Revista Semestre Económico
Vol. 15, No. 1, Mes January-June, 2026
ISSN: 2072-0572 (Versión impresa) | 2523-0840 (Versión digital)
DOI. 10.26867/se.2026.v15i1.201, Pág. 70-95
http://semestreeconomico.unap.edu.pe/index.php/revista/index

ARTÍCULO ORIGINAL

# Analysis of Intergenerational Income Inequality in Spain

## Análisis de la desigualdad intergeneracional de ingresos en España

Cristina Naumova Bondarenko*

Universidad Rey Juan Carlos, Madrid, España; ORCID: https://orcid.org/0009-0007-1482-9206
*Correspondence to email: c.naumova.2019@alumnos.urjc.es

(Received November 20, 2025; accepted January 19, 2025)

**Abstract**
This paper analyzes intergenerational income inequality in Spain, paying particular attention to its historical evolution, explanatory factors, and the role of public policies and institutional frameworks in mitigating or stimulating it. Using indicators such as the Gini coefficient, the Lorenz curve, and the intergenerational elasticity of income, the persistence of inequalities of origin and their effects on social mobility are assessed. The consequences of the persistence of these gaps for social cohesion, the sustainability of the welfare state, and democratic stability are analyzed, proposing that reducing intergenerational inequality is not only a matter of social justice but also a fundamental requirement for sustainable development and long-term economic efficiency.

***Keywords:*** *intergenerational inequality, social mobility, income, welfare state, social cohesion, public policies, economic crises.*
**JEL Clas:** D31, D63, I24, J62, H55.

**Resumen**
Análisis de la desigualdad intergeneracional de ingresos en España, con especial atención a su evolución histórica, los factores explicativos y el papel que juegan las políticas públicas y los marcos institucionales en su mitigación o estímulo. A través de indicadores como el coeficiente de Gini, la curva de Lorenz y la elasticidad intergeneracional del ingreso, se evalúa la persistencia de las desigualdades de origen y sus efectos sobre la movilidad social. Se analizan las consecuencias de la persistencia de estas brechas para la cohesión social, la sostenibilidad del Estado del bienestar y la estabilidad democrática, proponiendo que la reducción de la desigualdad intergeneracional no solo es una cuestión de justicia social, sino también un requisito fundamental para el desarrollo sostenible y la eficiencia económica en el largo plazo.

***Palabras clave:*** *desigualdad intergeneracional, movilidad social, ingresos, Estado del Bienestar, cohesión social, políticas públicas, crisis económicas.*
**Códigos JEL:** D31, D63, I24, J62, H55.

## 1. Introduction

### *1.1 Interest of the study*

For decades, economists have shown a strong interest in analyzing the mechanisms that explain the persistence or disruption of wealth and living conditions across generations (Miquel Burgos et al., 2025). In other words, this line of research examines the degree of intergenerational social mobility, understood as an individual's capacity to change their status relative to that of their parents (Valero et al., 2018). Such status can be measured through different dimensions, such as educational attainment, income, or occupation, each of which requires specific indicators (Alonso et al., 2021; Arpi et al., 2024; Sumba et al., 2025). In this paper, the focus is placed on intergenerational income mobility, which reflects the extent to which parents' economic status conditions that of their children.

In recent years, numerous reports by international organizations have pointed out that the intergenerational transmission of inequality constitutes one of the main challenges to social cohesion and the sustainability of the Welfare State (Sánchez-Bayón, 2020, 2021). Spain, in particular, presents a context in which difficulties in accessing stable employment, housing, and youth emancipation reveal the persistence of significant barriers to social mobility (Doménech et al., 2024; Sastre et al., 2024). In order to promote equality of opportunity, public policies play a crucial role in fostering sustainable and inclusive growth within a country (Sánchez-Bayón, 2023, 2024). In practice, however, increasing mobility remains a major challenge across much of the world.

Every society should strive for equality of opportunity among its members, and intergenerational income equality is an important indicator of a country's success and social health. An increase in inequality can lead not only to social fragmentation, but also to a fragmentation of the functioning of the entire economy, which ultimately deteriorates the quality of institutions.

In this sense, analyzing this phenomenon not only makes it possible to understand the factors that perpetuate inequalities of origin but also to identify the limitations and possibilities of public policies aimed at reducing them. The relevance of this study is therefore justified by the need to provide empirical evidence and critical reflection on how new generations face a horizon of fewer opportunities, and on what responses can be designed within European and national frameworks to reverse this situation.

### *1.2 Objectives and hypotheses of the study*

This paper pursues a dual objective. On the one hand, it aims to provide a systematic analysis of intergenerational income inequality in Spain, paying attention to its evolution over recent decades and to the factors explaining its persistence. On the other hand, it seeks to examine the public policies developed at both national and European levels to address this challenge, with particular reference to initiatives such as the 2030 Agenda, the European Pillar of Social Rights, and the Next Generation EU programme (Sastre Segovia et al., 2024).

To this end, intergenerational income inequality among different age groups during the period 2002–2020 will be investigated and quantified. The analysis draws on data from the Survey of Household Finances conducted by the Bank of Spain and the Living Conditions Survey produced by the National Statistics Institute, applying measurement tools such as the Gini index. This approach provides a detailed view of the evolution of wealth according to household age, with particular emphasis on younger cohorts.

Based on these objectives, the following working hypotheses are proposed:

- Intergenerational income inequality in Spain has not declined significantly over recent decades, despite periods of economic growth.
- The public policies implemented have had partial and uneven effects, revealing shortcomings with regard to gaps in access to employment, housing, and education.
- European policy frameworks represent a relevant opportunity to promote more effective measures; however, their success will depend on the capacity of Member States—Spain in particular—to implement them in a coherent and sustained manner.

### *1.3 State of the art*

Intergenerational income inequality has attracted growing academic attention since the 1990s. Authors such as Gary Solon (1992) and Miles Corak (2013) developed the concept of intergenerational income elasticity as a key tool to measure the extent to which parents' income conditions that of their children. Empirical evidence shows that in countries such as Spain and Italy, this elasticity is relatively high, reflecting low levels of social mobility. Earlier contributions by Becker and Tomes (1979) introduced the idea that intergenerational transmission is not solely an economic phenomenon, but is also mediated by cultural, educational, and institutional factors.

In the Spanish context, several studies have confirmed that socioeconomic background remains a strong predictor of future income levels. Research by Sánchez Martín and García (2020) shows that intergenerational income elasticity in Spain is relatively high, placing the country among those with the lowest levels of social mobility in Europe. More recent studies, such as Soriano Muñoz and Gainza Barrenkua (2025), confirm this persistent trend.

A relevant factor highlighted by Bentolila and Jansen (2017) is the segmented structure of the Spanish labor market, characterized by high levels of job precariousness among young workers and elevated youth unemployment rates. This situation is compounded by difficulties in accessing housing, which hinder the economic independence of younger generations.

The literature also emphasizes that the 2008 financial crisis and the subsequent COVID-19 pandemic intensified generational gaps (Alonso et al., 2023; Arpi et al., 2024; Doménech et al., 2024; Miquel et al., 2025; Sánchez-Bayón, 2019, 2020, 2021; Sastre et al., 2024).

Moreover, as noted by authors such as Dolado and Garrido (2017), although educational attainment has increased across younger generations, opportunities for social mobility have not expanded at the same pace. This mismatch highlights the need to reconsider both economic growth models and the effectiveness of public policies.

Comparative literature shows that intergenerational income mobility varies significantly across countries. Data from Corak (2012) indicate that Nordic countries exhibit low intergenerational elasticity, suggesting higher levels of social mobility, whereas Southern European countries such as Spain and Italy display higher elasticity levels, reflecting a stronger dependence on family background.

International organizations such as the OECD (2018) and the World Bank (2018) have pointed out that intergenerational mobility largely depends on institutional design and the degree of public investment in education and social protection.

The European Commission (2017, 2021, 2023) and the OECD (2016, 2018) have published numerous reports emphasizing the need for active policies to curb the transmission of inequality. In particular, they stress investment in inclusive education, the promotion of quality employment, access to affordable housing, and social protection against labor and life-cycle risks.

In the Spanish case, initiatives linked to the 2030 Agenda, the European Pillar of Social Rights, and the Next Generation EU funds have been aimed at mitigating the effects of successive crises and laying the foundations for a more inclusive economic model. However, the literature suggests that the policies implemented to date have had a limited impact in reversing the mechanisms that reproduce intergenerational inequality.

## 2. Theoretical framework and background

### *2.1 Conceptualization and context*

Intergenerational income inequality refers to persistent differences in income levels across generations. This phenomenon is closely linked to intergenerational mobility and to the notion of equality of opportunity, as it reveals the extent to which the economic conditions of the family of origin shape children's prospects for well-being throughout their lives.

The term intergenerational mobility is understood as the ability of children to change their socioeconomic status relative to that of their parents. In other words, it measures the degree to which the social and economic position of one generation is transmitted to the next or, alternatively, can be altered or broken.

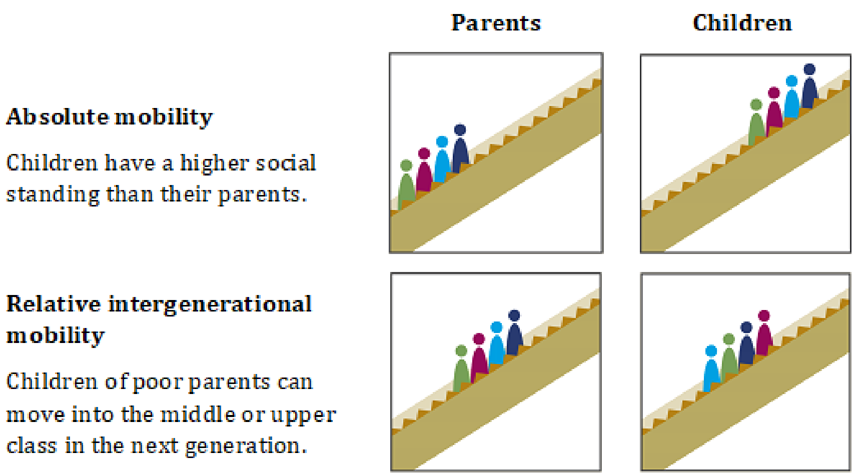
Intergenerational mobility and inequality are inversely related. When mobility is low, intergenerational inequality tends to be higher. This implies that children's opportunities depend largely on the resources and constraints of their parents. Thus, individuals from low-income households are less likely to improve their situation relative to that of their parents, thereby reproducing persistent patterns of social disadvantage. By contrast, higher levels of mobility indicate that family background has a weaker influence on future income and are associated with more equitable societies.

Within the theoretical literature, authors such as Roemer (1998) have introduced the concept of "equality of opportunity" as a framework for understanding social justice beyond mere income redistribution. Roemer distinguishes between inequalities arising from external circumstances, such as family background or place of birth, and those stemming from individual effort. This distinction is crucial for understanding why intergenerational inequality is particularly problematic, as it constrains individuals based on factors over which they have no control.

The literature also differentiates between two dimensions of mobility. On the one hand, absolute intergenerational mobility measures the extent to which one generation surpasses the living standards of the previous one. This concept indicates the probability that an individual will achieve higher income levels than their parents. On the other hand, relative intergenerational mobility focuses on the degree to which parents' socioeconomic status influences the position ultimately attained by their children. That is, it captures the extent to which individuals have a genuine opportunity to move up or down the social ladder relative to their origins.

The distinction between these two concepts can be illustrated more clearly in "Figure 1," whose source is a publication by the World Bank Group, authored by Narayan and Van der Weide (2018), among others.

**Figure 1.** Intergenerational mobility




Source: Narayan and Van der Weid (2018).

To better understand the two forms of intergenerational mobility, we can imagine a ladder in which each rung represents an individual's economic position over the course of their life. Two generations are placed on this ladder—referred to in the figure as "Parents" and "Children." Upward absolute intergenerational mobility refers to whether children, on average, occupy higher rungs than their parents. In other words, it measures whether the overall standard of living of the new generation improves relative to that of the previous one. By contrast, relative intergenerational mobility examines whether the position an individual attains on this ladder depends on the position previously occupied by their parents. Put differently, relative mobility exists when a child manages to reach a different rung than their parents compared to their peers.

Both concepts are distinct and exist independently, yet they are interrelated and can reinforce one another. Consider, for example, a situation in which an entire generation, comprising all its individuals, moves up three rungs relative to their parents' generation, but no one overtakes others within the same generation. In this case, there would be absolute mobility without relative mobility. This is what occurred in countries such as China or India during periods of rapid economic growth: incomes increased for almost everyone, while relative social positions changed very little.

The opposite situation can also occur. If individuals within a generation change rungs relative to their parents, but the rungs themselves correspond to the same levels occupied by the previous generation, then there is relative intergenerational mobility but no absolute mobility. In this case, the average standard of living in society remains unchanged.

As noted by Narayan and Van der Weide (2018), achieving greater equality of opportunity requires higher relative intergenerational mobility. Indeed, when a country exhibits high relative mobility, personal circumstances such as race, gender, or place of birth exert less influence on an individual's income. Conversely, when relative mobility is low, children's incomes are strongly conditioned by their parents' incomes. In a hypothetical country with perfect relative mobility, the chances of an individual born into a poor family achieving high income levels over their lifetime would be the same as those of an individual born into a wealthy family.

Both types of mobility—relative and absolute—are essential for economic progress and for meeting the broader aspirations of modern societies. Living standards will not improve in the absence of absolute mobility, and different social groups will be forced to compete over shares of an economic pie that is stagnant or even shrinking. At the same time, a lack of relative mobility generates inequalities that are transmitted from one generation to the next, leading to an underutilization of human potential and an inefficient allocation of resources.

One of the most widely used tools to measure intergenerational income inequality is the intergenerational income elasticity, which captures the extent to which parents' incomes influence their children's incomes in adulthood. Formally, it is defined as the coefficient linking a percentage change in parents' income to the corresponding percentage change in children's income. An elasticity close to zero indicates high intergenerational mobility: parents' incomes exert little influence on their children's outcomes, and economic opportunities depend more on individual effort and broader contextual factors than on family background. An elasticity close to one implies low intergenerational mobility: parents' incomes largely determine those of their children, and inequality tends to be inherited across generations. In metaphorical terms, intergenerational income elasticity indicates whether a country's "socioeconomic ladder" is rigid or flexible.

Intergenerational inequality cannot be separated from economic cycles and structural transformations in the labor market. In Spain, for example, individuals who entered the labor market during the 1980s and 1990s did so in a context of economic growth, greater job stability, and more accessible housing. By contrast, young people who entered the labor market after the 2008 financial crisis or during the COVID-19 pandemic have faced much harsher conditions: high youth unemployment rates, temporary or part-time contracts, and significant difficulties in achieving economic independence or accessing homeownership. This has given rise to the so-called "generational gap," whereby younger cohorts, despite often having higher levels of education than their parents, fail to attain comparable levels of income and socioeconomic stability.

This type of inequality has not only economic implications, but also political and social ones. A persistent gap between generations can lead to social tensions, declining trust in institutions, and a loss of social cohesion. Moreover, it shapes the design and effectiveness of public policies, particularly in areas such as education, taxation, pensions, and access to housing.

It is also important to distinguish intergenerational income inequality from other forms of inequality, such as intragenerational inequality, which refers to disparities within the same generation. Although these dimensions are interrelated, each involves distinct underlying dynamics.

In summary, intergenerational income inequality constitutes a key dimension of distributive justice and of the functioning of the social contract in modern societies. Its analysis requires consideration of both structural and institutional factors.

### *2.2 Literature review*

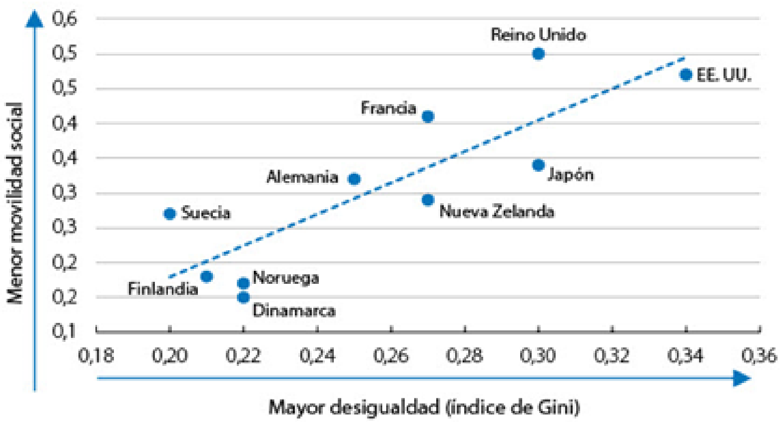
Intergenerational income inequality has received increasing attention in the economic literature over recent decades. Numerous authors have addressed this phenomenon from different perspectives, providing both theoretical models and empirical evidence to explain the causes, consequences, and persistence of inequality across generations.

One of the earliest contributions to the study of intergenerational economic mobility is the work of Becker and Tomes (1979), who provided the first theoretical foundations on intergenerational mobility. The authors argue that children's income outcomes depend on the investments made by their parents, family reputation, race, and other factors related to family background. Consequently, inequality tends to be higher in countries where family status is more strongly inherited.

Another prominent contributor is Solon (1992), who questioned the previous methodologies used to measure intergenerational income elasticity. He argued that many of these approaches underestimated the persistence of inequality due to measurement errors or limitations in longitudinal data. Solon proposed methodological improvements that allowed for more accurate estimations, concluding that intergenerational mobility was lower than previously believed, particularly in countries such as the United States.

The most widely cited reference in this field is Miles Corak (2013), who developed the concept known as the "Great Gatsby Curve." In a published study, Corak demonstrated the relationship between the level of income inequality in a country and the rigidity of intergenerational mobility.

**Figure 2. The "Great Gatsby Curve": relationship between inequality (Gini coefficient) and intergenerational income elasticity**




Source: CaixaBank Research.

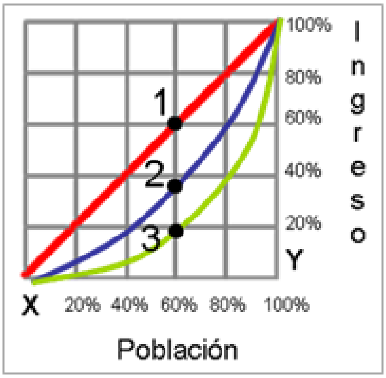
Corak used data from various OECD countries on a cohort of children born in the 1960s, measuring their economic outcomes in adulthood between the mid- and late 1990s. He plotted a curve in which the Gini coefficient, measuring income inequality within a society, is placed on the X-axis. Higher values indicate a greater concentration of income among a small share of the population. On the Y-axis, he placed intergenerational income elasticity, where higher values imply that parents' incomes largely determine their children's incomes.

The results revealed a positive correlation, indicating that societies with higher levels of inequality tend to exhibit more rigid intergenerational transmission of economic status. As a result, opportunities for upward mobility depend more on social origin than on individual merit, thereby deepening intergenerational disparities. In this context, intergenerational inequality reflects not only a distributive problem but also a structural failure in ensuring equality of opportunity. Within this framework, Nordic countries such as Sweden, Norway, and Denmark display low levels of inequality and high mobility, whereas the United States, the United Kingdom, and Italy show the opposite pattern. Spain occupies an intermediate position, with relatively high levels of intergenerational inequality.

Corak's model has been replicated and extended in numerous reports by institutions such as the OECD (2018), and its methodology has been applied by other researchers, such as Chetty et al. (2014), who examined the relationship at the regional level within the United States. Their findings showed that the same pattern holds at smaller geographical scales: cities and regions with higher inequality tend to exhibit lower levels of upward social mobility. Although the Great Gatsby Curve is widely accepted, it has also been subject to criticism. Some scholars argue that intergenerational income elasticity does not fully capture the complexity of individual life trajectories, as it focuses solely on income and neglects other dimensions of well-being, such as education, health, or emotional stability.

The literature has also employed other graphical tools to analyze economic inequality. One of the most classical instruments is the Lorenz curve, developed by Lorenz (1905).

**Figure 3. The Lorenz Curve**




Source: economipedia.com

This curve represents the cumulative distribution of income relative to the cumulative proportion of the population. The red diagonal line (45°) represents a perfectly equal distribution: at point 1, the poorest 60 percent of the population holds 60 percent of total income. The further the curves deviate from the line of perfect equality, the greater the level of inequality. At point 2, the same proportion of the population would have access to only 40 percent of total income, while at point 3, located on the curve furthest from the diagonal, this share is even lower, at 20 percent. The Gini coefficient, derived from this curve, is calculated as the area between the line of perfect equality and the actual distribution curve, divided by the total area under the line of equality. It is a key indicator in inequality studies and has been widely used to contextualize differences across generations.

Among Spanish studies, the work of Brunet and Medrano (2021) stands out. These authors analyze how the segmentation of the Spanish labor market limits young people's opportunities for upward mobility, thereby contributing to the consolidation of an intergenerational gap.

Other authors argue that educational policies play a central role in shaping equality of opportunity. Sánchez Hugalde (2004) focuses on intergenerational educational mobility, examining the correlation between the educational attainment of children and that of their parents. When this correlation is high, it indicates that the educational achievement of one generation largely determines that of its descendants, resulting in low levels of social mobility.

Similarly, international organizations such as the OECD (2018) and the European Commission (2022) have highlighted Spain's low intergenerational mobility compared with other European Union countries. According to their reports, education and the intergenerational transmission of family cultural and economic capital remain decisive factors in access to well-paid employment and wealth accumulation, thereby reproducing inequality across generations.

Overall, both the international and Spanish literature agree that intergenerational inequality is not merely a consequence of economic differences between generations, but rather a reflection of social and economic structures that constrain mobility. The analysis of this phenomenon must therefore take into account both macroeconomic factors and institutional dynamics that influence the transmission of opportunities and resources across generations.

## 3. Evolution of intergenerational income inequality in Spain

### *3.1 Institutional context*

The analysis of intergenerational income mobility cannot be understood in isolation; rather, it must be situated within its institutional framework. In the Spanish case, two areas are particularly decisive: the labor market and the housing market.

With regard to the labor market, the 1984 Labor Reform represented a turning point, as it introduced greater flexibility in hiring practices and generalized the use of temporary contracts, with the aim of creating employment and reducing the high unemployment levels of the time. However, this reform also led to pronounced labor market duality: on the one hand, workers with stable employment and strong protection, and on the other, large segments of the workforce—especially young people—exposed to temporary contracts, low wages, and higher unemployment risks. During the following decade, according to studies on the Great Recession, such as Bentolila (2017), 95 percent of new contracts were temporary, which helps explain the labor precariousness that particularly affected younger cohorts.

Over recent decades, this dynamic has intensified. The probability that a temporary contract would be converted into a permanent one has historically been low, and Spain has consistently recorded one of the highest youth unemployment rates in the European Union (OECD, 2007). In addition, many young workers face overqualification, as they are employed in occupations below their level of educational attainment. All these factors limit their capacity to accumulate income and work experience, which are key elements for improving socioeconomic position over the life cycle. Unlike Spain and other Southern European countries, Northern European countries opted to implement alternative labor market policies based on part-time but non-temporary contracts, which allowed individuals to combine work and study while fostering employability through greater opportunities for job continuity within firms.

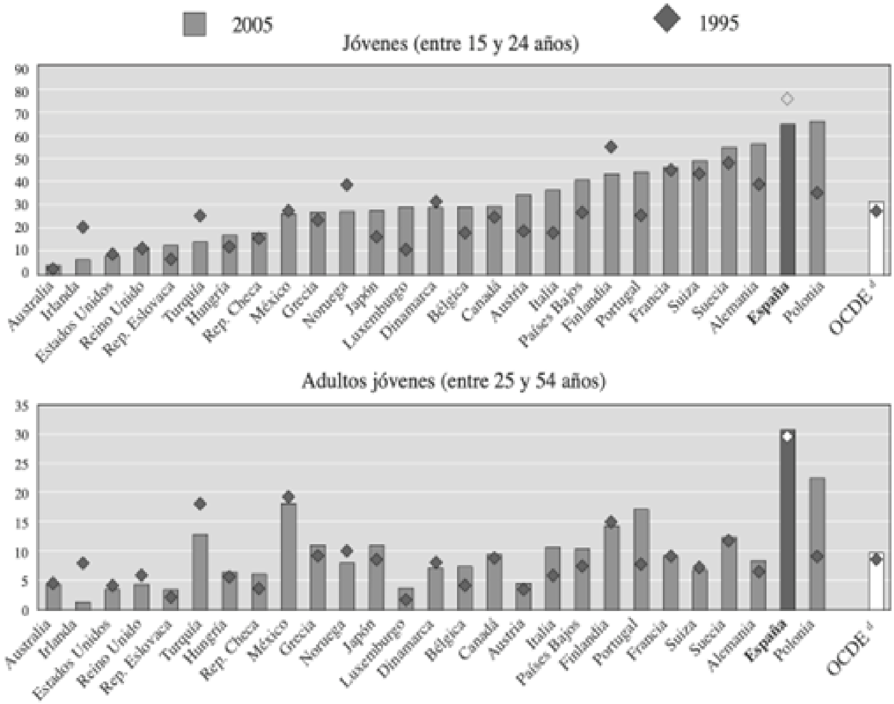
On the other hand, the housing market has played a central role in the reproduction of inequality. The period from 2000 to 2008 was characterized by a housing boom fueled by cheap credit and the absence of effective public housing policies. While this facilitated widespread access to homeownership, it also generated high levels of household indebtedness. After the housing bubble burst, financing conditions tightened and access to housing became more restrictive, particularly for young households. At the same time, the limited supply of affordable rental housing and rising prices delayed residential independence, reinforcing the "familistic" model characteristic of Southern Europe, in which the family acts as a safety net in the absence of sufficient state support.

In sum, the combination of a highly segmented labor market and an increasingly inaccessible housing market has constrained opportunities for upward social mobility among younger generations in Spain.

### *3.2 Evolution of inequality between 2000 and 2023*

The study of intergenerational income inequality in Spain requires an empirical approach supported by multiple statistical sources. At the national level, the most relevant datasets include the Survey on

**Figure 4.** Temporary employment among young people and young adults, 1995 and 2005




Source: OECD. Youth Employment: Spain (2007).

Living Conditions conducted by the National Statistics Institute (INE) and the Survey of Household Finances produced by the Bank of Spain. At the international level, the Organisation for Economic Co-operation and Development (OECD) and Eurostat provide useful comparative evidence on inequality and intergenerational mobility.

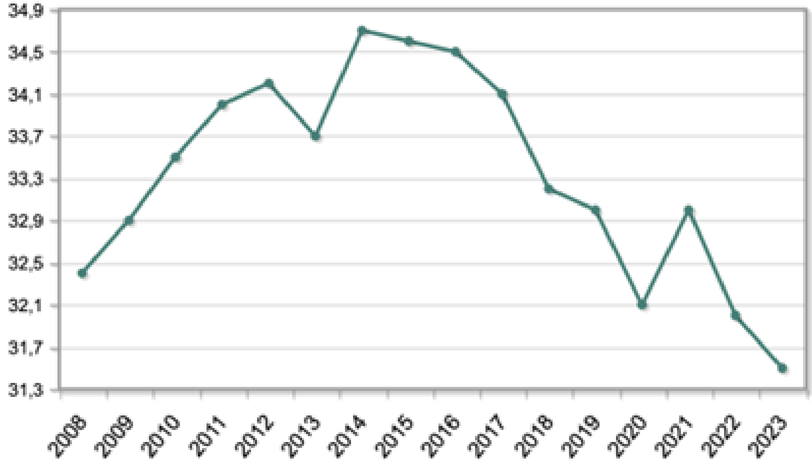
As previously indicated, the Gini index is one of the most widely used indicators to quantify income inequality, where a value of 0 represents perfect equality and a value of 100 indicates maximum inequality. In Spain, its evolution over the last two decades reflects the strong influence of economic cycles, financial and health crises, as well as the capacity of public policies to mitigate their impact on households. The main phases are described below.

During the early years of the 21st century (2000–2007), the Spanish economy experienced a strong period of economic growth, supported by the real estate boom, easy access to credit, and integration into the euro area. Throughout this period, the Gini index remained relatively stable, fluctuating between 31.5 and 32.4.

This stability can be explained by several factors, including a significant reduction in the unemployment rate, which fell from 13.9 percent in 2000 to less than 8 percent in 2007 (INE). In addition, average wages increased and employment expanded, particularly in the construction and service sectors. Millions of foreign workers entered the labor market, although they were predominantly employed in low-skilled occupations.

Despite this apparent stability, economic growth did not lead to a substantial reduction in structural inequality, as its benefits were unevenly distributed. Adults aged 30 to 50 benefited the most from the economic expansion, gaining access to homeownership and rising wages. By contrast, although employment rates among young people aged 16 to 29 improved, jobs remained largely precarious and temporary. Nevertheless, the real estate boom facilitated relatively broad access to the labor market for

**Figure 5.** Gini coefficient in Spain between 2008 and 2023



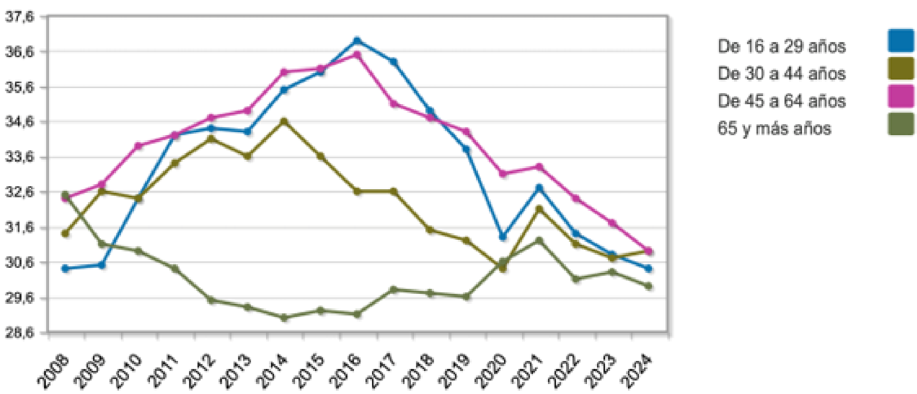

Source: Own elaboration based on data from the National Statistics Institute.

this group. Income inequality among individuals aged 65 and over was comparatively lower, due to the stability of the pension system, which acted as a buffer against labor market volatility.

The financial crisis of 2008 and the subsequent collapse of the housing bubble in Spain marked a clear turning point. The Gini index reached its historical peak of 34.7 in 2014.

During this period, the unemployment rate exceeded 26 percent in 2014, with a particularly severe impact on young people and low-skilled workers. Youth unemployment rates surpassed 55 percent in 2013. Many individuals became trapped in precarious employment or emigrated, which further widened inequality between younger and older households. Job losses were concentrated in low-productivity sectors, disproportionately affecting low-income households. Older cohorts remained in a relatively better position, as pensions largely maintained their real value, turning this group into a key source of economic support for many families.

**Figure 6.** Gini coefficient by age group in Spain between 2008 and 2023




Source: Own elaboration based on data from the National Statistics Institute.

A slight temporary decline in the index occurred in 2013, before rising again in 2014. This decrease was due to the fact that many households began to receive unemployment benefits, minimum income schemes, and family allowances, which had a certain cushioning effect. However, many long-term unemployed individuals exhausted their contributory benefits, and policy-driven cutbacks to the welfare state reduced social transfers, increasing pressure on the most vulnerable households.

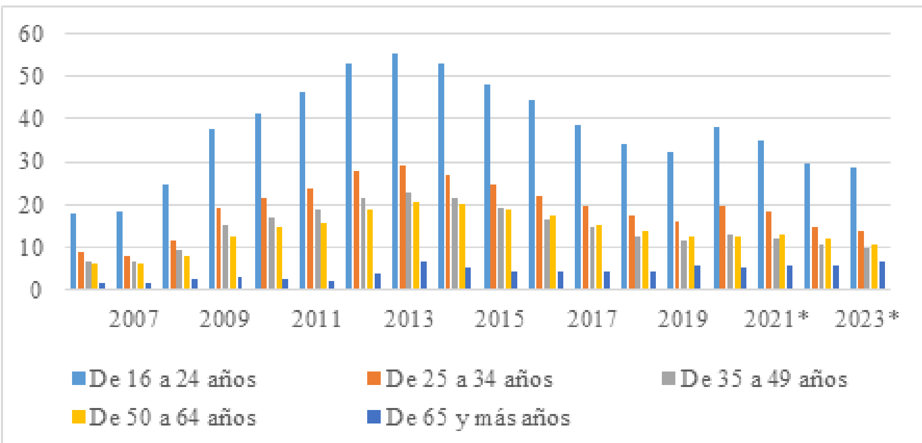
Following the Great Recession, the labor market gradually recovered between 2015 and 2019, although employment growth was largely characterized by part-time and temporary jobs. A significant share of new employment was of low quality, with stagnant wages and temporary contracts, which prevented a deeper reduction in inequality. At the same time, access to housing became more expensive, increasing wealth inequality. Nevertheless, some minimum pensions and family benefits were strengthened.

The outbreak of the COVID-19 pandemic in 2020 generated an unprecedented shock. The Gini index increased to 33.0 in 2020, as entire sectors—such as hospitality, tourism, and retail trade—were shut down, and households differed significantly in their ability to telework. However, unlike during the Great Recession, the state implemented more extensive protection policies that mitigated the impact, benefiting particularly adults with stable employment: short-time work scheme (ERTEs), the Minimum Vital Income, and the reinforcement of social transfers and health expenditure.

As a result of these interventions, the Gini index quickly returned to 32.0 in 2021, recovering pre-pandemic levels. Once again, pensions for older cohorts acted as an effective buffer, maintaining relatively low levels of inequality.

In the post-pandemic context (2022–2023), marked by the war in Ukraine and rising energy and food prices (Sánchez-Bayón, 2023; Domenech et al., 2024), the Gini index has remained stable at around 32.0–32.2. This stability reflects the strong recovery of the labor market, which in 2023 reached one of the lowest unemployment rates since 2008. Redistributive policies—such as increases in the statutory minimum wage, social bonuses, and anti-inflation support measures—have helped mitigate the regressive effects of rising prices.

**Figure 7.** Unemployment rate by age group in Spain, 2006–2025




Source: Own elaboration based on data from the National Statistics Institute.

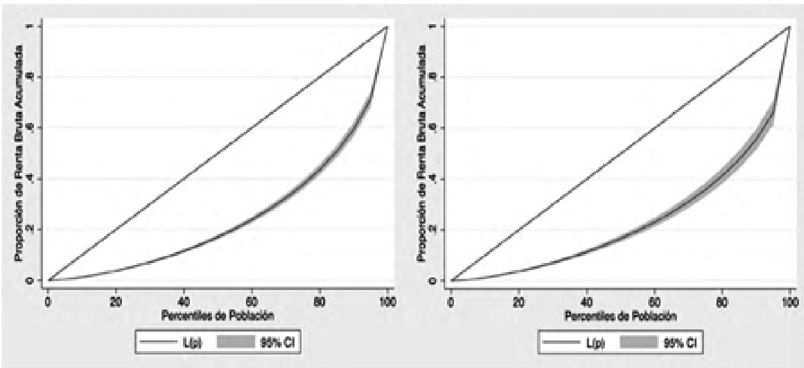
Youth unemployment during this period declined to 27%. However, the main challenge faced by younger cohorts is no longer employment per se, but rather inflationary pressures and access to housing. These factors widen wealth inequalities and constrain social mobility. By contrast, due to pension indexation mechanisms, older age groups have been among the most protected against inflation. In many households, pensions continue to support several generations simultaneously.

## 4. Interpretation through the Lorenz curve

### *4.1 General considerations*

As previously indicated, the Lorenz Curve is one of the most widely used graphical tools for analyzing income inequality, as it complements the Gini index by visually illustrating the distance between the actual income distribution and a hypothetical perfectly equal distribution.

**Figure 8.** Lorenz Curve of gross income distribution, 2002–2020




Source: Soriano Muñoz and Gainza Barrenkua (2025).

A movement of the Lorenz Curve away from the line of perfect equality indicates an increase in the concentration of wealth or income, and therefore greater inequality. In this figure, a rightward and slightly downward shift of the curve can be observed, suggesting that since 2002 the wealthiest population percentiles have experienced higher growth in gross income and accumulated more wealth relative to the rest of the population.

In the Spanish case, the evolution of the Lorenz Curve over the past two decades shows a broadly similar pattern, indicating that the long-term distributive structure has not undergone a radical transformation, although a slight deterioration in income distribution can be observed.

### *4.2 Intergenerational income elasticity*

Intergenerational income elasticity (IGE) is one of the key indicators of social mobility, as previously discussed, as it measures the extent to which parents' income levels determine those of their children in adulthood. Formally, it is defined as the coefficient that relates a percentage change in parents' income to the expected percentage change in their children's income. In other words, IGE reflects the degree to which the "socioeconomic ladder" of a country is rigid or flexible.

An elasticity close to zero indicates high intergenerational mobility: parents' incomes have little influence on their children's incomes, and economic opportunities depend more on individual effort and contextual factors than on family background. By contrast, an elasticity close to one implies low intergenerational mobility, meaning that parents' incomes largely determine those of their children, thereby perpetuating inequality across generations.

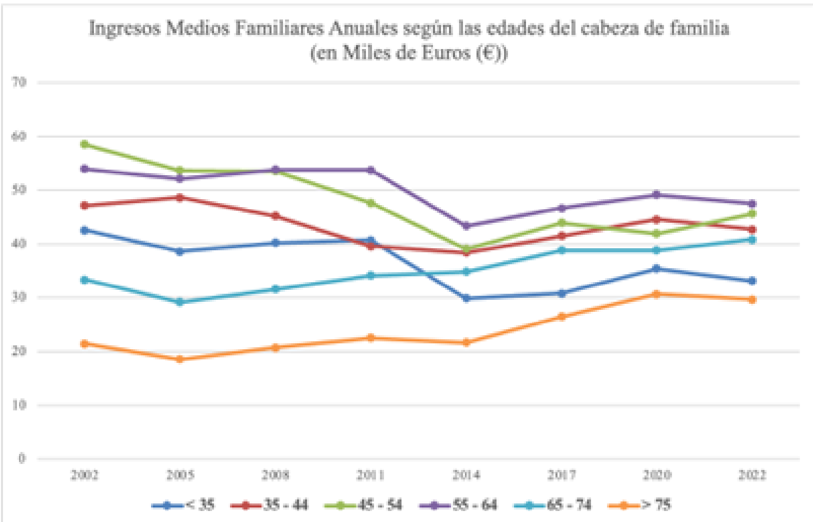
In Spain, the precise measurement of IGE is constrained by the lack of longitudinal datasets that track parents' and children's incomes within the same samples. Studies by the OECD (2018) and authors such as Corak (2013) place Spain in an intermediate position in the international context. While Nordic countries such as Denmark, Norway, and Finland exhibit elasticities of around 0.2–0.25, reflecting high mobility, Spain and other Southern European countries tend to display higher values, around 0.4–0.5. This indicates lower intergenerational mobility and a stronger transmission of inequality. In practical terms, this implies that in Spain approximately 40% to 50% of income differences between parents are transmitted to their children, reflecting significant difficulty in overcoming socioeconomic conditions of origin.

### *4.3 Evolution across generations*

According to data from the Living Conditions Survey and the Household Finance Survey, since the early 2000s up to 2022, households headed by individuals under the age of 35 have experienced a decline in income of 22%. Another group significantly affected is households headed by individuals aged between 45 and 55, which have recorded a reduction of 22.1%. By contrast, households headed by individuals aged over 65 have maintained or even improved their relative position, owing to the stability of pensions and greater wealth accumulation. Households headed by individuals aged between 65 and 75 experienced an increase of 22.5% over the same period, while those headed by individuals aged over 75 saw an increase of 38.3

This generational gap is particularly revealing: while older cohorts consolidate their position thanks to stable pensions and accumulated wealth, younger cohorts increasingly start out with fewer resources and face more obstacles to upward mobility. In the author's view, this evidence should be placed at the center of the political debate, as it reflects a fracture that jeopardizes the sustainability of the intergenerational social contract.

**Figure 9.** **Average household income by age of the household head (thousands of euros)**




Source: Own elaboration based on the Household Finance Survey (EFF).

### *4.4 Explanatory factors behind the evolution*

The evolution of intergenerational income inequality in Spain cannot be understood without considering a set of structural factors that have affected different age groups unevenly. These factors, ranging from macroeconomic transformations to changes in the labor market and demographic structure, have shaped a landscape in which economic opportunities and social mobility differ significantly among young people, prime-age adults, and older individuals. Overall, these dynamics have disproportionately benefited older age groups, consolidating their income levels and wealth, while younger cohorts and middle-aged adults have faced higher risks of precarity, unemployment, and wealth-related constraints. The outcome is a growing intergenerational gap in which family background and intergenerational wealth transfers play an increasingly decisive role in shaping individuals' life chances. This reality raises concerns not only regarding distributive justice, but also about the long-term sustainability of the social pact.

## 5. Analysis of economic crises

### *5.1 Preliminary considerations*

The two major recent crises: the 2008 financial crisis and the crisis derived from the COVID-19 pandemic in 2020, have had profound effects on the intergenerational distribution of income. The collapse of employment during the Great Recession primarily affected young and middle-aged workers holding temporary contracts, as well as adults employed in sectors highly exposed to the construction and service industries. By contrast, older individuals, particularly pensioners, experienced greater relative stability, as their income was protected by the pension system, although in real terms they lost purchasing power due to inflation.

The pandemic triggered an abrupt halt in economic activity. Young people were severely affected in sectors such as hospitality, retail, and leisure, while adults with family responsibilities also experienced substantial income losses, which were only partially offset by public policies such as short-time work scheme (ERTEs). Older cohorts, once again, maintained a certain degree of stability thanks to pensions; however, increased mortality and pressure on the healthcare system revealed additional vulnerabilities.

### *5.2 Labor market*

The Spanish labor market is characterized by a high degree of segmentation. Young workers face high rates of temporary employment and job turnover, which limits the accumulation of tenure and wage growth. Prime-age adults (35–54 years), although more likely to hold permanent contracts, were also affected by the adjustments following the 2008 crisis, which led to job losses in sectors such as construction and manufacturing. Individuals aged over 55 have been less likely to lose their jobs during economic downturns; however, when they do, reintegration into the labor market is particularly difficult, often resulting in early retirement or long-term unemployment.

### *5.3 Education*

Educational attainment in Spain has improved significantly over recent decades: younger generations exhibit substantially higher levels of tertiary education than older cohorts. However, this progress has not translated proportionally into higher income levels. The mismatch between educational attainment and labor market opportunities constitutes a key driver of intergenerational inequality.

Highly educated young individuals frequently find themselves employed in jobs below their qualification level. By contrast, adults with lower levels of education—particularly among older cohorts—have at times benefited from stable employment in expanding sectors (such as construction during the 2000s), which allowed them to maintain relatively high income levels without the need for higher education. In the case of retired older individuals, educational attainment was generally lower, yet the pension system has enabled them to maintain more homogeneous and stable income levels relative to their employment histories.

### *5.4 Inheritances and wealth transfers*

The importance of inheritances and intergenerational family transfers has intensified over recent decades. Older generations constitute the main source of wealth transmission through inheritances and inter vivos gifts, which enable some young individuals to overcome barriers to accessing homeownership or starting their own businesses.

However, this support is not evenly distributed, as it depends on the economic status of families, thereby widening inequalities of origin. Individuals from households with lower levels of wealth are less likely to receive such support, thus inheriting intergenerational inequality and facing more limited opportunities for upward mobility.

### 5.5 *Housing*

The housing market represents one of the main drivers of intergenerational inequality. This factor has reinforced a wealth gap in which young people increasingly depend on intergenerational transfers—such as inheritances or donations—to gain access to housing, thereby strengthening the role of family background in shaping life trajectories.

While young cohorts face growing difficulties in accessing homeownership, middle-aged adults who purchased housing prior to the surge in prices (during the 1990s and 2000s) have experienced substantial appreciation in their real estate assets. This has increased their net wealth and reinforced their relative economic position. Retired older individuals largely own their homes, which provides residential stability and constitutes a transferable asset for subsequent generations.

### 5.6 *Public policies and redistribution*

Social protection policies have produced differential effects across generations. The pension system has largely safeguarded the income of older individuals, which helps explain why their relative poverty rate is lower than in many other European countries. In contrast, active labor market policies and youth support measures have been more limited and fragmented, resulting in a weaker redistributive impact.

During the pandemic, instruments such as short-time work schemes (ERTEs) and the Minimum Living Income demonstrated the State's capacity to contain abrupt increases in inequality. However, these measures did not alter the underlying structural dynamics that sustain intergenerational disparities.

## 6. Public policies and institutional frameworks

### 6.1 *Factors driving public intervention in response to intergenerational income inequality*

Intergenerational income inequality does not depend solely on economic or cyclical factors, but also on the design of public policies and the role of institutional frameworks that shape opportunities for social mobility.

Intergenerational income inequality has gained increasing prominence in academic and political debates, particularly in contexts where younger generations face less favorable conditions than previous cohorts. Concern about this phenomenon has motivated the implementation of public policies aimed at improving intergenerational equity.

One of the most decisive factors behind this growing attention has been the proliferation of studies demonstrating the stagnation of intergenerational mobility in many countries. Authors such as Corak (2013) and Solon (1992) have shown that parental income continues to strongly determine children's future earnings. In Spain, studies by Sánchez Martín and García (2023) provide evidence that socioeconomic background remains a powerful predictor of future income. This suggests that intergenerational inequality results in largely predetermined life trajectories. In this context, public policy must ensure that education and employment function as genuine social elevators.

Younger generations, particularly millennials and Generation Z, face greater difficulties in accessing the labor market, achieving residential independence, or purchasing housing, despite having higher educational attainment than their parents. This situation has fueled a perception of generational decline, according to which today's young people are expected to enjoy worse living conditions than previous generations. Moreover, social movements related to climate change, pensions, and access to housing have gained visibility and influence, especially in the post-2008 crisis period and following the COVID-19 pandemic.

Intergenerational inequality poses significant risks to the sustainability of the welfare state. If younger cohorts experience lower and more unstable incomes, their capacity to contribute through taxes and social security contributions is reduced, thereby jeopardizing the financing of pensions, healthcare, and education. Improving the economic situation of younger generations is therefore not only a matter of social justice, but also a prerequisite for the viability of the welfare model. Ensuring stable labor trajectories is essential to safeguarding the future of public systems.

Commitments undertaken by states within international organizations have also been a key driver of public policies aimed at addressing intergenerational inequality. The United Nations' 2030 Agenda for Sustainable Development establishes, through Sustainable Development Goal 10, the need to reduce inequalities within countries, including intergenerational inequalities. Likewise, the European Union, through the European Pillar of Social Rights and the Next Generation EU funds, has promoted specific measures to improve access to employment, education, digitalization, and housing for young people. Spain, as a member state, adopts these policies not only out of normative commitment but also because European convergence acts as a lever for internal modernization. The main challenge lies in ensuring that these measures move beyond broad declarations and generate tangible improvements in young people's daily lives.

The persistence of intergenerational inequalities erodes trust in institutions and fuels political polarization. When young people perceive that they lack opportunities to improve their situation, disenchantment often translates into lower civic participation or the rise of populist narratives that capitalize on social discontent. In this sense, guaranteeing social mobility is not only a matter of justice, but also one of democratic stability. A system perceived as unfair inevitably generates social contestation.

Research has shown that poverty tends to be transmitted across generations in the absence of effective public mechanisms to counteract it. Consequently, investment in education, healthcare, social services, and access to decent housing becomes an indispensable tool for breaking this cycle. This perspective has been strongly promoted by institutions such as the OECD and the World Bank, which advocate "equality of opportunity" approaches as a cornerstone of sustainable development. Investment in human capital is the most powerful instrument against inequality. Nevertheless, in Spain, educational gaps linked to socioeconomic background persist and continue to shape the future labor and wealth prospects of young people.

Finally, intergenerational inequality also represents a problem of economic efficiency. When family background conditions access to opportunities, a significant share of society's available talent is wasted. This argument, common in liberal and neoclassical economic literature, emphasizes that equity is not only ethically desirable but also economically efficient, as it improves the allocation of human resources and increases aggregate productivity. Equity is not incompatible with economic growth; on the contrary, it is a necessary condition for it. A country that fails to harness the talent of its youth ultimately limits its own long-term competitiveness and well-being.

### *6.2 Measures adopted in Spain*

In Spain, the welfare state has developed a range of instruments aimed at mitigating inequalities of origin, although their outcomes have been uneven across policy areas.

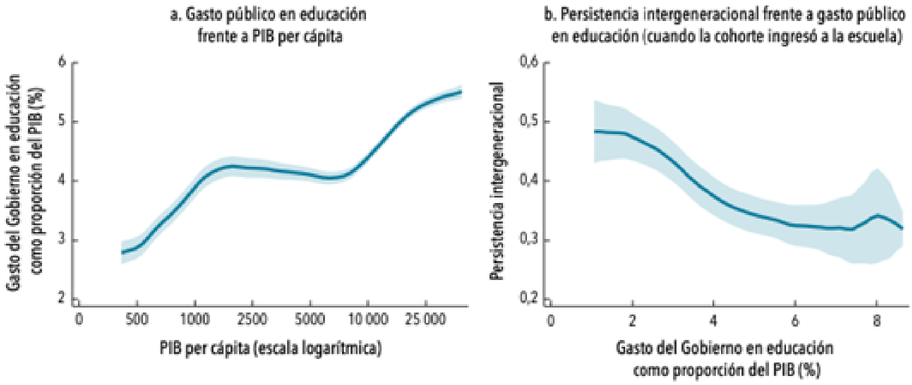
#### a) Education

Education is one of the most decisive factors in explaining differences in intergenerational mobility. A broad consensus among economists holds that investment in human capital is one of the most effective tools for breaking the intergenerational transmission of inequality. Through education, individuals acquire skills that improve their labor market insertion, facilitate access to higher-quality jobs, and increase lifetime earnings, thereby reducing the weight of family background on economic outcomes.

The international literature emphasizes that public spending on education, while not sufficient on its own to guarantee an automatic increase in social mobility, does create more favorable conditions for achieving it. Narayan and Van der Weid (2018, p. 19) show that there is a positive correlation between public expenditure on education, measured as a proportion of GDP, and relative intergenerational mobility in education. According to the authors, increased public investment reduces the intergenerational income elasticity, thus fostering greater intergenerational mobility.

This mechanism can compensate for disparities in families' private resources and thereby expand opportunities for children from lower-income households. However, the authors also warn that the volume of spending, while necessary, is not sufficient: the quality of educational policies and equity in access to resources are equally decisive elements.

**Figure 10. Influence of public education expenditure on intergenerational elasticity**




Source: Ambar Narayan and Roy Van der Weid (2018).

In Spain, since the 1980s, the universalization of compulsory education and the expansion of secondary and higher education have contributed to reducing long-standing inequalities. Education reforms such as the LOE (2006), LOMCE (2013), and LOMLOE (2020) have aimed to modernize the system and improve equity, although the frequent legislative changes have generated a certain degree of institutional instability.

Scholarships and student grants, particularly those administered by the Ministry of Education, have been a central instrument for ensuring access to university education for students from disadvantaged backgrounds. Educational reinforcement plans and programs aimed at reducing early school leaving, such as Plan PROA+, target the most vulnerable groups. Despite these efforts, Spain continues to exhibit high levels of early school leaving (13.6% in 2023, according to Eurostat), which constrains intergenerational mobility among lower-income households.

Overall, education can be considered the most important "gateway" to greater equality of opportunity. However, for it to fully play this role, it must be combined with redistributive and inclusion-oriented policies that ensure all young people, regardless of their background, can benefit under comparable conditions.

### b) Youth employment

Access to employment is another key factor in the intergenerational transmission of income. In Spain, young people have been particularly vulnerable over recent decades, both during the Great Recession and the crisis triggered by COVID-19. One of the main policy responses has been the Youth Guarantee Plan (introduced in 2014 and renewed in 2021), co-financed by the European Union, which aims to provide training, internships, or employment to young people under the age of 30. Its impact has been moderate, as it has not consistently translated into stable employment contracts.

The 2012 labor market reform (Royal Decree-Law 3/2012) increased labor market flexibility but also contributed to greater job insecurity, while the 2021 reform (Law 32/2021) sharply reduced temporary hiring by promoting permanent and discontinuous permanent contracts. Hiring subsidies for the permanent employment of young workers, particularly in small and medium-sized enterprises and among the self-employed, have also been implemented. Nevertheless, Spain continues to record one of the highest youth unemployment rates in Europe (27.4% in 2023, according to Eurostat), which severely constrains the economic autonomy and upward mobility of younger generations.

**c) Housing**

Housing is one of the most critical factors in the reproduction of intergenerational inequalities in Spain. While in previous decades access to homeownership was relatively affordable, since the 2000s, rising prices and the scarcity of affordable rental housing have created significant barriers.

Among the policies adopted, the State Housing Plan, periodically renewed, includes rental assistance for young people and vulnerable groups. The Youth Rental Bonus (2022), which provides up to €250 per month for two years to tenants aged between 18 and 35 with low incomes, represents a notable initiative. Publicly subsidized housing has also been promoted, although to a much lesser extent than in other European countries. In addition, the Right to Housing Law (2023) introduced measures such as the regulation of so-called "stressed areas" and limits on rent increases. Despite these initiatives, housing remains a structural obstacle to social mobility.

**d) Taxation and redistribution**

The tax and transfer system constitutes the main redistributive instrument of the state. In Spain, however, its capacity to reduce inequality is moderate compared to the EU average. Direct taxes, particularly personal income tax (IRPF), and monetary transfers such as pensions, unemployment benefits, and family allowances reduce the Gini coefficient, but the magnitude of this reduction is significantly greater in Nordic countries. Concerning the taxation of wealth and inheritances remains limited. Although Spain levies a Wealth Tax and an Inheritance and Gift Tax, both are highly decentralized across autonomous communities, some of which have effectively reduced their application to near zero. This institutional design favors wealth accumulation and constrains intergenerational mobility. Overall, fiscal policies have had some success in cushioning inequalities, but they have failed to bring about a structural change in the persistence of intergenerational income disparities.

## 7. Proposals and the European approach

### *7.1 General considerations*

Intergenerational income inequality is not a phenomenon specific to Spain, but rather a shared challenge across Europe. Developments over recent decades show that, despite advances in social cohesion, family background continues to strongly condition opportunities for upward mobility. During the economic growth phase of the 2000s, the enlargement towards Eastern Europe generated an atmosphere of optimism, but it did not succeed in reversing income gaps. With the financial crisis of 2008, these inequalities intensified: young people were the most severely affected, facing record unemployment, increased precariousness, and growing difficulties in achieving economic independence.

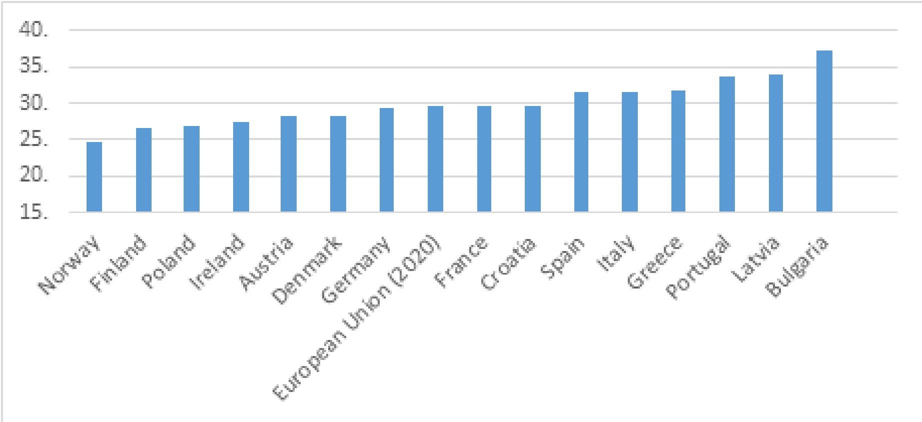
The impact of the COVID-19 pandemic further exacerbated these dynamics, exposing the vulnerability of younger generations. In this context, the European Union has assumed a central role as a driver of policies aimed at intergenerational equity, deploying instruments designed to strengthen the welfare state, promote youth employment, and enhance territorial cohesion. Spain, particularly exposed to crises in youth employment and housing, has become a testing ground for these policies.

Among the main reference frameworks are the United Nations 2030 Agenda, the European Pillar of Social Rights, and the Next Generation EU program, which have guided both the EU agenda and national strategies. All of them share a common objective: to reduce the intergenerational transmission of inequality and to ensure that young people's future is not rigidly determined by their socioeconomic background.

From a comparative perspective, Eurostat data shows that in 2023 the EU Gini coefficient stood at 31.5, with higher values in countries such as Bulgaria, Lithuania, and Latvia, and lower levels in Northern Europe. Spain occupies an intermediate-to-high position, with inequality levels above the EU average but far from the most extreme cases observed in Eastern Europe.

In labor market terms, although European unemployment reached historic lows in July 2025, Spain remains among the EU countries with the highest unemployment rates, at 11.5%, compared to an EU average of around 6%. In countries such as Germany or Poland, unemployment is relatively low,

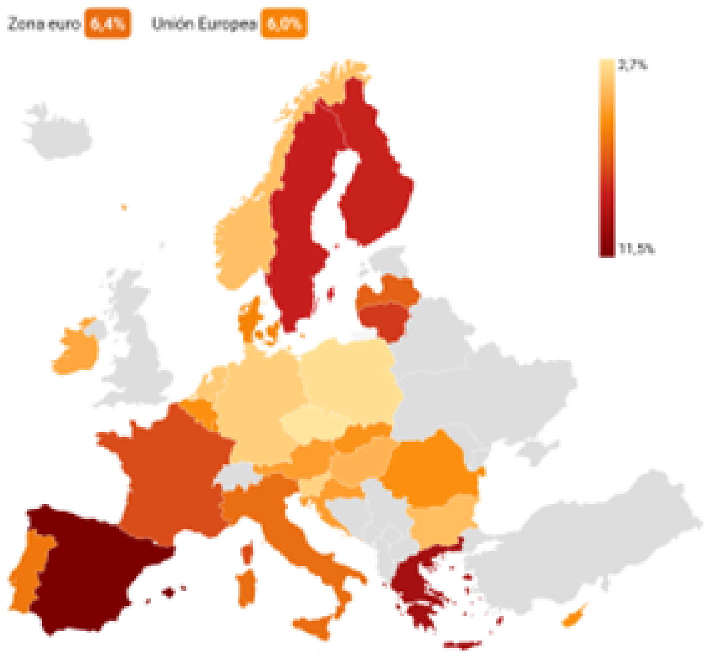
**Figure 11.** Gini coefficient in the EU, 2023




Source: Own elaboration based on Eurostat.

whereas in Spain and Greece it more than doubles the European average. The situation of young people remains particularly fragile: in June 2025, the youth unemployment rate in the EU stood at 14.7%.

**Figure 12.** Unemployment rate in Europe, 2025




Source: Eurostat, visualized using Datawrapper.

This chapter analyzes three major European instruments—the 2030 Agenda, the European Pillar of Social Rights, and Next Generation EU—which, in different ways, are proposed as pathways to mitigating intergenerational inequality.

### 7.2 The 2030 Agenda

The 2030 Agenda for Sustainable Development, adopted by the United Nations General Assembly in 2015, constitutes a global framework for action that guides the policies of the European Union and its Member States, including Spain. Its relevance for the analysis of intergenerational inequality lies in the Sustainable Development Goals (SDGs) related to the reduction of inequalities (SDG 10), quality education (SDG 4), decent work (SDG 8), and access to housing and sustainable cities (SDG 11).

With regard specifically to intergenerational inequality, the 2030 Agenda emphasizes the need to ensure that socioeconomic background does not determine life opportunities. This entails promoting social mobility, reducing income gaps between generations, and ensuring that young people have access to economic conditions that allow them to surpass the socioeconomic status of their parents.

The European Union has aligned its strategies with the 2030 Agenda through the Action Plan of the European Pillar of Social Rights, which seeks to guarantee equal opportunities, inclusive education, and quality employment. These policies address structural factors such as youth unemployment, the lack of affordable housing, and educational inequalities.

In Spain, the 2030 Sustainable Development Strategy incorporates commitments aimed at mitigating intergenerational inequality, including reducing early school leaving, expanding scholarship programs, promoting stable employment contracts, and facilitating access to social and affordable rental housing.

Overall, the 2030 Agenda is conceived not only as a global framework, but also as a European and national roadmap that recognizes intergenerational inequality as a major obstacle to sustainable development.

### 7.3 European Pillar of Social Rights

The European Pillar of Social Rights (EPSR), proclaimed in 2017, constitutes the EU's central normative and programmatic framework in the field of social rights, equal opportunities, and cohesion. It is structured around 20 principles grouped into three categories: (i) equal opportunities and access to the labor market, (ii) fair working conditions, and (iii) social protection and inclusion. From the perspective of intergenerational inequality, several of these principles are particularly relevant.

Education, training, and lifelong learning (Principle 1) guarantee universal access to quality education and continuous training, which is essential for reducing intergenerational transmission of disadvantage. Gender equality and equal opportunities (Principles 2 and 3) aim to eliminate structural barriers that perpetuate inequalities in access to stable employment. Secure employment (Principle 5) and fair wages (Principle 6) seek to counteract labor market segmentation, which disproportionately affects young people. Social protection, housing, and inclusion (Principles 11, 19, and 20) establish safety nets that compensate for initial disadvantages across the life course.

Taken together, the EPSR acknowledges that social cohesion cannot be achieved without reducing inequalities of origin and ensuring intergenerational mobility. For Spain, where mobility remains limited, the Pillar acts as a roadmap for promoting reforms in education, employment, and housing.

### 7.4 Next Generation EU

Next Generation EU (NGEU), approved in 2020 in response to the COVID-19 crisis, represents the largest economic stimulus program in the history of the European Union. With a budget of €750 billion, it was conceived not only as a recovery instrument but also as a mechanism for the structural transformation of European economies.

Its objective is to rebuild economies along three main pillars: the green transition, digital transformation, and social and territorial cohesion. From the perspective of intergenerational inequality, NGEU incorporates measures aimed at improving opportunities for young people, who were the most affected by the 2008 crisis and face heightened risks of labor market precariousness.

A substantial share of the funds is allocated to digital skills development and innovation, with the aim of reducing educational gaps and enhancing employability. National recovery plans have invested in modernizing public employment services, promoting open-ended contracts, and fostering sectors such as digitalization and the energy transition, which have significant potential to generate high-quality employment.

Access to affordable housing is another priority. In Spain, part of the funds has been allocated to energy-efficient housing renovation programs and the expansion of social housing, thereby easing the financial burden on younger households.

In conclusion, NGEU is conceived as an instrument that goes beyond post-COVID recovery and has the potential to reduce intergenerational inequality by improving education, youth employment, and access to housing. Its ultimate impact will depend on the ability of Member States, such as Spain, to implement the funds efficiently and strategically.

## 8. Conclusions

### *8.1 Results and discussion*

The analysis conducted throughout this study confirms that intergenerational income inequality in Spain constitutes a persistent and complex phenomenon. It reflects an interrelated set of factors that interact with one another: recurrent economic crises, a precarious labor market, the growing weight of inheritances, and a welfare system that has prioritized the stability of older cohorts over the labor market integration of younger generations.

First, Spain ranks among the European countries with the lowest levels of intergenerational mobility, meaning that the socioeconomic background of parents continues to exert an excessive influence on the opportunities and economic outcomes of their children. Despite the fact that younger generations have attained higher levels of education than their parents, they enter the labor market under less favorable conditions, characterized by greater precariousness, lower real wages, and serious difficulties in accessing housing. This situation has fostered a widespread perception of generational decline, according to which today's young people are expected to live worse than their parents, thereby calling into question the principle of progress that has traditionally underpinned the European welfare model.

The indicators analyzed, including the Gini coefficient, intergenerational income elasticity, and the evolution of youth employment, show that Spain exhibits more limited social mobility compared with Northern and Central European countries. In these countries, inclusive policies in education, social protection, and employment have facilitated more stable upward mobility trajectories. By contrast, Spain continues to face structural obstacles such as labor market segmentation, insufficient fiscal redistribution, and the absence of a long-term housing policy.

Second, the evidence suggests that the 2008 financial crisis and the COVID-19 pandemic deepened intergenerational gaps, disproportionately affecting young people in terms of employment, precariousness, and access to housing. Although the subsequent recovery and the implementation of European programs such as Next Generation EU have opened new opportunities, their effects remain limited and not yet fully visible.

Despite certain advances, the results indicate that the evolution of intergenerational income inequality in Spain has been strongly conditioned by economic cycles, labor market structures, and the lack of sustained and coordinated public policies. In summary, intergenerational income inequality in Spain is not merely a matter of income distribution, but also a question of social justice, the sustainability of the welfare state, and democratic legitimacy.

### *8.2 Policy proposals and future lines of research*

The persistence of intergenerational income inequality in Spain requires a profound reconsideration of public policies and the institutional frameworks that shape it (Sánchez-Bayón, 2019; 2021). The findings of this study suggest that, although progress has been made in areas such as education and social protection, the measures implemented have been insufficient to ensure genuine equality of opportunities between generations.

In terms of public policy, several priority areas for improvement can be identified. First, it is essential to strengthen youth employment policies, particularly with regard to job stability, the reduction of temporary employment, and the improvement of entry-level wages. Second, housing policy must adopt a structural approach aimed at increasing the supply of affordable housing and facilitating access for young people through fiscal incentives or social rental programs.

Moreover, a more ambitious reform of the fiscal and redistributive system would help correct persistent inequalities by increasing progressivity and ensuring sufficient resources to sustain the welfare state. Part of youth poverty can be explained by the so-called fiscal illusion: young workers bear relatively higher burdens in the form of social contributions and tax withholdings, which reduces their net income and limits their capacity to save and achieve residential independence. This perspective suggests that, in addition to expanding transfers and support policies, it is necessary to reconsider the tax structure in order to ease the initial burden on young workers and promote a more equitable transition into adulthood.

With regard to future research, several promising avenues can be identified. One priority would be to deepen the analysis of intergenerational income elasticity in Spain by using longer time series, matched data on parents' and children's incomes within the same samples, and regional comparisons that allow for the identification of territorial inequalities. Finally, it would be advisable to explore in greater detail the interaction between European policies such as the 2030 Agenda, the European Pillar of Social Rights, and Next Generation EU, and their effective implementation and compliance in the Spanish context, assessing not only their redistributive capacity but also their impact on social cohesion and the sustainability of the welfare state.

In sum, advancing toward greater intergenerational equity requires the combination of more ambitious and sustained policies over time with further research that improves the understanding of the factors that reduce inequality. Only in this way can it be ensured that future generations are truly able to improve their living conditions relative to previous ones.

### *8.3 Personal conclusions*

The preparation of this study has allowed me to gain a deeper understanding of the complexity of intergenerational income inequality in Spain. Initially, I conceived it as a strictly economic problem linked to the labor market and income levels, but the research has shown that it is a much broader issue, shaped by the interaction of educational, institutional, social, and political factors. I have learned that intergenerational mobility does not depend solely on individual effort or educational attainment, but also on structural frameworks that can either facilitate or constrain opportunities for advancement. In this regard, the role of public policies has proven particularly significant, as their design and implementation largely determine a society's capacity to guarantee equality of opportunities across generations.

In conclusion, I consider that this project has not only expanded my knowledge in the fields of social economics and public policy but has also strengthened my awareness of the importance of social cohesion and the sustainability of the welfare state.

**Author's contribution**

Laura Guerra Prieto: Conceptualization, research, formal analysis, drafting, revision, and editing

**Financing**

Self-financing

**Conflict of interest**

The author declares that she has no conflict of interest.

## References

Alonso, M. A., Gallego, D., & Sánchez-Bayón, A. (2021). Card y Krueger (1994) y el progresismo intervencionista contra la teoría económica. *Procesos de Mercado, 18(2), 253–280.* https://doi.org/10.52195/pm.v18i2

Alonso, M. A., Sánchez-Bayón, A., & Castro-Oliva, M. (2023). Teoría austriaca del ciclo económico aplicada al caso español: del inicio del euro a la gran recesión y su recuperación. *Revista De Métodos Cuantitativos Para La Economía Y La Empresa, 35, 280–310.* https://doi.org/10.46661/revmetodoscuanteconempresa.6837

Arpi, R., Arpi, L., Paz Paredes, R., & Sánchez-Bayón, A. (2024). Desigualdad del ingreso laboral por grupo étnico en el Perú durante la pandemia de COVID-19. *Cuadernos de Economía, 43(91), 25–49.* https://doi.org/10.15446/cuadernos.v43n91.106188

Banco de España. (2022). Informe anual 2021. *Madrid: Banco de España.*

Banco de España. (2024, octubre). Informe sobre la aspiración a vivienda asequible y la intervención pública en el mercado de alquiler. *Huffington Post.*

Becker, G. S., & Tomes, N. (1979). An equilibrium theory of the distribution of income and intergenerational mobility. *Journal of Political Economy, 87(6), 1153–1189.*

Bentolila, S., & Jansen, M. (2017). La crisis de la economía española: Análisis económico de la Gran Recesión. *Madrid: Fundación de Estudios de Economía Aplicada.*

Brunet, I., & Díez Medrano, J. (2021). Juventud, movilidad social y brechas intergeneracionales en España. *Madrid: Fundación Alternativas.*

Chetty, R., Hendren, N., Kline, P., Saez, E., & Turner, N. (2014). Is the United States still a land of opportunity? Recent trends in intergenerational mobility. *American Economic Review: Papers & Proceedings, 104(5), 141–147.* https://doi.org/10.1257/aer.104.5.141

Comisión Europea. (2017). European pillar of social rights. *Bruselas: European Commission.*

Comisión Europea. (2021). Plan de acción del pilar europeo de derechos sociales. *Bruselas: European Commission.*

Comisión Europea. (2022). Social mobility and fair opportunities in the EU. *Luxemburgo: Directorate-General for Employment, Social Affairs and Inclusion.*

Comisión Europea. (2023). European semester country report: Spain 2023. *Bruselas: European Commission.*

Corak, M. (2012). Inequality from generation to generation: The United States in comparison. *Washington, DC: Center for American Progress.*

Corak, M. (2013). Income inequality, equality of opportunity, and intergenerational mobility. *Journal of Economic Perspectives, 27(3), 79–102.* https://doi.org/10.1257/jep.27.3.79

Domenech, A., & Sanchez-Bayón, A. (2024). Cuestionando el modelo Bernanke-Blanchard en la Eurozona: Ilustración del caso español. *Semestre Económico, 13(2), 55–69.* https://doi.org/10.26867/se.2024.v13i2.171

Domenech, A., Sánchez-Bayón, A. (2024). Revisión heterodoxa de la Macroeconomía convencional: discrepancias con el modelo Bernanke-Blanchard. *Encuentros Multidisciplinares, 77, 1-14.*

El País. (2025, agosto). La tasa de empleo de jóvenes recién graduados cae por primera vez en 11 años. *El País.*

Esping-Andersen, G. (1993). Los tres mundos del Estado del Bienestar. *Valencia: Edicions Alfons el Magnànim.*

Eurostat. (2024, enero 9). Youth unemployment in Spain roars at 27.9%, highest in Europe. *Europa Press.*

Freedman, M. (2023). Earnings, cohort effects, and inter-generational inequality: Evidence from the Luxembourg income study. *Review of Income and Wealth, 70(2), 278–290.* https://doi.org/10.1111/roiw.12641

Fundación de Estudios de Economía Aplicada (FEDEA). (2022). Observatorio intergeneracional de la pobreza y la desigualdad 2022. *Madrid: FEDEA.*

García Montalvo, J. (2009). La vivienda en España: Entre el crecimiento y la crisis. *Madrid: Fundación de las Cajas de Ahorros.*

García-Prado, Á., & Castejón, M. L. (2019). Desigualdad educativa y movilidad social en España: Un análisis regional. *Barcelona: Institut d'Estudis Regionals.*

Garrido, L., & Dolado, J. J. (2017). La educación en España: Logros y desafíos. *Madrid: Alianza Editorial.*

Gobierno de España. (2021). Estrategia de desarrollo sostenible 2030. *Madrid: Ministerio de Derechos Sociales y Agenda 2030.*

Lasheras Ruiz, R., & Pérez Eransus, B. (2013). Jóvenes en la agenda política: Una lectura intergeneracional de la crisis. *Documentación Social, 170, 143–157.*

Lasheras Ruiz, R., & Pérez Eransus, B. (2014). Jóvenes, desigualdades y exclusión social. *Sevilla: Fundación FOESA.*

Lorenz, M. O. (1905). Methods of measuring the concentration of wealth. *Publications of the American Statistical Association, 9(70), 209–219.*

Marqués Perales, I. (2015). Movilidad social en España. *Madrid: Alianza Editorial.*

Miquel Burgos, A. B., & Sánchez Bayón, A. (2025). Mejoras y ajustes del PIB: ¿cómo medir un bienestar más realista? *FACE: Revista De La Facultad De Ciencias Económicas Y Empresariales, 25(1), 5–23.* https://doi.org/10.24054/face.v25i1.3571

Montes, R. (2021). Educación y oportunidades: Brechas territoriales en movilidad intergeneracional. *Madrid: CIS.*

Naciones Unidas. (2015). Transformar nuestro mundo: La Agenda 2030 para el Desarrollo Sostenible. *Nueva York: Asamblea General de la ONU.*

Naciones Unidas en España. (2023). La Agenda 2030 en la Unión Europea y en España. *ONU España.* https://www.un.org/sustainabledevelopment/es/

Narayan, A., Van der Weide, R., Cojocaru, A., Lakner, C., Redaelli, S., Mahler, D. G., Ramasubbaiah, R., & Thewissen, S. (2018). Fair progress? Economic mobility across generations around the world. *Washington, DC: World Bank.*

Navarro, L., & Rallo, L. (2020). Fiscalidad y generación joven: Cómo los impuestos afectan la movilidad. *Valencia: Fundación Instituto de Finanzas.*

OECD. (2018). A broken social elevator? How to promote social mobility. *París: OECD Publishing.*

OCDE. (2007). Empleo juvenil España. *Madrid: Informes OCDE.*

OCDE. (2016). Society at a glance 2016: OECD social indicators. *París: OECD Publishing.*

Pérez-Ortiz, J. (2023). Empleo y precariedad juvenil: Análisis de las políticas activas en España. *Sevilla: Centro de Estudios Andaluces.*

Roemer, J. E. (1998). Equality of opportunity. *Cambridge, MA: Harvard University Press.*

Sánchez-Bayón, A. (2024). Análisis del género como bien público y su función de bienestar social: elección colectiva vs. elección pública. *ATLANTIC REVIEW OF ECONOMICS – AROEC, 7(1), 1–31.*

Sánchez-Bayón, A. (2023). Fallos estatales y paradojas sociales por el intervencionismo en cuestión de género. *Procesos de Mercado, 20(2), 301–342.* https://doi.org/10.52195/pm.v20i2.897

Sánchez Bayón, A. (2023). Análisis jurídico-económico de la cuestión de género: costes, fallos y paradojas. *Semestre Económico, 12(2), 54–77.* https://doi.org/10.26867/se.2023.v12i2.152

Sánchez-Bayón, A. (2023). Las consecuencias globales de la guerra en Ucrania y propuestas de pacificación desde los Derechos Humanos. *Semestre Económico, 12(1), 4–26.* https://doi.org/10.26867/se.2023.v12i1.141

Sánchez-Bayón, A. (2021). Economía de bienestar personal: cómo la digitalización y el efecto reajuste mejoran las relaciones laborales y los procesos productivos. *Revista Argentina de Investigación en Negocios-RAIN, 7(2), 25–52.*

Sánchez-Bayón, A. (2021). ¿Puede el salario mínimo agotar la economía de bienestar y frenar la economía digital? *Revista Plus Economía, 9(2), 71–106.*

Sánchez-Bayón, A. (2021). Urgencia de una filosofía económica para la transición digital: Auge y declive del pensamiento anglosajón dominante y una alternativa de bienestar personal. *Miscelánea Comillas. Rev. Ciencias Humanas y Sociales, 79(155), 521–551.* https://doi.org/10.14422/mis.v79.i155.y2021.004

Sánchez-Bayón, A. (2020). Medidas de economía de bienestar que destruyen empleo en la economía digital. *Semestre Económico, 23(55), 87–112.* https://doi.org/10.22395/seec.v23n55a4

Sánchez-Bayón, A. (2019). Una historia crítica de sociología del trabajo y de las organizaciones: de trabajadores de cuello azul y blanco a Knowmads & freeriders. *Rev. Miscelania Comillas, 77(151), 431–451.* https://doi.org/10.14422/mis.v77.i151.y2019.008

Sánchez Hugalde, A. (2004). Movilidad intergeneracional de ingresos y educativa en España (1980–90). *Tesis doctoral, Universidad de Barcelona.*

Sánchez Martín, A., & García, J. (2020). Movilidad intergeneracional de ingresos en España: Una aproximación empírica. *Documentos de Trabajo del Banco de España. Madrid: Banco de España.*

Sánchez Martín, N., & García-Perez, C. (2023). Income and education intergenerational mobility in Spain. *Journal of Family and Economic Issues, 44, 65–83.* https://doi.org/10.1007/s10834-021-09809-w

Saraceno, C. (2011). Famiglie e politiche in Europa. *Bolonia: Il Mulino.*

Sastre, F. J., García Vaquero, M., Sánchez Bayón, A., & Mazier, A. (2024). ¿Recuperación económica española vía Pacto Verde Europeo? Evaluación de empleos verdes y sus capacidades. *Semestre Económico, 13(1), 43–64.* https://doi.org/10.26867/se.2024.v13i1.162

Solon, G. (1992). Intergenerational income mobility in the United States. *American Economic Review, 82(3), 393–408.*

Soriano Muñoz, I., & Gainza Barrenkua, X. (2025). La desigualdad de riqueza en perspectiva generacional: Evidencia de la encuesta financiera de las familias (2002–2020). *Revista Española de Investigaciones Sociológicas, 189, 149–166.* https://doi.org/10.5477/cis/reis.189.149-166

Sumba, N., & Sánchez-Bayón, A. (2025). Economía conductual y la elección de universidades: factores que influyen en la decisión. *KAIRÓS, Revista de Ciencias Económicas, Jurídicas y Administrativas, 8(14), 171–192.* https://doi.org/10.37135/kai.03.14.09

Valero, J., & Sánchez-Bayón, A. (2018). Balance de la globalización y teoría social de la posglobalización: cómo percibir y gestionar la diversa, compleja y voluble realidad social en curso del TecnoEvo. *Madrid: Dykinson.*