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Parental Financial Inclusion and its Intergenerational Impact on Financial Behavior and Social Mobility in Mexico[1]

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This paper examines how parental financial inclusion shapes children's financial behaviors and social mobility in Mexico, drawing on newly gathered, nationally representative survey data. We find that having a parent who owned at least one formal financial product (e.g., savings or credit) is associated with increased formal financial engagement and higher levels of financial literacy among the next generation. However, persistent socioeconomic and gender gaps indicate that improving access to financial services alone cannot fully surmount structural inequalities. Using social mobility matrices, rank-rank regressions, and an inequality of opportunity decomposition, we further show that children from financially included households are less likely to remain in the bottom of the socioeconomic distribution and tend to achieve higher ranks overall. Nonetheless, the intergenerational transmission of status remains pronounced, suggesting that while financial inclusion provides a modest upward shift, it does not fully dismantle deeper barriers to mobility. Our inequality of opportunity analysis indicates that parental financial inclusion accounts for around 16 % of the inequality in socioeconomic outcomes, making it a non-negligible channel of intergenerational advantage. Taken together, these findings underscore the importance of both expanding financial access and complementing it with broader interventions, such as initiatives to strengthen financial literacy and address entrenched structural disadvantages to foster more equitable social and economic mobility in developing countries.

Keywords: financial inclusion, intergenerational mobility, behavioral economics

JEL Classification: D14, D15, G40, G50, J48, J62

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Los resultados, interpretaciones y opiniones expresadas en este documento son responsabilidad de sus autores y no reflejan necesariamente la postura del CEEY y sus entidades afiliadas.

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1. Introduction

1.1. Social Mobility

Social mobility, particularly intergenerational social mobility, captures the degree to which individuals can overcome or inherit the socioeconomic status of their parents. It is as an indicator of equality of opportunity within a society (Solon, 2002; Corak, 2013). In contexts where mobility is low, systemic barriers often entrench inequality, limiting individuals ability to escape poverty or achieve upward mobility.

Mexico exemplifies these challenges, with some of the lowest levels of intergenerational mobility among OECD countries and persistent income inequality (OECD, 2015). This combination amplifies the urgency of identifying actionable mechanisms that could enhance mobility. By uncovering the factors that shape intergeneratio-nal outcomes, researchers can contribute to a better understanding of socioeconomic dynamics and offer policy tools to promote more equitable opportunities.

While certain mechanisms driving social mobility, such as education (Torche, 2020) and entrepreneurship (Lora et al., 2014), have been extensively studied, one potential factor remains relatively underexplored: financial inclusion (Kampanelis et al., 2024). This is particularly notable given the important role financial systems play in some theoretical models of economic development and inequality (e.g.,Kling et al. (2022)). The financial system is often depicted as a critical enabler of upward mobility, facilitating investments in human capital, entrepreneurship, and long-term economic stability (Del Ángel Mobarak et al., 2023). Yet, empirical evidence on its intergenerational impact remains sparse, especially in contexts with low financial inclusion like Mexico.

1.2. Financial Inclusion

Financial inclusion (FI), broadly defined as access to and usage of financial products and services, has been shown to generate substantial benefits for individuals and economies alike (Demirgüç-Kunt et al., 2018). Its positive impacts extend across various domains, including poverty alleviation, fostering investment in education and entrepreneurship, and enhancing resilience to economic shocks (Bruhn and Love, 2014). Despite these well-documented advantages, Mexico faces a severe financial inclusion deficit. Only 36.9 % of adults participate in the formal financial system, a rate significantly below peer countries of similar income levels and even some lower-income nations, such as Kenya and India (Navis et al., 2020). Addressing this gap could be important, as financial exclusion perpetuates inequalities, limits access to credit and insurance, and reduces opportunities for long-term wealth accumulation.

While much of the existing literature focuses on the short-term effects of financial inclusion, its relationship with intergenerational social mobility and long-term impacts has been studied to a lesser extent (Kampanelis et al., 2024). This leads to one of the question addressed in this study: *How does financial inclusion impact intergenerational social mobility?* By leveraging a newly available dataset, this research seeks to provide updated estimates and insights, particularly in the context of Mexico.

The persistence of Mexicos financial inclusion gap stems from a combination of supply- and demand-side barriers. On the supply side, limited geographic access to financial services and high costs constrain usage. On the demand side, deficits in financial literacy, pervasive distrust in financial institutions, and entrenched cultural norms hinder engagement with formal financial systems (Demirgüç-Kunt et al., 2018; Navis et al., 2020). While financial infrastructure improvements are crucial, an equally significant yet underexplored dimension lies in the behavioral and social underpinnings of financial inclusion.

Emerging research emphasizes the importance of financial socialization in shaping financial behaviors and attitudes, with families –particularly parents– playing a pivotal role in this process (LeBaron and Kelley, 2021). Parents influence childrens financial behaviors and beliefs both explicitly, through direct teaching, and implicitly, through role modeling and household financial practices (Gudmunson and Danes, 2011). These intergenerational dynamics are especially relevant in contexts like Mexico, where cultural norms and limited access to formal financial education make families the primary source of financial knowledge. Moreover, early-life financial experiences, whether positive (e.g., observing prudent financial management) or negative (e.g., witnessing financial distress), leave lasting imprints on individuals financial decisions in adulthood (LeBaron et al., 2018).

In this context, exploring the intergenerational determinants of financial inclusion is of both academic and potential policy relevance. Understanding how parental financial behaviors, explicit financial teaching, and significant financial events influence adult financial inclusion can provide actionable insights into persistent gaps in Mexicos financial system. Such knowledge could inform targeted interventions, such as integrating financial literacy programs into parental education initiatives or addressing critical periods of financial socialization during childhood and adolescence.

Motivated by these considerations, the other question this study seeks to explore is: *What are the determinants of financial inclusion, particularly those of intergenerational nature?* Specifically, this study examines how parental financial behaviors, explicit teaching of financial management, and childhood exposure to significant financial events shape financial inclusion and financial behaviors in adulthood.

To address both questions, this study utilizes the ESRU-EMOVI 2023 survey, a nationally representative dataset designed to analyze intergenerational mobility in Mexico. The dataset includes detailed socioeconomic information about respondents

and their households of origin, with specific modules on financial inclusion capturing both parental behaviors and individual outcomes. This dataset provides a unique opportunity to examine the interplay between financial inclusion and intergenerational mobility within a developing country context.

1.3. Previous work

In recent years, there has been a notable effort to characterize social mobility in Mexico (e.g., Vélez Grajales and Monroy-Gómez-Franco, 2017; Delajara et al., 2022; Torche, 2020; Monroy-Gómez-Franco, 2023), reflecting its importance in understanding the persistence of inequality and the barriers to upward mobility. This research has provided a clearer picture of the structural and institutional factors influencing intergenerational mobility, offering a foundation for analyzing potential levers for change.

Within this body of work, some empirical studies have specifically addressed the intersection of financial inclusion and social mobility (Lemus García, 2018; Pineda Acosta, 2018; López-Rodríguez, 2021; Mendoza et al., 2024), examining how access to financial services may influence intergenerational outcomes [1]. Among these contributions, two studies stand out as direct antecedents to the present work due to their focus on similar research questions and reliance on earlier datasets. These studies provide a critical foundation for the current analysis while leaving key gaps that this paper seeks to address:

The first relevant study is Ceballos Mina (2012), which examines the intergenerational transmission of financial product ownership using data from the ESRU EMOVI 2006 and 2011 surveys. Focusing on debit and credit card ownership, the study finds that parental financial inclusion significantly increases the likelihood of

[1] See Del Ángel Mobarak et al. (2023) for a general overview and research agenda on this topic in Mexico.

children owning similar financial products. However, due to the limited scope of these datasets, the analysis is restricted to these two products and does not account for other financial outcomes, such as savings accounts, pension funds, or insurance. Furthermore, the data did not capture key mechanisms emphasized in the literature, including parental financial behaviors, explicit financial teaching, and exposure to financial events during childhood, all of which shape financial inclusion by influencing knowledge, habits, and attitudes (LeBaron and Kelley, 2021; Bucciol and Zarri, 2015). Nor did it include broader outcomes like financial literacy or vulnerability, which are essential for assessing the sustainability of financial inclusion across generations.

This study extends Minas work by broadening the analysis to encompass a diverse range of financial products and incorporating additional determinants, such as parental financial behaviors, explicit financial instruction, and childhood exposure to significant financial events. By also evaluating outcomes like financial literacy and vulnerability, it offers a more comprehensive perspective on the dynamics of intergenerational financial inclusion.

A second study, directly related to the present work, is Mendoza et al. (2024), which examines the relationship between financial inclusion and intergenerational social mobility using a combined dataset from the 2016 INEGI Social Mobility Module (MMSI) and the 2017 ESRU-EMOVI survey. Employing methodologies such as rank-rank regressions, steady-state analysis, and social mobility matrices, their study finds that parental financial inclusion is associated with reduced persistence at the lower end of the socioeconomic distribution, as well as increased stability at the upper end. The current study extends this work by using updated 2023 ESRU-EMOVI data. This update is particularly relevant for assessing whether the dynamics of financial inclusion and social mobility have evolved over time, providing a more recent perspective on these relationships within the Mexican context.

This study makes several contributions to the literature on financial inclusion and intergenerational social mobility:

First, as mentioned above, it examines a comprehensive set of intergenerational determinants and outcomes of financial inclusion. These include parental financial product ownership, observed financial behaviors, explicit financial teaching, and the impact of adverse financial events. Additionally, the study investigates a diverse range of financial outcomes, such as ownership of pension accounts, fixed deposits, and credit products, as well as broader measures like financial vulnerability and literacy.

Second, the study leverages a nationally representative dataset with over 5,000 observations for the analysis of intergenerational determinants of financial inclusion.[2] This dataset enables greater generalizability compared to prior research, which has often relied on small, non-representative samples (e.g., Anthony et al., 2022; LeBaron et al., 2018; Zupančič et al., 2023; Curran et al., 2018; Norvilitis and MacLean, 2010).

Third, this study is situated in a developing country context, marked by persistently low levels of financial inclusion. In such settings, systemic and behavioral barriersincluding entrenched beliefs, habitual practices, and cultural normsplay a more prominent role in shaping financial behaviors. This contrasts with the majority of existing research, which focuses on high-income countries with more developed financial systems (e.g., Zupančič et al., 2023; Li and Liu, 2019; LeBaron et al., 2018; Curran et al., 2018; Norvilitis and MacLean, 2010).

Fourth, the study presents updated estimates of the relationship between financial inclusion and social mobility, utilizing the most recent data from the 2023 ESRU-EMOVI survey. This is particularly relevant in light of recent policy initiatives in Mexico aimed at enhancing financial inclusion and social protection mechanisms, which may have reshaped these relationships over time.

[2]For the analysis of social mobility, the study uses data from the general module, which includes a larger sample of 17,843 observations. See Section 2 for further details.

2. Data

This study employs data from the ESRU-EMOVI 2023 survey, a nationally representative dataset collected by the Centro de Estudios Espinosa Yglesias (CEEY).[3], which captures detailed socioeconomic information on both respondents and their households of origin, including ownership and use of financial products. The surveys sample includes 17,843 individuals aged 25 to 64, providing a tool for examining intergenerational financial inclusion and socioeconomic mobility in Mexico.

The ESRU-EMOVI 2023 dataset is organized into two primary modules. The general module, administered to the full sample, records retrospective information on respondents households at age 14, covering indicators such as parental education, housing conditions, and financial product ownership. A second, specialized financial inclusion module[4], administered to a subsample of 5,976 respondents, collects data on respondents own financial behaviors and attitudes, including financial literacy, planning, and vulnerability.

2.1. Key Variables

This analysis focuses on three primary variable sets: the socioeconomic status index (SEI) variables, financial product ownership, and financial behaviors.

Socioeconomic Status Index (SEI). The SEI measures the socioeconomic standing of both respondents and their parents, constructed using multiple correspondence analysis (MCA) and standardized by cohort.[5] This index includes indicators

[3]For further information about the survey and CEEY's work, see `https://ceey.org.mx/encuesta-esru-emovi-2023/`.

[4]In addition to the financial inclusion module, the ESRU-EMOVI 2023 includes specialized modules focused on the impacts of COVID-19 (on health and employment) and caregiving services. These modules were administered to other independent subsamples and are not analyzed in this study.

[5]For a detailed description of the methodology and justification of this approach, see Grajales et al. (2015).

such as household crowding, durable goods, and access to infrastructure[6]. This approach allows us to approximate living standards when monetary data for parents and children are not available (McKenzie, 2005). After generating the index, each child and parent are assigned to quintiles within their respective generation. By dividing individuals into SEI quintiles, we analyze their positions within the socioeconomic distribution across generations, allowing us to assess how various factors influence socioeconomic mobility[7].

Financial Product Ownership. Financial product ownership is recorded as a binary variable for both respondents and their parents, covering a range of financial products such as debit account, credit card, store card, payroll account, pension account, checking account, fixed deposit, investment funds, and insurance. This variable set is useful for capturing the scope of financial access across multiple products and will be used to analyze the broad patterns of intergenerational financial inclusion. In particular, a key variable -*Financial Inclusion (FI)*– is constructed as a binary indicator equal to 1 if parents held at least one of the main bank products: savings account, credit card, checking account, or payroll account. This financial inclusion variable will be applied in the analysis to assess whether having parental access to essential financial products correlates with respondents own financial inclusion and outcomes.

Financial Behavior/Outcomes. For parental behaviors, the module includes information reported by respondents about their experiences at age 14, such as their parents use of financial products (e.g., savings accounts, credit, insurance) and behaviors like saving practices, debt management, and informal borrowing. Additionally,

[6]See Table 4 for the list of variables included in the calculation of the index.

[7]Although we followed the CEEYs procedure to calculate the index and quintiles (see Grajales et al., 2015), we excluded financial product ownership to isolate the impact of these products on socioeconomic mobility outcomes. Our quintiles calculation coincides with the CEEYs calculation in 90 % of cases. A descriptive plot of these matches is provided in Appendix Figure 6.

it records financial negative events experienced in the household, such as loss of assets, reductions in consumption, and unmanageable debt, which may have shaped respondents financial attitudes and resilience.

For respondents, the module gathers data on financial behaviors and psychological aspects related to financial decision-making. These include setting financial goals, using formal instruments for saving, and responses to financial stress. It also includes measures of financial literacy, financial stress, financial vulnerability, and budgeting practices. These psychological and behavioral aspects are assessed through a series of questions specifically designed for this purpose.[8]

Financial literacy, financial stress, financial vulnerability, and budgeting are measured using psychometric scales. To construct these outcomes, indices are computed using Item Response Theory (IRT), a statistical method well-suited for synthesizing responses from scale-based measures.[9].

2.2. Descriptive Statistics

Table 1 shows the demographic and socioeconomic characteristics of respondents based on whether their parents held financial products. Respondents from financially included households tend to report higher socioeconomic status, reside predominantly in urban areas (90.4 % vs. 76.3 %), and attain higher education levels, with 71 % having completed high school or beyond, compared to 39 % among those without financially included parents. This group also skews younger and is more regionally concentrated in the northern areas, where economic conditions are generally more favorable.

[8]For details on the survey questions refer to the documentation in `https://ceey.org.mx/encuesta-esru-emovi-2023/`.

[9]See Consumer Financial Protection Bureau (2017) and Knoll and Houts (2012) for discussions on the application of IRT in financial behavior research.

Table 1: Comparative Analysis of Socioeconomic Indicators and Demographic Traits by Financial Inclusion Status.

	FI = 0 (N=13489)		FI = 1 (N=4354)	
	Mean	Std. Dev.	Mean	Std. Dev.
SEI Quintile (Parents)	2.9	1.3	4.4	0.9
SEI Quintile (Child)	2.9	1.3	4.1	1.1
Rural				
	N	%	N	%
Urban Area	10293	76.3	3934	90.4
Rural Area	3196	23.7	420	9.6
Education Level				
	N	%	N	%
No Formal Education	340	2.5	13	0.3
Incomplete Primary	1051	7.8	66	1.5
Completed Primary	2125	15.8	210	4.8
Secondary School	4451	33.0	919	21.1
High School	3561	26.4	1810	41.6
Higher Education	1720	12.8	1285	29.5
Region				
	N	%	N	%
North	2049	15.2	1577	36.2
Northwest	2434	18.0	1137	26.1
North-Central	2867	21.3	657	15.1
Central	2969	22.0	624	14.3
South	3170	23.5	359	8.2
Age Cohort				
	N	%	N	%
25-34 Years	3667	27.2	1929	44.3
35-44 Years	3647	27.0	1222	28.1
45-54 Years	3251	24.1	758	17.4
55-64 Years	2924	21.7	445	10.2
Sex (%)				
	N	%	N	%
Male	5739	42.5	2157	49.5
Female	7750	57.5	2197	50.5

Source: Own elaboration using data from the ESRU-EMOVI 2023 survey.

3. Results

3.1. Intergenerational Determinants of Financial Inclusion

Model Specification To examine how parental characteristics impact respondents' financial inclusion, we estimate[10]:

$$Y_{child} = \alpha + \beta_1 \text{Event}_{parents} + \beta_2 \text{Own}_{parents} + \beta_3 \text{Behav}_{parents} + \beta_4 \text{Use}_{parents} + \gamma Z_{sociodem} + \epsilon$$

where:

- Y_{child}: Outcomes related to financial inclusion for the respondent, such as financial product ownership (e.g., savings accounts, credit cards, or insurance) or measures of financial behaviors/outcomes (e.g., budgeting, saving).
- $\text{Event}_{parents}$: Significant financial events experienced in the household during the respondent's adolescence, such as asset losses, reductions in consumption, or high levels of indebtedness.
- $\text{Own}_{parents}$: Whether parents owned specific financial products, such as savings accounts, credit cards, payroll accounts, or insurance, providing a measure of parental financial inclusion.
- $\text{Behav}_{parents}$: Broader observed financial behaviors by parents, such as consistent saving, regular use of formal credit, or reliance on informal financial practices.

[10]For outcomes related to child ownership of financial products, a quasibinomial model is used due to the dichotomous nature of the variable. For financial behaviors or attitudes, we apply an OLS model. Marginal effects are reported in all cases.

- $\text{Use}_{parents}$: Intensity and type of parental engagement with financial products, such as active use of savings accounts or frequent reliance on credit, emphasizing specific usage patterns rather than ownership.

- $Z_{sociodem}$: Controls for respondents demographic and socioeconomic characteristics, such as age, gender, education, and household income, to account for factors independently associated with financial inclusion.

3.1.1. Intergenerational Determinants of Financial Inclusion (Use of Products)

Table 2: Financial Behaviors

Variable	Formal Savings	Informal Savings	Retirement Planning	Current Savings	Financial Goal	Budgeting	Financial Literacy	Financial Satisfaction	Financial Stress
Control (Child)									
SES Quintile	0.0436	0.0450	0.0248	0.0505	0.0307	0.0798	0.0183	0.0429	-0.1008
	(0.0048)***	(0.0056)***	(0.0054)***	(0.0048)***	(0.0055)***	(0.0089)***	(0.0095)*	(0.0107)***	(0.0106)***
Education Level: Upper Secondary	0.0662	0.0530	0.0074	0.0554	0.0777	0.1497	0.0748	0.0369	-0.1387
	(0.0177)***	(0.0207)**	(0.0194)	(0.0180)***	(0.0207)***	(0.0322)***	(0.0344)**	(0.0388)	(0.0383)***
Education Level: Higher Education	0.1583	0.0038	0.0502	0.1322	0.1804	0.3587	0.1258	0.1262	-0.3793
	(0.0206)***	(0.0223)	(0.0213)**	(0.0206)***	(0.0237)***	(0.0357)***	(0.0381)***	(0.0430)***	(0.0425)***
Education Level: Secondary	0.0091	0.0219	-0.0449	0.0242	0.0519	0.0610	0.0762	0.0195	-0.0983
	(0.0159)	(0.0172)	(0.0162)***	(0.0157)	(0.0171)***	(0.0268)**	(0.0286)***	(0.0322)	(0.0319)***
Female	-0.0151	0.0058	-0.1176	-0.0482	-0.0406	0.0487	-0.0793	0.0309	0.0482
	(0.0101)	(0.0125)	(0.0121)***	(0.0107)***	(0.0125)***	(0.0198)**	(0.0211)***	(0.0238)	(0.0235)**

Variable	Formal Savings	Informal Savings	Retirement Planning	Current Savings	Financial Goal	Budgeting	Financial Literacy	Financial Satisfaction	Financial Stress
Father's Education Unk.	0.0020	0.0444	0.0063	0.0105	0.0748	-0.0286	-0.0369	-0.0017	-0.0083
	(0.0274)	(0.0275)	(0.0244)	(0.0265)	(0.0258)***	(0.0421)	(0.0449)	(0.0507)	(0.0501)
Father's Education	0.0265	-0.0060	-0.0080	-0.0429	-0.0231	-0.0322	0.0281	-0.0671	0.0608
	(0.0171)	(0.0191)	(0.0181)	(0.0172)**	(0.0186)	(0.0300)	(0.0319)	(0.0361)*	(0.0356)*
Mother's Education Unk.	-0.0648	-0.0989	-0.0429	-0.1032	-0.0201	-0.0359	-0.0850	0.0095	-0.0469
	(0.0326)**	(0.0325)***	(0.0303)	(0.0282)***	(0.0330)	(0.0533)	(0.0568)	(0.0641)	(0.0633)
Mother's Education	0.0209	0.0377	-0.0777	0.0406	0.0345	-0.0581	0.0685	-0.0623	-0.1133
	(0.0175)	(0.0189)**	(0.0165)***	(0.0168)**	(0.0185)*	(0.0295)**	(0.0315)**	(0.0355)*	(0.0351)***
Rural	0.0165	0.0703	0.0141	0.0038	-0.0029	-0.0551	-0.1448	-0.0726	-0.0100
	(0.0154)	(0.0171)***	(0.0156)	(0.0151)	(0.0166)	(0.0263)**	(0.0280)***	(0.0316)**	(0.0313)
Usage									
Savings Method: Animals	0.0203	0.0992	0.0528	0.0924	-0.0083	-0.0796	-0.1035	-0.0444	0.1115
	(0.0251)	(0.0278)***	(0.0250)**	(0.0245)***	(0.0263)	(0.0421)*	(0.0449)**	(0.0507)	(0.0501)**
Savings Method: Banks	0.1234	0.0497	0.0089	0.0834	0.0617	-0.1113	0.0490	0.0535	-0.0105

Variable	Formal Savings	Informal Savings	Retirement Planning	Current Savings	Financial Goal	Budgeting	Financial Literacy	Financial Satisfaction	Financial Stress
	(0.0223)***	(0.0274)*	(0.0296)	(0.0231)***	(0.0292)**	(0.0429)***	(0.0458)	(0.0517)	(0.0511)
Savings Method: Real Estate	0.0495	0.1890	-0.0268	0.0548	-0.1172	-0.3429	0.1891	-0.0085	0.2404
	(0.0610)	(0.0919)**	(0.0998)	(0.0705)	(0.0832)	(0.1383)**	(0.1474)	(0.1664)	(0.1645)
Savings Method: Tandas	0.0481	0.1450	0.0975	0.0686	0.0375	0.0118	-0.0083	-0.0620	-0.0035
	(0.0140)***	(0.0184)***	(0.0164)***	(0.0146)***	(0.0177)**	(0.0277)	(0.0295)	(0.0333)*	(0.0329)
Savings Method: Jewelry/Coins	0.1056	0.1901	0.0822	0.0129	-0.0710	-0.0635	-0.1375	-0.0083	0.2751
	(0.0475)**	(0.0619)***	(0.0594)	(0.0470)	(0.0595)	(0.0930)	(0.0991)	(0.1119)	(0.1106)**
School Savings Program	0.0207	-0.0107	0.0527	0.0399	0.0309	0.0723	0.0934	0.0283	0.1009
	(0.0136)	(0.0177)	(0.0177)***	(0.0148)***	(0.0186)*	(0.0287)**	(0.0306)***	(0.0346)	(0.0342)***
Family Credit Usage	0.0185	0.0299	0.0726	0.1227	0.0638	0.1319	0.1440	0.1318	-0.2573
	(0.0161)	(0.0241)	(0.0247)***	(0.0217)***	(0.0264)**	(0.0381)***	(0.0406)***	(0.0458)***	(0.0453)***
Ownership									
Savings Account	0.0250	-0.1525	0.0108	0.0047	0.0971	0.1169	0.0704	0.0410	0.0520

Variable	Formal Savings	Informal Savings	Retirement Planning	Current Savings	Financial Goal	Budgeting	Financial Literacy	Financial Satisfaction	Financial Stress
	(0.0152)*	(0.0194)***	(0.0240)	(0.0172)	(0.0249)***	(0.0360)***	(0.0383)*	(0.0433)	(0.0428)
Credit Card	-0.0147	0.0085	-0.0017	-0.0605	-0.0239	0.1450	0.0161	-0.0112	0.0273
	(0.0174)	(0.0291)	(0.0312)	(0.0186)***	(0.0305)	(0.0463)***	(0.0493)	(0.0557)	(0.0551)
Store Card	0.0050	0.0731	-0.0126	0.0368	0.0179	-0.1015	0.0258	-0.1256	0.0819
	(0.0174)	(0.0283)***	(0.0295)	(0.0220)*	(0.0294)	(0.0438)**	(0.0466)	(0.0526)**	(0.0520)
Payroll Account	0.0099	0.0313	-0.0991	0.0097	0.0211	-0.0577	-0.0012	-0.1054	0.0729
	(0.0144)	(0.0225)	(0.0245)***	(0.0170)	(0.0234)	(0.0355)	(0.0378)	(0.0427)**	(0.0422)*
Pension Account	0.0275	-0.0347	-0.0279	-0.0064	-0.0225	-0.1246	-0.0179	0.0426	-0.2593
	(0.0300)	(0.0423)	(0.0463)	(0.0327)	(0.0442)	(0.0683)*	(0.0728)	(0.0821)	(0.0812)***
Government Support Account	-0.0392	-0.0104	-0.0033	0.0424	0.0620	0.1604	-0.0661	0.1550	-0.0550
	(0.0220)*	(0.0304)	(0.0313)	(0.0258)	(0.0319)*	(0.0493)***	(0.0526)	(0.0593)***	(0.0586)
Checking Account	0.0752	-0.2214	-0.1165	-0.0039	0.0178	-0.2263	-0.0222	0.1703	-0.0507
	(0.0412)*	(0.0363)***	(0.0657)*	(0.0395)	(0.0618)	(0.0816)***	(0.0869)	(0.0981)*	(0.0970)
Fixed Deposits	0.0234	0.0868	0.1874	0.0128	0.0411	-0.0100	-0.1476	-0.2308	-0.1123

Variable	Formal Savings	Informal Savings	Retirement Planning	Current Savings	Financial Goal	Budgeting	Financial Literacy	Financial Satisfaction	Financial Stress
	(0.0378)	(0.0589)	(0.0460)***	(0.0430)	(0.0642)	(0.0892)	(0.0951)	(0.1074)**	(0.1061)
Investment Funds	0.0240	0.0619	-0.0668	0.2653	0.1454	0.3795	0.4537	0.3454	-0.1195
	(0.0493)	(0.0640)	(0.0728)	(0.0647)***	(0.0696)**	(0.1015)***	(0.1082)***	(0.1221)***	(0.1207)
Insurance	0.0234	0.0718	0.0637	0.0549	0.0257	0.0293	-0.0381	0.2029	-0.1817
	(0.0208)	(0.0307)**	(0.0302)**	(0.0247)**	(0.0322)	(0.0474)	(0.0505)	(0.0570)***	(0.0564)***
Events									
Bank Trust Issues	0.0065	-0.1252	-0.0486	-0.0053	-0.0010	0.0588	-0.0565	0.0359	-0.1287
	(0.0238)	(0.0291)***	(0.0373)	(0.0253)	(0.0349)	(0.0546)	(0.0582)	(0.0657)	(0.0650)**
Reduction in Consumption	-0.0062	0.0928	-0.0694	-0.0147	-0.0745	0.0318	0.0301	0.0921	0.0617
	(0.0182)	(0.0230)***	(0.0238)***	(0.0186)	(0.0221)***	(0.0357)	(0.0381)	(0.0430)**	(0.0425)
Reduction in Education/Health Expenses	0.0415	-0.0033	0.0262	0.0332	0.0040	-0.0299	0.1599	0.1488	0.0173
	(0.0193)**	(0.0209)	(0.0200)	(0.0187)*	(0.0211)	(0.0336)	(0.0358)***	(0.0404)***	(0.0399)
Loss of Assets	0.0745	0.0209	0.0336	-0.0333	0.0841	0.2153	0.0824	0.1388	0.0840

Variable	Formal Savings	Informal Savings	Retirement Planning	Current Savings	Financial Goal	Budgeting	Financial Literacy	Financial Satisfaction	Financial Stress
	(0.0267)***	(0.0313)	(0.0316)	(0.0233)	(0.0324)**	(0.0501)***	(0.0534)	(0.0603)**	(0.0596)
Indebtedness	-0.0128	0.0571	0.0530	0.0222	0.0256	-0.0140	0.0718	0.1446	-0.0593
	(0.0197)	(0.0277)**	(0.0263)**	(0.0226)	(0.0279)	(0.0432)	(0.0461)*	(0.0520)***	(0.0514)
None	0.0018	-0.0445	-0.0115	-0.0109	-0.0552	0.0053	0.1121	0.2050	-0.2449
	(0.0194)	(0.0242)*	(0.0243)	(0.0205)	(0.0241)**	(0.0384)	(0.0410)***	(0.0462)***	(0.0457)***
Behavior									
Financial Stress (Parent)	0.0013	-0.0263	-0.0037	0.0322	0.0672	0.1474	0.1435	0.0022	0.2556
	(0.0117)	(0.0143)*	(0.0137)	(0.0122)***	(0.0143)***	(0.0226)***	(0.0241)***	(0.0272)	(0.0269)***
Distrust in Financial Institutions	0.0182	-0.0161	0.0013	0.0293	-0.0178	0.0663	0.0870	0.0233	0.1234
	(0.0114)	(0.0139)	(0.0137)	(0.0118)**	(0.0138)	(0.0223)***	(0.0237)***	(0.0268)	(0.0265)***
Insurance Ownership	-0.0118	-0.0036	0.0311	0.0410	-0.0114	0.0414	0.0416	-0.0441	0.0612
	(0.0153)	(0.0235)	(0.0255)	(0.0192)**	(0.0248)	(0.0384)	(0.0409)	(0.0461)	(0.0456)
Parent Debt	0.0393	0.0289	0.0336	0.0038	0.0126	0.0014	-0.0300	0.0153	0.0564

Variable	Formal Savings	Informal Savings	Retirement Planning	Current Savings	Financial Goal	Budgeting	Financial Literacy	Financial Satisfaction	Financial Stress
	(0.0128)***	(0.0162)*	(0.0156)**	(0.0132)	(0.0160)	(0.0255)	(0.0272)	(0.0307)	(0.0303)*
Cash Savings	0.0320	0.1863	0.0423	0.0829	0.1053	0.2126	0.0527	0.1887	-0.0356
	(0.0117)***	(0.0152)***	(0.0142)***	(0.0125)***	(0.0150)***	(0.0230)***	(0.0245)**	(0.0276)***	(0.0273)
Bank Visits	0.0977	-0.0463	-0.0005	0.0101	0.0026	0.1137	0.0248	-0.1292	0.1009
	(0.0174)***	(0.0209)**	(0.0235)	(0.0165)	(0.0224)	(0.0350)***	(0.0373)	(0.0421)***	(0.0416)**
Budgeting	-0.0076	-0.0017	0.0720	-0.0022	0.0243	0.2488	0.0901	0.0728	0.0105
	(0.0117)	(0.0161)	(0.0161)***	(0.0125)	(0.0164)	(0.0259)***	(0.0276)***	(0.0311)**	(0.0308)
Gave Money to Spend	0.0259	0.0598	-0.0615	0.0565	0.0836	0.1550	0.1114	0.0972	-0.1026
	(0.0124)**	(0.0150)***	(0.0139)***	(0.0128)***	(0.0151)***	(0.0234)***	(0.0249)***	(0.0282)***	(0.0278)***
Talked About Money	0.0320	-0.0178	0.0378	0.0213	0.0526	0.0620	0.0430	-0.0531	0.0193
	(0.0118)***	(0.0149)	(0.0150)**	(0.0123)*	(0.0155)***	(0.0241)**	(0.0257)*	(0.0290)*	(0.0287)
Taught Money Management	0.0097	0.0498	0.0410	0.0679	0.0566	0.2455	-0.0185	0.3342	-0.1511
	(0.0117)	(0.0149)***	(0.0143)***	(0.0127)***	(0.0149)***	(0.0233)***	(0.0249)	(0.0281)***	(0.0277)***

Table 2 presents the influence of parental characteristics on respondents financial behaviors and psychological orientations toward finances. The results underscore the important role that early parental influences play in shaping respondents financial behaviors, particularly in fostering or inhibiting financial planning, saving habits, and financial resilience.

Sociodemographic Controls While controls such as SEI, education, and gender are expected to influence financial behaviors, certain patterns are noteworthy. Higher SEI is positively linked with proactive financial behaviors like formal saving ($\beta = 0{,}044$, $p < 0{,}01$) and retirement planning ($\beta = 0{,}025$, $p < 0{,}01$), suggesting that greater resources not only ease immediate financial decisions but also enable more forward-looking financial planning. Education shows similar effects: individuals with a professional degree are more likely to engage in financial goal-setting ($\beta = 0{,}180$, $p < 0{,}01$) and exhibit higher financial agency ($\beta = 0{,}359$, $p < 0{,}01$), reinforcing the role of education in fostering financial confidence and literacy. Gender, meanwhile, reveals persistent gaps, with female respondents generally less engaged in formal retirement planning ($\beta = -0{,}118$, $p < 0{,}01$) and experiencing higher financial stress ($\beta = 0{,}048$, $p < 0{,}05$), pointing to broader structural barriers in financial empowerment.

Parental Financial Product Usage and Saving Methods Parental saving methods exert a strong influence on respondents' financial behaviors, indicating that observed financial practices at home shape preferences for formal or informal financial engagement. Parents who saved formally, for example, are associated with respondents increased formal saving habits ($\beta = 0{,}123$, $p < 0{,}01$) and goal-setting behaviors ($\beta = 0{,}062$, $p < 0{,}05$), suggesting that structured savings environments encourage children to adopt similar habits of disciplined saving and financial foresight. In contrast, parents who saved informally through mechanisms like tandas (savings

groups) influence their children toward informal saving (β = 0,145, $p < 0{,}01$) and lower engagement with formal retirement planning (β =-0,098, $p < 0{,}01$), highlighting how informal financial practices may become embedded and continue across generations as viable alternatives to formal financial systems.

Parental Financial Behaviors Parental engagement in routine financial activities, such as visiting banks or budgeting, has an effect on respondents' financial agency and literacy. Parents who frequently visited banks are associated with respondents who have a higher probability of having formal savings ($\beta = 0{,}098$, $p < 0{,}01$), suggesting that regular interaction with formal financial institutions may demystify these systems and encourage confidence in navigating them. Parental discussions about finances and budgeting similarly correlate with higher financial literacy ($\beta = 0{,}090$, $p < 0{,}01$) among respondents, underscoring the transmission of practical financial skills when financial matters are openly addressed within the household.

However, not all parental influences are positive. Financial stress experienced by parents is linked to elevated financial stress in respondents (β = 0,256, $p <$ 0,01), indicating that financial anxieties may transfer across generations, potentially creating an intergenerational pattern of financial worry.

Household Financial Events During Adolescence Financial events within the household, especially during formative adolescent years, add another layer to these intergenerational effects. Households that experienced a reduction in consumption are associated with higher rates of informal saving among respondents (β = 0,093, $p < 0{,}01$) and lower engagement in retirement planning (β =-0,069, $p < 0{,}01$). This suggests a possible focus on short-term coping strategies over long-term financial planning as a response to economic hardship.

In sum, these findings reveal that both positive and adverse financial influences in the parental household may have enduring effects on financial behavior and

psychological outlook. Parental practices in saving, product usage, and attitudes toward financial institutions create a foundation upon which respondents build their own financial practices, underscoring the nuanced pathways through which financial behaviors and attitudes are transmitted across generations.

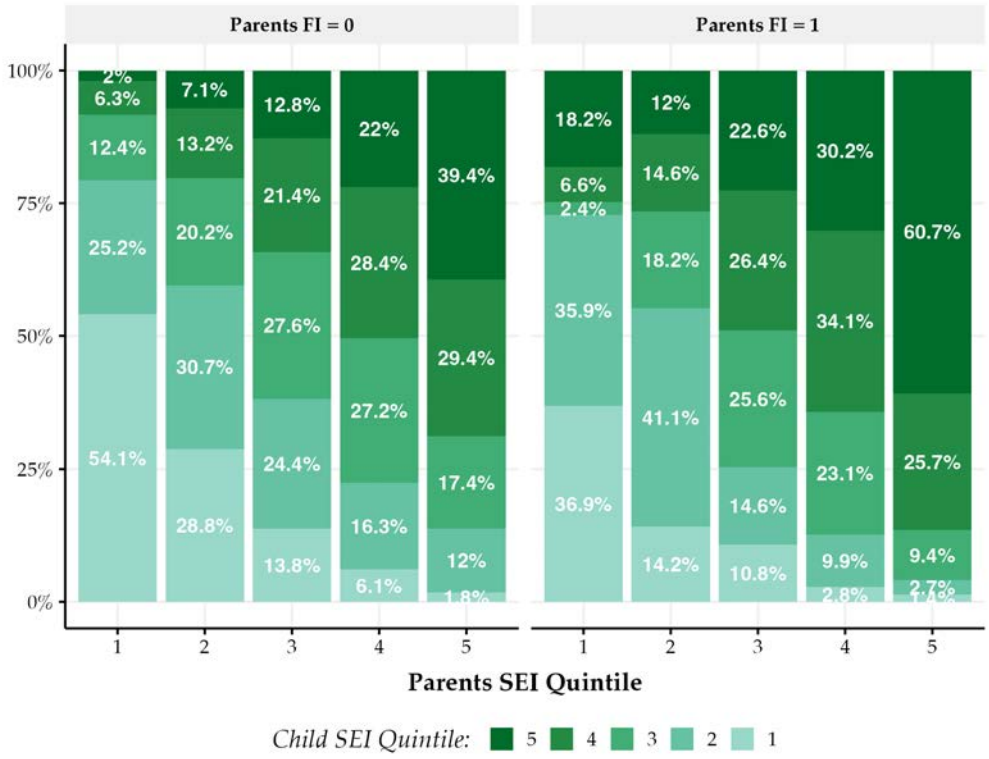
3.2. Effect of Financial Inclusion on Social Mobility[11]

As discussed in the introduction, the role of financial inclusion in promoting social mobility is of central interest, particularly in contexts where intergenerational mobility is limited and economic disparities are persistent. This section addresses the impact of financial inclusion on social mobility outcomes through three complementary analyses: social mobility matrices, rank-rank regressions, and inequality of opportunity (IOP) measures. Together, these approaches provide a multifaceted view of how parental financial inclusion may influence the intergenerational transmission of socioeconomic status.

[11] An earlier analysis using EMOVI 2017 and the MMSI 2016 module, which benefited from a larger sample size, provided national, state and regional level insights into the relationship between financial inclusion and social mobility (see Mendoza et al., 2024). This study builds on those findings with updated 2023 data, focusing on national-level dynamics and recent changes in the socioeconomic landscape.

3.2.1. Social Mobility Matrices

Figure 1: Social Mobility Matrix by FI



Source: Own elaboration based on ESRU-EMOVI 2023 data. Matrices computed for FI = 0 (N = 13,489) and FI = 1 (N = 4,354), with sampling weights applied.

The social mobility (SM) matrices, shown in Figure 1, illustrate intergenerational transitions in socioeconomic quintiles, capturing the movement between parents' and respondents' socioeconomic positions. Here, we examine two distinct groups: respondents whose parents held at least one financial product (FI = 1) and those whose parents did not (FI = 0).

The matrices indicate that financial inclusion is associated with notable differences in mobility patterns. For respondents whose parents lacked financial products, the likelihood of remaining in the lowest quintile (Q1-Q1) is 54.1 %. However, this persistence rate drops to 36.9 % for those whose parents held financial products,

suggesting that financial inclusion may reduce barriers that otherwise perpetuate socioeconomic disadvantage across generations. This contrast points to financial inclusion as a factor that potentially mitigates downward pressures within low-income families, enabling greater upward movement for the next generation.

In the highest quintile (Q5-Q5), a similar but inverse pattern emerges. Respondents from financially inclusive households are more likely to remain in the highest socioeconomic group, with a persistence rate of 60.7 % compared to 39.4 % for those without parental financial product ownership. This suggests that financial inclusion may support not only upward mobility but also stability in maintaining higher socioeconomic status, perhaps by providing access to financial resources or networks that facilitate wealth retention across generations.

Additionally, financial inclusion appears to offer a protective effect against downward mobility. For instance, among respondents originating in Q2, those with financially inclusive parents are less likely to fall into Q1 (14.2 %) compared to those without parental financial inclusion (28.8 %). This pattern, observed across multiple quintile transitions, suggests that financial inclusion may help to cushion intermediate socioeconomic groups from downward movement, reinforcing economic stability.

These SM matrix findings establish a preliminary link between financial inclusion and social mobility, highlighting the potential for financial products to influence socioeconomic trajectories. In the following subsections, we further quantify these relationships using rank-rank regressions and IOP metrics, providing a deeper understanding of how financial inclusion contributes to social mobility.

3.2.2. Rank-Rank Regressions

Following Chetty et al. (2014) and Campos Vázquez and Dorantes (2024), we employ rank-rank regressions to examine the degree of intergenerational mobility and the extent to which parental financial inclusion affects socioeconomic outcomes.

Rank-rank regressions allow us to assess the relationship between a childs socioeconomic rank and their parents rank, with a particular focus on the differences between those from financially included households (FI = 1) and those without parental financial products (FI = 0). This analysis yields two key insights: the persistence of socioeconomic status across generations (captured by the slope β) and the average upward mobility for children from lower socioeconomic backgrounds (captured by the intercept α).

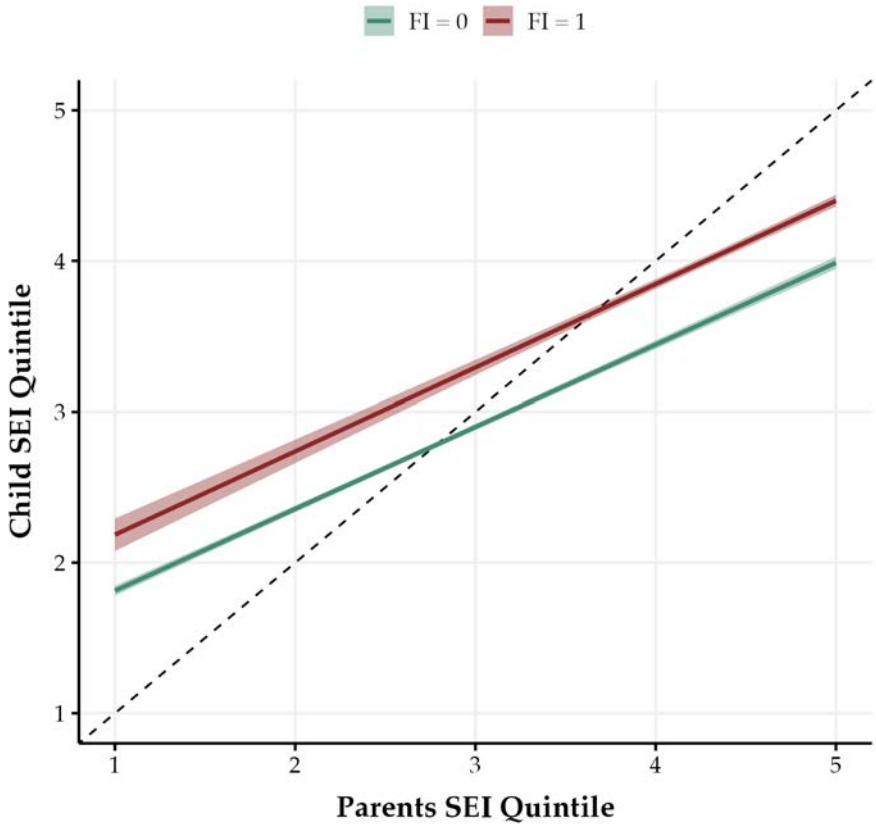
The model used in this analysis is specified as follows:

$$R_i = \alpha + \beta P_i + \delta \mathbb{1}[\text{FinProduct}]_i + \gamma P_i \cdot \mathbb{1}[\text{FinProduct}]_i + \epsilon_i$$

where:

- R_i: Childs current socioeconomic quintile.
- P_i: Parents socioeconomic quintile.
- $\mathbb{1}[\text{FinProduct}]_i$: Binary indicator equal to 1 if the parents owned a financial product, and 0 otherwise.
- $P_i \cdot \mathbb{1}[\text{FinProduct}]_i$: Interaction term capturing the differential effect of financial inclusion on socioeconomic persistence.

Figure 2: Childrens Percentile vs. Parental Percentile by Financial Inclusion Status (FI = 1 vs. FI = 0).



Source: Own elaboration based on ESRU-EMOVI 2023 data.

The regression results are illustrated in Figure 2, which shows the expected child rank conditional on parental rank for both groups. The figure reveals that while children from financially included households tend to achieve higher socioeconomic ranks on average, the persistence of socioeconomic status (i.e., the slope or correlation between parents' and childrens ranks) is similar across both groups. This implies that financial inclusion is associated with an upward shift in socioeconomic status but does not substantially alter the intergenerational transmission rate of socioeconomic position.

In quantitative terms, Table 3 presents the estimated coefficients. The slope coeffi-

Table 3: Rank-Rank regression coefficients

Variable	**Estimate**
(Intercept)	1.270
	(0.022)***
SEI Quintile	0.543
	(0.008)***
FI	0.361
	(0.088)***
SEI Quintile * FI	0.010
	(0.021)

Source: Own elaboration using data from the ESRU-EMOVI 2023 survey.

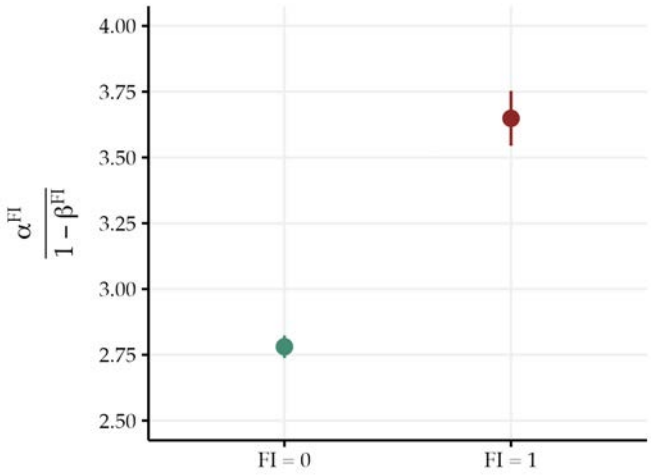
cient β for both groups is around 0.543, indicating a high level of persistence, meaning that over half of the parental socioeconomic position is maintained across generations. The higher intercept for financially included households (0.361, $p < 0{,}01$) highlights the advantage conferred by parental financial inclusion, with children of financially included parents attaining higher ranks on average.

Steady State Analysis To deepen our understanding of the cumulative impact of financial inclusion, we compute the steady-state rank for each group, following the approach by Chetty et al. (2020). The steady-state rank represents the long-term expected position in the socioeconomic distribution if the rank-rank process continues across multiple generations. This steady-state is calculated as:

$$\bar{y_g^{SS}} = \frac{\alpha_g}{1 * \beta_g}$$

where α_g and β_g are the intercept and slope for each group.

Figure 3: SS coefficients by group.



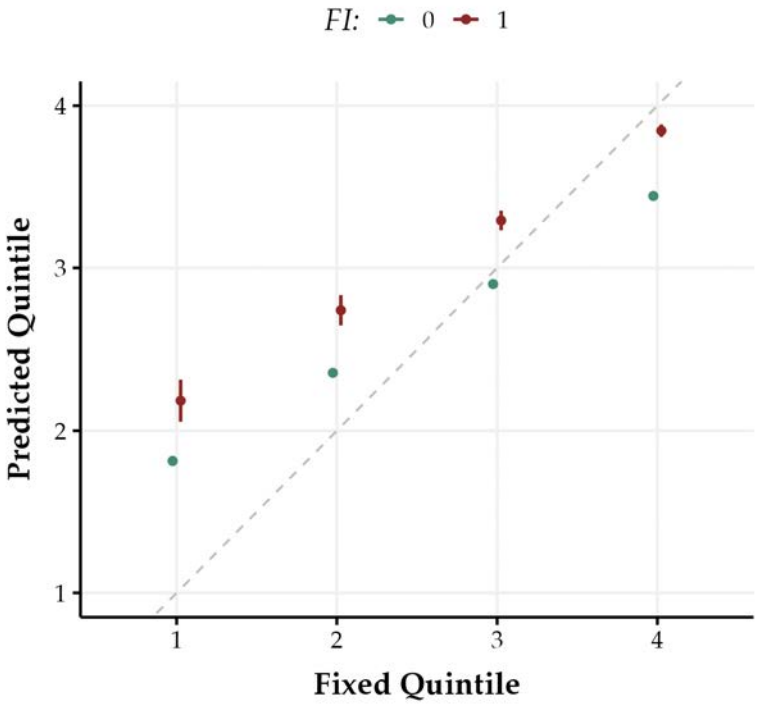
Source: Own elaboration based on ESRU-EMOVI 2023 data.

The steady-state estimates, visualized in Figure 3, indicate that respondents with parental financial inclusion (FI = 1) stabilize at a higher rank (3.65) compared to those without it (2.78). This gap reflects the long-term benefits of financial inclusion, suggesting that financial access provides an enduring advantage that compounds over generations. The steady state shows that financial inclusion can elevate the socioeconomic baseline for future generations.

Given the heterogeneity observed in the mobility matrices, we proceed with a model-based analysis of rank differences. This allows us to assess how financial inclusion is associated with upward or downward mobility across the socioeconomic distribution.

Expected Rank Outcomes by Parental Quintile To explore how mobility varies by socioeconomic origin, we estimate expected child ranks by parental quintile and financial inclusion status.

Figure 4: Expected ranks by group.



Source: Own elaboration based on ESRU-EMOVI 2023 data.

The expected ranks, illustrated in Figure 4, demonstrate a consistent advantage for financially included individuals across all parental quintiles. For example, children from the lowest parental quintile (Q1) have an expected rank of 1.81 if their parents lacked financial products, compared to 2.19 for those with financially included parents. Similar upward shifts are observed across quintiles, indicating that financial inclusion provides an incremental benefit that improves expected outcomes across the distribution.

In summary, while financial inclusion does not significantly alter persistence rates, it does confer a meaningful upward shift in average rank outcomes. This finding aligns with the results from the social mobility matrices, reinforcing the role of financial inclusion in promoting gradual upward mobility across generations.

3.2.3. Inequality of Opportunity (IOP)

To assess how much of the inequality in socioeconomic outcomes can be attributed to circumstances beyond individual control, we use the ex-ante Inequality of Opportunity (IOP) decomposition as described in Juárez and Soloaga (2014). In this context, we define "circumstances" as factors that individuals do not choose, including parental socioeconomic status (SEI), gender, region, skin tone, and whether parents had financial products (IF). By including FI as a circumstance variable, we can investigate its role in shaping socioeconomic outcomes alongside other inherited factors.[12]

The decomposition results, presented in Figure 5, highlight the contributions of each circumstance to the overall inequality in socioeconomic outcomes. We compare two models: a base model excluding parental financial inclusion and an extended model that incorporates FI as an additional circumstance.

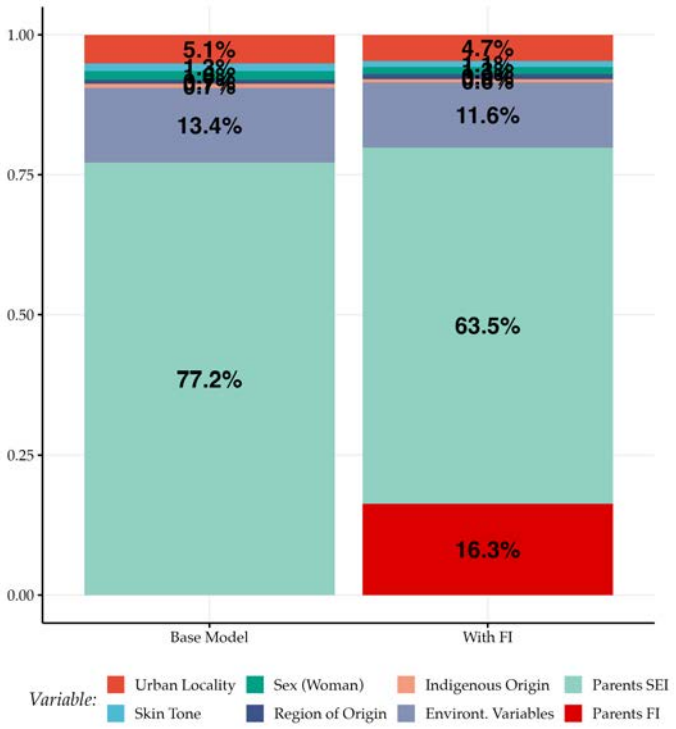
In the base model (without FI), parental SEI is the dominant factor, accounting for 77 % of the inequality in outcomes, indicating a high dependency on family background. Other factors, such as origin conditions (13.38 %) and gender (1.6 %), also contribute to IOP, though to a lesser extent. This structure reflects the strong influence of inherited socioeconomic position in shaping individuals' economic trajectories.

When parental financial inclusion is added to the model, the contributions of circumstances shift: parental SEI decreases from 77 % to 63 %, while parental financial inclusion accounts for an additional 16 %. This redistribution suggests that financial inclusion plays a meaningful role in intergenerational socioeconomic transmission, potentially influencing the resources and opportunities accessible to the next generation. However, it is not entirely independent of parental SEI, as families with higher

[12]The outcome variable used in this analysis is income, calculated by the CEEY. See Torres et al. (2024) for a detailed description of the methodology.

SEI are more likely to have access to financial products. Thus, financial inclusion likely functions as a channel through which parental resources influence children's outcomes.

Figure 5: Decomposition of Inequality of Opportunity (IOP) with and without Parental Financial Inclusion



Source: Own elaboration based on ESRU-EMOVI 2023 data.

4. Conclusion

This study points to the role of parental financial inclusion as both a driver and a nuanced factor in intergenerational financial behaviors and social mobility. Leveraging the ESRU-EMOVI 2023 data, the analysis examines how exposure to financial products within the household influences childrens financial engagement and socioeconomic trajectories.

First, the intergenerational analysis shows that parental financial inclusion is linked to increased financial product ownership and higher financial literacy among children. Respondents whose parents used financial products –especially formal savings and credit– are more likely to engage in financial behaviors themselves. This exposure normalizes the use of financial products, reducing perceived barriers and facilitating greater access to financial resources (LeBaron and Kelley, 2021). However, sociodemographic factors such as gender and socioeconomic background continue to exert significant influence on financial access, suggesting that even where financial inclusion is present, structural disparities can persist. For instance, female respondents show consistently lower engagement with certain financial products, pointing to a broader need to address gender-based barriers.

Beyond product ownership, financial behaviors are also impacted by parental financial practices. Observing routine financial activities, such as budgeting or regular bank interactions, correlates with respondents financial planning habits, underscoring the importance of modeled financial behaviors. Conversely, financial stress and distrust in institutions experienced in the household have negative intergenerational effects, as children of financially stressed households exhibit higher financial anxiety and lower engagement with formal financial systems. These findings highlight the nuanced pathways through which financial attitudes and resilience are transmitted intergenerationally, suggesting that financial inclusion at the household level may reinforce not only behaviors but also perceptions on financial stability.

Regarding social mobility, the social mobility (SM) matrices illustrate the role of financial inclusion in influencing movement within the socioeconomic spectrum. Financial inclusion is associated with reduced persistence in the lowest quintile and increased upward mobility for children from financially included households. At the upper end of the socioeconomic spectrum, children of financially included parents are more likely to maintain high socioeconomic status, suggesting that financial inclusion enhances stability within this group. Although financial inclusion provides a boost in upward mobility, it does not fully overcome structural barriers, indicating that financial access alone may not entirely reshape intergenerational status transmission, especially among high-SEI families.

Rank-rank regressions further quantify intergenerational persistence, showing that children from financially included households achieve higher socioeconomic ranks on average. However, the intergenerational transmission rate remains statistically similar between financially included and excluded groups, as indicated by the comparable slope parameters. This suggests that financial inclusion lifts overall socioeconomic outcomes but does not significantly disrupt the persistence of status between generations. The steady-state analysis reinforces this view, with financially included households stabilizing at higher ranks over time, reflecting long-term benefits without fundamentally altering intergenerational persistence.

Finally, the Inequality of Opportunity (IOP) decomposition reveals that financial inclusion contributes approximately 10 % to the inequality in socioeconomic outcomes. While parental SEI remains the dominant contributor, the inclusion of financial products as a circumstance variable provides a meaningful channel for socioeconomic advantage, showing that financial inclusion complements rather than fully mitigates the effects of parental resources. This additional pathway of transmission offers children from financially included households greater stability and access to opportunities, though it is not entirely independent of socioeconomic background.

Policy Implications These findings carry important implications for policies aiming to promote social mobility and reduce inequality. Expanding access to financial products, particularly for lower-SEI families, could help narrow inequality of opportunity by providing children with resources and skills often available only to those from higher-SEI backgrounds. Financial inclusion policies could equip marginalized households with the tools to build savings, access credit, and invest in future opportunities, offering a practical means of reducing inherited disadvantage (Del Ángel Mobarak and Martínez Gutiérrez, 2024).

Furthermore, financial education programs for parents and children alike should complement financial inclusion efforts. Given the strong influence of parental financial behaviors on childrens financial engagement, expanding financial literacy could enhance the benefits of financial access across socioeconomic backgrounds. Programs that focus on instilling budgeting, savings, and financial planning habits may ensure that financial products are used effectively, potentially amplifying financial inclusion's impact on social mobility(Lusardi and Mitchell, 2023).

Limitations and Future Research While this study sheds light on the relationship between financial inclusion and intergenerational mobility, several limitations merit attention. First, the cross-sectional survey data limits causal inference; while associations between parental financial inclusion and child outcomes are evident, survey data cannot fully account for potential endogeneity or unobserved factors that may influence these relationships. Longitudinal or quasi-experimental studies would provide a more rigorous test of causal mechanisms, clarifying the extent to which observed relationships are driven by financial inclusion rather than other unmeasured factors. Additionally, the study relies on self-reported data on financial behaviors and product ownership, which may introduce recall bias, particularly regarding parental financial behaviors during respondents adolescence.

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Appendix

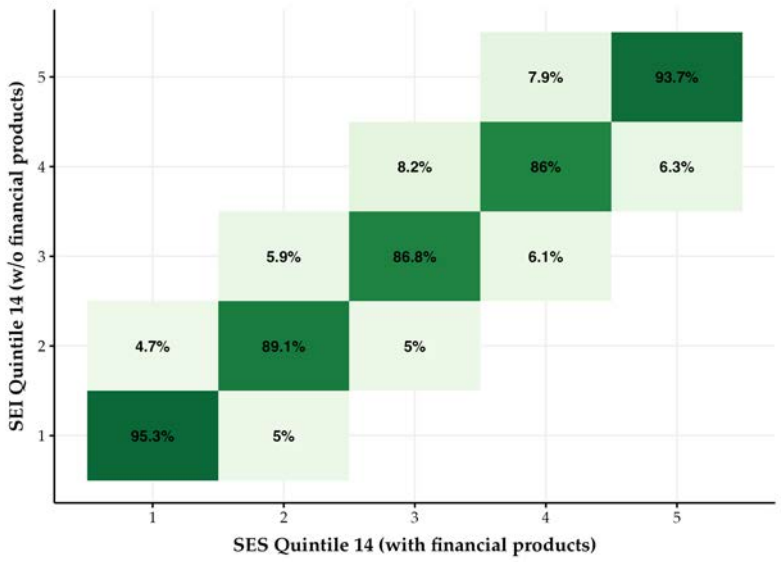
Table 4: Goods and Services Included in the Economic Resources Index

Good or Service	Origin Household	Current Household
Not overcrowded household	X	X
Car ownership	X	X
Piped water inside the house	X	X
Electricity	X	X
Bathroom inside the house	X	
Water heater	X	X
Paid domestic worker	X	X
Living room and/or dining room	X	X
Garden	X	X
Garage or parking space	X	X
Separate kitchen	X	
Gas or electric stove	X	X
Washing machine	X	X
Refrigerator	X	X
Landline	X	X
T.V. Set	X	X
Vacuum cleaner	X	
Cable television	X	X
Microwave	X	X
Computer/laptop/tablet	X	X
DVD player or cassette recorder	X	
Bicycle and/or tricycle	X	
Another house or apartment	X	X
Commercial venue	X	X
Lives in a shared-lot house	X	X
Agricultural machinery/equipment		X
Internet connection		X
Laundry room		X
TV room or study		X

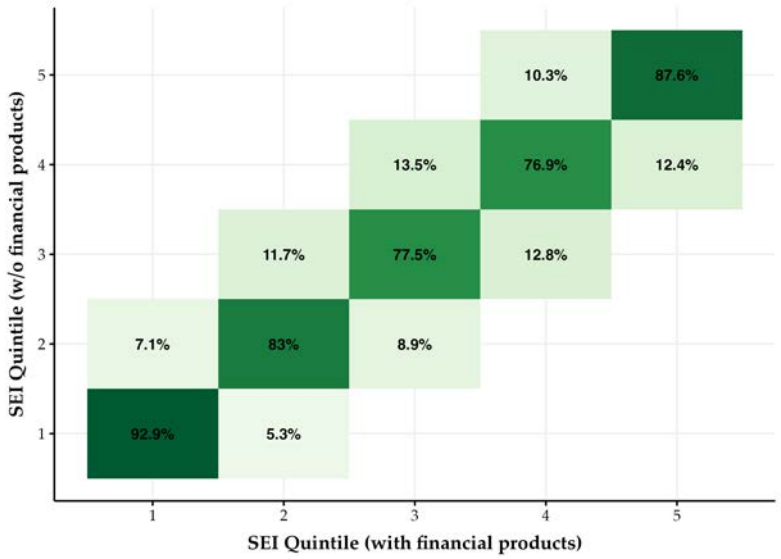
Source: Own elaboration.

Figure 6: Comparison of SEI Quintiles with CEEY Calculation

(a) Parent SEI Quintile



(b) Child SEI Quintile



Source: Own elaboration using data from the ESRU-EMOVI 2023 survey.