

## NON-TECHNICAL SUMMARY

### LIKE PARENT, LIKE CHILD: THE INTERGENERATIONAL TRANSMISSION OF OTHER-REGARDING PREFERENCES

#### ABSTRACT

This paper provides an evidence for the intergenerational transmission of other-regarding preferences and offers a new insight about where do these preferences come from. There are numerous studies about the importance as well as development of the other-regarding preferences. Many studies in psychology and recently in economics look at intergenerational transmission of various personal, economic and socio-economic characteristics. Nevertheless, there is no study up to date which combines two streams of literature and explores the intergenerational transmission of other regarding preferences. Using experimental data on children's and parents' behavior in four binary choice games, which allows for classifying subjects into altruistic, egalitarian and spiteful types, this paper attempts to provide such evidence.

The results show that:

- there is strong positive and significant correlation between children's and parents' other-regarding preferences.
- parents' parochial preferences strongly influence children's in-group favoritism and out-group hostility.
- children in large families and those born later tend to be more dissimilar with parents.
- child's gender does not affect the strength of transmission.
- there is positive assortative nature of marriage based on other-regarding preferences.

Later findings are in particular notable, because they indicate that the intergenerational correlation of other-regarding preference types is not solely due to genetic reasons in which case family structure should not have played a role. Rather, these results may suggest that parent's attempts, to socialize child by endowing social norms similar to their own, are of equal importance. Also positive assortative nature of marriage based on other-regarding preferences, could be an indication of the view, expressed in the cultural transmission models that individuals strategically marry in order to maximize the chances of preference transmission.

By documenting that children's other regarding preferences are strongly shaped by their parents' preferences, this study provides new perspective about where do these preferences come from. Even though the scope of this study is not to resolve the exact nature of transmission process, being it due to genetic reasons, family environment or due to socialization. However, this paper does provide some evidence that, along other mechanisms the socialization process may also take place. The findings also contribute to the literature of cultural transmission.

**Keywords:** Other-regarding preferences, parochialism, Intergenerational transmission, Cultural traits, Family economics, Assortative mating.