

Tantalus Curse?

Multigenerational Persistence of Welfare Dependency in Switzerland

We study the multigenerational transmission of welfare dependency using a new horizontal approach that exploits family links among siblings and cousins. Leveraging population-wide administrative data from Switzerland, we document how family background is related to the risk of welfare receipt across generations. In a three-generation framework, individuals with a welfare-dependent sibling show about a 22-percentage-point higher probability of welfare receipt, while those with a welfare-dependent cousin show about 4 percentage points higher. These patterns indicate a steep decline in similarity with generational distance. Welfare dependency displays a stronger nuclear-family pattern than income, consistent with greater persistence at the lower end of the status distribution. Yet the rate of generational decline is similar for welfare and income, implying that this heterogeneity is confined to the first two generations.