Intergenerational Returns to Migration Decisions: Evidence from Italian Migrants Worldwide

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Migration is often motivated by parents' aspirations to secure better opportunities for their children. By quantifying the returns to migration for migrants' children, this paper examines the extent to which international migration decisions are driven by an intergenerational investment motive. Using unique administrative data covering the universe of Italians living abroad, combined with cross-country survey data and a framework that corrects for selection bias, we estimate the causal effects of international migration on children's education, employment, and income prospects. We find substantial variation across destination countries: in some cases, migrant children attain lower levels of education than they would have in Italy, while in all destinations they enjoy higher employment probabilities and greater expected incomes, with especially large gains for women. Incorporating these estimates into a random utility model, we show that parents account for their children's future opportunities when choosing where to migrate. In particular, parents who migrate after having their first child are willing to sacrifice part of their own income gains to improve their children's prospects. Overall, our findings suggest that migration is not merely an individual economic decision, but a forward-looking investment in the next generation.