhdepressed15 - 5 if year==
2015
1183 label var poormh "Poor Mental Health"
1184
1185 alpha mhnervous15 mhcalm15r mhdown15 mhhappy15r mhdepressed15 if year==2015, casewise
1186
1187 // chronic health conditions in 2013
1188 // asthma, heart, cancer, diabetes
1189 egen chronconditions = rowmax(chronasthma13 chronheart13 chroncancer13 chondiabetes13)
1190 replace chronconditions = 0 if chronany13==0
1191 label var chronconditions "Chronic Conditions"
1192
1193 * PARENTS' INCOME & WEALTH *
1194 // hh size in 97

```

```

1195 gen h = hsize if year==1997
1196 egen hsize97 = max(h), by(id)
1197 drop h
1198
1199 // parents' income adjusted with CPI
1200 gen parincome_cpi = cpi*parincome
1201 label var parincome_cpi "Parents' Income (2015 dollars)"
1202
1203 // parents' net worth adjusted with CPI
1204 gen parnetworth_cpi = cpi*parnetworth97
1205 label var parnetworth_cpi "Parents' Net Worth (2015 dollars)"
1206
1207 // top- and bottom-coding 1%
1208 sum parincome_cpi [aw = ccwt], det
1209 replace parincome_cpi = r(p99) if parincome_cpi>r(p99) & parincome_cpi<.
1210 replace parincome_cpi = r(p1) if parincome_cpi<r(p1)
1211
1212 sum parnetworth_cpi if year==1997 [aw = ccwt], det
1213 replace parnetworth_cpi = r(p99) if parnetworth_cpi>r(p99) & parnetworth_cpi<.
1214 replace parnetworth_cpi = r(p1) if parnetworth_cpi<r(p1)
1215
1216 // adjusting for HH size
1217 gen parincomeeq = parincome_cpi/sqrt(hsize)
1218 label var parincomeeq "Equivalentized Parents' Income"
1219
1220 gen parnw = parnetworth_cpi/sqrt(hsize97)
1221 label var parnw "Parents' Net Worth"
1222
1223 // average equivalentized HH income in years 1997-2001
1224 egen parinc = mean(parincomeeq), by(id)
1225 label var parinc "Parents' Income"
1226
1227 // number of income observations
1228 egen parinc_obs = total(parincomeeq<.), by(id)
1229
1230 // average age for parental income
1231 gen a = age if parincomeeq<.
1232 egen parinc_age = mean(a), by(id)
1233 drop a
1234
1235 // IHS income
1236 gen ihsparinc = ln(parinc + sqrt( parinc^2 + 1))
1237 label var ihsparinc "IHS Parents' Income"
1238
1239 // IHS net worth
1240 gen ihsparnw = ln(parnw + sqrt( parnw^2 + 1))
1241 label var ihsparnw "IHS Parents' Net Worth"
1242
1243 // income rank by year
1244 gen prank = .
1245 forvalues t = 1997/2001 {
1246     quietly sum parincomeeq if year==`t'
1247     local n = r(N)
1248     xtile p = parincomeeq if year==`t' [aw = ccwt], nq(`n')
1249     replace prank = 100*p/`n' if year==`t'
1250     drop p
1251 }
1252
1253 // average parent income rank
1254 egen parinckrank = mean(prank), by(id)
1255 label var parinckrank "Parents' Income Rank"
1256 drop prank
1257
1258 // parent net worth rank
1259 quietly sum parnw if year==1997
1260 local n = r(N)
1261 xtile p = parnw if year==1997 [aw = ccwt], nq(`n')
1262 replace p = 100*p/`n'
1263 egen parnwrank = max(p), by(id)
1264 label var parnwrank "Parents' Net Worth Rank"

```

```

1265 drop p
1266
1267 * CONTROLS *
1268 // race
1269 clonevar race = racecat
1270 recode race (4 = 5)
1271 label var race "Race/Ethnicity"
1272
1273 // age in 1997
1274 egen agew1 = max(age * (year==1997)), by(id)
1275 label var agew1 "Age in Wave 1"
1276
1277 // female
1278 recode sex (1 = 0) (2 = 1), gen(female)
1279 label var female "Female"
1280
1281 // parents' years of education
1282 egen pareduc = rowmax(pamaxeduc mamaxeduc)
1283 label var pareduc "Parents' Years of Education"
1284
1285 // family structures
1286 foreach i in 2 6 12 17 18 {
1287     rename famtype`i' famtype`i'_orig
1288     recode famtype`i'_orig (-4 -3 = .) (1 = 1 "Two Parents") (2 3 = 2 "Parent & Step-Parent"
1289 ) (4 = 3 "Single Mother") (5 = 4 "Single Father") (6 7 8 9 10 = 5 "Other"), gen(famtype`i')
1290     label var famtype`i' "Family Structure at Age `i'"
1291 }
1292
1293 // single mother at age 12
1294 recode famtype12 (3 = 1) (nonmiss = 0), gen(singmom12)
1295 label var singmom12 "Single Mother (age 12)"
1296
1297 // average parental age in 1997
1298 gen momage = 1997-mombirthyr
1299 gen dadage = 1997-dadbirthyr
1300 egen parage = rowmean(momage dadage)
1301 label var parage "Avg. Parent Age in 1997"
1302
1303 // mean imputing mom's age at birth
1304 clonevar momagei = maagebirth
1305 recode maagebirth (68 101 = 54) // recoding two outliers to the third highest value
1306 quietly sum maagebirth if year==1997 [aw = ccwt]
1307 replace momagei = r(mean) if momagei==.
1308
1309 // mean imputing avg par age
1310 clonevar paragei = parage
1311 quietly sum paragei if year==1997 [aw = ccwt]
1312 replace paragei = r(mean) if paragei==.
1313
1314 // region in 1997
1315 recode region (-4/-1 = .)
1316 clonevar regionw1 = region
1317 gen r1 = region if year==1997
1318 egen r = max(r1), by(id)
1319 replace regionw1 = r
1320 drop r r1
1321 label var regionw1 "Region"
1322
1323 // rural in 1997
1324 recode rural (-4/-1 = .)
1325 rename rural rural_orig
1326 recode rural orig (0 = 1 "Rural") (1 = 0 "Urban"), gen(rural)
1327 clonevar ruralw1 = rural
1328 gen r1 = rural if year==1997
1329 egen r = max(r1), by(id)
1330 replace ruralw1 = r
1331 drop r r1
1332 label var ruralw1 "Rural"
1333
1334 // weight value from 1997

```



```

1334 gen w = ccwt if year==1997
1335 egen wt97 = max(w), by(id)
1336 drop w
1337
1338 // year of last observation
1339 egen lastwave = max(year), by(id)
1340
1341 // keeping 2015 or last year for obs that died
1342 keep if year==2015 | (died==1 & year==lastwave)
1343
1344 /* // listwise deletion
1345 egen a = rowmiss(parinc parnw age female race singmom12 siblings pareduc region)
1346 tab a died
1347 drop if a>0
1348 drop a */
1349
1350 // multiple parents' income obs
1351 tab parinc obs
1352 keep if parinc_obs>1
1353
1354 // dropping died
1355 drop if died==1
1356
1357 // subsetting variables
1358 keep id hhid varstrat varpsu year cpi adultnetworth_cpi income_cpi ccwt hhsiz30
networtheq ihsnw inc* ihsinc inc30 ihsinc30 own* net* nw* employed15 maxdegree hsgrad
collgrad maxdegree maxeduc marital partnered numkids singpar health srh poorhealth mh*
poormh chron* hhsiz97 parinc* parnw* race* age* sex female pareduc pamaxeduc mamaxeduc
padegree madegree fam* singmom12 siblings maagebirth region* rural* ccwt wt97 testscore* ihs
* momage* dadage parage* pareduc parown97

1359
1360 // saving data
1361 compress
1362 save "Finnigan ajs rr NLSY.dta", replace
1363
1364 /* This do file analyzes data from the 1997 cohort of the National Longitudinal Survey of
Youth (NLSY97). I downloaded the data from the NLS investigator, then formatted and merged
the data in the file nlsy97data.do. I further recoded the data in the do file "Finnigan
NLSY data recode.do" */

1365
1366 cd "/Users/ryanfinnigan/Box Sync/race wealth/dave paper"
1367 log using "Finnigan ajs rr NLSY", replace text
1368
1369 use if racecat<3 using "Finnigan NLSY race inc wealth.dta", clear
1370 drop parage paragei momage dadage
1371
1372 // merging updated parent-figure age
1373 merge 1:1 id using "/Users/ryanfinnigan/Downloads/hhi_roster/FinniganNLSY97_parage.dta"
1374 drop if _merge==2
1375 drop _merge
1376
1377 // recoding minor parent-figures to missing
1378 recode momage (0/17 = .)
1379 recode dadage (0/17 = .)
1380
1381 // parent-figure highest grade
1382 recode dadhigrade (95 = 0)
1383 recode momhigrade (95 = 0)
1384 egen parhigrade = rowmax(momhigrade dadhigrade)
1385 label var parhigrade "Parents' Highest Grade"
1386
1387 // average parent age
1388 egen parage = rowmean(momage dadage)
1389 label var parage "Average Parent Age"
1390
1391 // age of more educated parent
1392 gen parage_ed = momage
1393 replace parage_ed = dadage if momage>=.
1394 replace parage_ed = dadage if (dadhigrade>momhigrade) & (dadhigrade<.)
1395 label var parage_ed "Age of Most Educated Parent"

```

```

1396
1397 * VARIABLE LISTS *
1398 recode racecat (2 = 1 "Black") (1 = 0 "White"), gen(black)
1399 label var black "Race"
1400
1401 // all outcomes
1402 global Y "ihsnw nwrnk ihvinc incrank ihvinc30 incrank30 own_age30 employed15 hsgrad
collgrad maxeduc singpar partnered srh poorhealth poormh chroncond"
1403
1404 // continuous outcomes
1405 global Y1 "ihsnw nwrnk ihvinc incrank ihvinc30 incrank30 maxeduc srh poormh"
1406
1407 // binary outcomes
1408 global Y2 "own_age30 employed15 hsgrad collgrad singpar partnered poorhealth chroncond"
1409
1410 // controls
1411 gen agesq = age*age
1412 global X "age agesq regdum2 regdum3 regdum4 siblings parage ed parhigrade singmom12"
1413
1414 // keeping those with no missing on par income/wealth or controls
1415 egen nomiss = rowmiss(black parinc parnw female age parage_ed parhigrade siblings singmom12
region)
1416 keep if nomiss==0
1417 drop nomiss
1418
1419 * SUMMARIES *
1420 // alpha for MHI
1421 alpha mhnervous15 mhcalm15r mhdown15 mhhappy15r mhdepressed15, casewise
1422
1423 // means & SDs
1424 sum $Y [aw = ccwt], sep(0)
1425 sum parnw ihsparnw parnwrnk parinc ihsparinc parincrank [aw = ccwt], sep(0)
1426 quietly tab race, gen(racedum)
1427 quietly tab region, gen(regdum)
1428 sum racedum* female age parage_ed parhigrade siblings singmom12 regdum* [aw = ccwt], sep(0)
1429 sumtableRF $Y [aw = ccwt], by(black)
1430
1431 // correlations between parents and children
1432 corr networtheq incomeeq parnw parinc [aw = ccwt]
1433 bysort race: corr networtheq incomeeq parnw parinc [aw = ccwt]
1434
1435 corr ihsnw ihvinc ihsparnw ihsparinc [aw = ccwt]
1436 bysort race: corr ihsnw ihvinc ihsparnw ihsparinc [aw = ccwt]
1437
1438 corr nwrnk incrank parnwrnk parincrank [aw = ccwt]
1439 bysort race: corr nwrnk incrank parnwrnk parincrank [aw = ccwt]
1440
1441 * IG ASSOCIATIONS *
1442 foreach x in parinc incomeeq parnw networtheq {
1443     recode `x' (min/1 = 1), gen(log_`x')
1444     replace log_`x' = ln(log_`x')
1445 }
1446
1447 reg networtheq parnw [pw = ccwt]
1448 reg incomeeq parinc [pw = ccwt]
1449 reg log_networtheq log_parnw [pw = ccwt]
1450 reg log_incomeeq log_parinc [pw = ccwt]
1451 reg ihsnw ihsparnw [pw = ccwt]
1452 reg ihvinc ihsparinc [pw = ccwt]
1453 reg ihvinc ihsparinc if incomeeq>0 & parinc>0 [pw = ccwt]
1454 reg nwrnk parnwrnk [pw = ccwt]
1455 reg incrank parincrank [pw = ccwt]
1456
1457 * DECOMPOSITIONS *
1458 *****
1459 * testing standardization with and without weights
1460 // standardized IHS NW, no weights
1461 egen ihsnw_std = std(ihsnw)
1462 sum ihsnw_std
1463 sum ihsnw_std [aw = ccwt]

```

```

1464
1465 // standardized IHS NW, with weights
1466 quietly sum ihsnw [aw = ccwt], det
1467 gen ihsnw_std2 = (ihsnw - r(mean))/r(sd)
1468 sum ihsnw_std2
1469 sum ihsnw_std2 [aw = ccwt]
1470
1471 // KHB results with different versions
1472 khb regress ihsnw i.black || ihsparinc ihsparnw [pw = ccwt], concomit(female) disentangle
summary zstandard verbose
1473 khb regress ihsnw_std i.black || ihsparinc ihsparnw [pw = ccwt], concomit(female)
disentangle summary zstandard verbose
1474 khb regress ihsnw_std2 i.black || ihsparinc ihsparnw [pw = ccwt], concomit(female)
disentangle summary zstandard verbose
1475 drop ihsnw_std*
1476
1477 *****
1478
1479 * KHB results for continuous outcomes *
1480 // standardizing continuous outcomes
1481 foreach y in ihsnw ihsinc ihsinc30 nwrnk incrnk incrnk30 maxeduc srh poormh {
1482     quietly sum `y' [aw = ccwt]
1483     gen `y'_std = (`y' - r(mean))/r(sd)
1484 }
1485
1486 foreach y in ihsnw ihsinc ihsinc30 maxeduc srh poormh {
1487
1488     di "Y: `y', no controls"
1489     khb regress `y'_std i.black || ihsparnw ihsparinc [pw = ccwt], concomit(female)
disentangle summary zstandard verbose
1490
1491     di "Y: `y', with controls"
1492     khb regress `y'_std i.black || ihsparnw ihsparinc $X [pw = ccwt], concomit(female)
disentangle summary zstandard verbose
1493 }
1494
1495 foreach y in nwrnk incrnk incrnk30 {
1496
1497     di "Y: `y', no controls"
1498     khb regress `y'_std i.black || ihsparnw ihsparinc [pw = ccwt], concomit(female)
disentangle summary zstandard verbose
1499
1500     di "Y: `y', with controls"
1501     khb regress `y'_std i.black || ihsparnw ihsparinc $X [pw = ccwt], concomit(female)
disentangle summary zstandard verbose
1502 }
1503
1504 * KHB results for binary outcomes *
1505 foreach y in own_age30 employed15hsgrad collgrad singpar partnered poorhealth chroncond {
1506
1507     di "Y: `y', no controls"
1508     khb logit `y' i.black || ihsparnw ihsparinc [pw = ccwt], concomit(female) disentangle
summary zstandard verbose ape
1509
1510     di "Y: `y', with controls"
1511     khb logit `y' i.black || ihsparnw ihsparinc $X [pw = ccwt], concomit(female) disentangle
summary zstandard verbose ape
1512 }
1513
1514 * standardized AMEs for binary outcomes *
1515 foreach y in own_age30 employed15 hsgrad collgrad singpar partnered poorhealth chroncond {
1516
1517     di "Y: `y', no controls"
1518
1519     // standardizing parent income & wealth
1520     quietly sum ihsparnw if `y'<. [aw = ccwt]
1521     quietly gen ihsparnw_std = (ihsparnw - r(mean))/r(sd)
1522
1523     quietly sum ihsparinc if `y'<. [aw = ccwt]
1524     quietly gen ihsparinc_std = (ihsparinc - r(mean))/r(sd)

```

```
1525
1526 // regression
1527 logit `y' i.black ihsparnw_std ihsparinc_std i.female [pw = ccwt]
1528
1529 // marginal effects
1530 margins, dydx(black ihsparnw_std ihsparinc_std)
1531
1532 di "Y: `y', with controls"
1533
1534 // regression
1535 logit `y' i.black ihsparnw_std ihsparinc_std i.female $X [pw = ccwt]
1536
1537 // marginal effects
1538 margins, dydx(black ihsparnw_std ihsparinc_std)
1539
1540 drop ihsparnw_std ihsparinc_std
1541 }
1542
1543 log close
1544
```