



# To the point!

Cross-Asset- and Strategy-Research

## Choose your parents wisely!

### In Germany, parental background heavily influences skill levels

Since the PISA shock of 2000, we have become familiar with the regular international OECD performance tests for students. After Germany's dismal showing in the PISA tests back then, the performance of German students initially improved, but over the past ten years, they have slipped back to the middle of the pack. And what about us oldies who have long left the classroom behind? To investigate skills of the broader population, the OECD has recently conducted a PISA-comparable test among adults. To cut to the chase: Germany is not at risk of failing, but it is far from being the best in class. Are you ready for the report?

#### Germany is a country of substantial educational inequality

As Figure 1 demonstrates, the overall data for Germany is actually quite encouraging. In all three tested categories (reading, problem-solving, and numeracy) the country outperforms the OECD average. However, the details reveal an unusually large performance disparity. The results highly depend on the individual's position in society. Germany faces a structural problem in education equality.

Figure 2 illustrates the wide spread of results. The average performance of adults in Germany with a university degree exceeds the OECD average by more than 5%. Something seems to be working at German universities. However, the flip side of the coin is that adults without higher secondary education perform significantly worse than the international norm in all categories. In fact, among the 29 countries surveyed, Germany ranks second in terms of educational disparity between adults with basic and higher education, trailing only the USA. The need for urgent reform towards a more inclusive education system is evident.

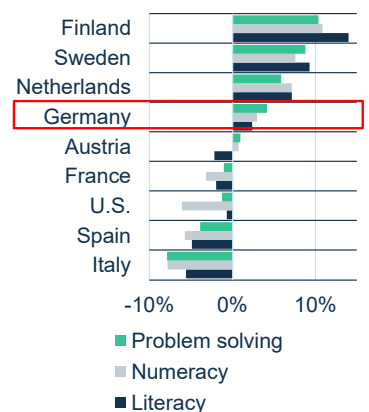
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## Like parent, like children?

Fig. 1: Deviation from OECD average



Source: [OECD](#), LBBW Research

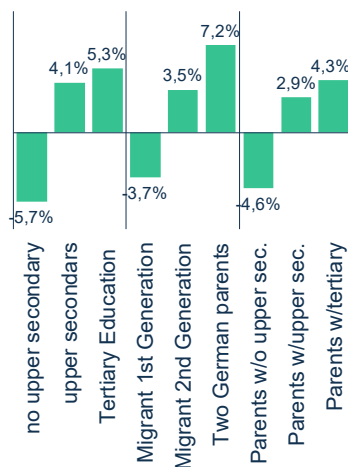
A similar pattern is observed in the education of migrants. Germany lags behind in the OECD in integrating first-generation immigrants, while "natives" perform significantly better than their OECD peers (Figure 2, middle panel). Unfortunately, there is little hope for improvement. PISA results for students unequivocally show that Germany continues to rank poorly in [integrating the next generation of migrants](#).

### The apple does not fall far from the tree

Finally, it is striking how strongly the knowledge of the tested adults depends on the educational level of their parents (Figure 2). If at least one parent already has an academic degree, Germans with a university degree perform 4.3% better than the average OECD adult with a comparable family background. Yet, if neither parent had enjoyed an upper secondary education, adults in Germany score significantly worse than the international comparison. Nowhere else in the 29 countries included in the sample does parental education determine the intellectual abilities of the offspring as much as it does in Germany.

The results remind us of an uncomfortable truth: Contrary to the often-encountered self-perception, Germany is a country with exceptionally low social mobility. Children of poorer parents are more likely to remain poor themselves than elsewhere. In Germany, it takes an average of six generations for descendants of a low-income family to reach the average income. In the OECD average, it takes 4.5 generations and only two generations for top performer Denmark. Only in emerging economies is socio-economic immobility more pronounced than here! In light of a shrinking working population, Germany can no longer afford this caste-like impermeable segmentation. On February 23, Germany will elect a new parliament. The new government urgently needs to ensure better educational opportunities for all.

Fig. 2: Socio-economic determinants of adult educational attainment (Germany: deviation from the respective OECD average)



Source: [OECD](#), LBBW Research

## Social mobility: Germany gets an F grade

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