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**Status, fertility, growth and the great transition**

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**Abstract**
We develop an overlapping generation model to examine how the relationship between status concerns, fertility and education affect growth performances. Results are threefold. First, we show that stronger status motives heighten the desire of parents to have fewer but better educated children, which may foster economic development. Second, the government should sometimes postpone the introduction of an economic policy in order to maintain the process of economic development, although such a policy aims to implement the social optimum. Third, status can alter the dynamic path of the economy and help to explain the facts about fertility during the great transition. © 2010 World Scientific Publishing Company.

**Author Keywords**

- economic policy
- education
- fertility
- Social status

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