



# Social A Promise That Could Still Be Kept Mobility

**BY RICHARD V. REEVES  
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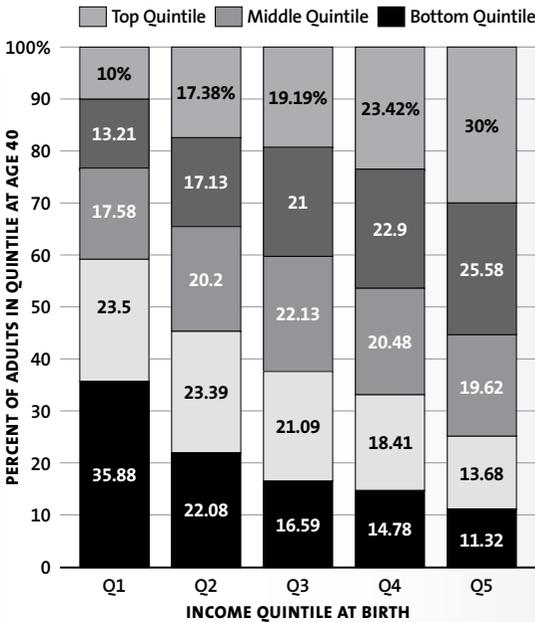
**ILLUSTRATIONS  
BY JOHN TOMAC**

**A** As a rhetorical ideal, greater opportunity is hard to beat. Just about all candidates for high elected office declare their commitments to promoting opportunity – who, after all, could be against it? But opportunity is, to borrow a term from the philosopher and political theorist Isaiah Berlin, a “protean” word, with different meanings for different people at different times.

Typically, opportunity is closely entwined with an idea of upward mobility, especially between generations. The American Dream is couched in terms of a daughter or son of bartenders or farm workers becoming a lawyer, or perhaps even a U.S. senator. But even here, there are competing definitions of upward mobility.

It might mean being better off than your parents were at a similar age. This is what researchers call “absolute mobility,” and largely relies on economic growth – the proverbial rising tide that raises most boats.

**SOCIAL MOBILITY MATRIX: U.S. OVERALL**



**Examples:** Of those born in the bottom fifth of the family income distribution (Q1), 33.88 percent are still there at age 40, while only 10 percent have reached the top fifth. Of those born in the top fifth (Q5), 30 percent remained there at age 40 while only 11.32 percent fell to the bottom fifth.

**SOURCE:** Richard Reeves, "Saving Horatio Alger: Equality, Opportunity, and the American Dream." The Brookings Essay series. Washington, D.C.: Brookings Institution.

Or it could mean moving to a higher rung of the ladder within society, and so ending up in a better relative position than one's parents. Scholars label this movement "relative mobility." And while there are many ways to think about status or standard of living – education, wealth, health, occupation – the most common yardstick is household income at or near middle age (which, somewhat depressingly, tends to be defined as 40).

As a basic principle, we ought to care about both kinds of mobility as proxies for opportunity. We want children to have the

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chance to do absolutely and relatively well in comparison to their parents.

**ON THE ONE HAND...**

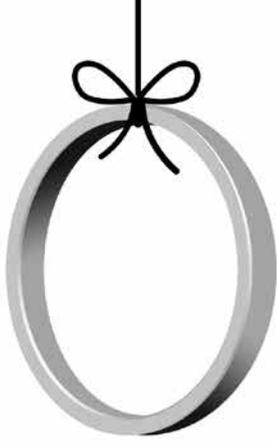
So how are we doing? The good news is that economic standards of living have improved over time. Most children are therefore better off than their parents. Among children born in the 1970s and 1980s, 84 percent had higher incomes (even after adjusting for inflation) than their parents did at a similar age, according to a Pew study. Absolute upward income mobility, then, has been strong, and has helped children from every income class, especially those nearer the bottom of the ladder. More than 9 in 10 of those born into families in the bottom fifth of the income distribution have been upwardly mobile in this absolute sense.

There's a catch, though. Strong absolute mobility goes hand in hand with strong economic growth. So it is quite likely that these rates of generational progress will slow, since the potential growth rate of the economy has probably diminished. This risk is heightened by an increasingly unequal division of the proceeds of growth in recent years. Today's parents are certainly worried. Surveys show that they are far less certain than earlier cohorts that their children will be better off than they are.

If the story on absolute mobility may be about to turn for the worse, the picture for relative mobility is already pretty bad. The basic message here: pick your parents carefully. If you are born to parents in the poorest fifth of the income distribution, your chance of remaining stuck in that income group is around 35 to 40 percent. If you manage to be born into a higher-income family, the chances are similarly good that you will remain there in adulthood.

It would be wrong, however, to say that class positions are fixed. There is still a fair





amount of fluidity or social mobility in America – just not as much as most people seem to believe or want. Relative mobility is especially sticky in the tails at the high and low end of the distribution. Mobility is also considerably lower for blacks than for whites, with blacks much less likely to escape from the bottom rungs of the ladder. Equally ominously, they are much more likely to fall down from the middle quintile.

Relative mobility rates in the United States are lower than the rhetoric about equal opportunity might suggest and lower than peo-

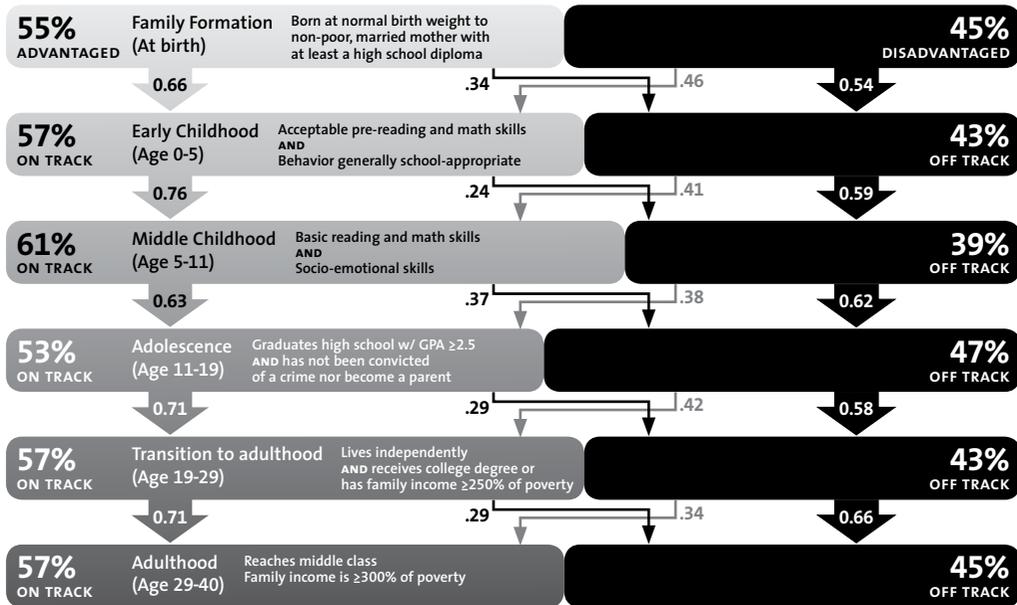
ple believe. But are they getting worse? Current evidence suggests not. In fact, the trend line for relative mobility has been quite flat for the past few decades, according to work by Raj Chetty of Stanford and his co-researchers. It is simply not the case that the amount of intergenerational relative mobility has declined over time.

Whether this will remain the case as the generations of children exposed to growing income inequality mature is not yet clear, though. As one of us (Sawhill) has noted, when the rungs on the ladder of opportunity grow further apart, it becomes more difficult to climb the ladder. To the same point, in his latest book, *Our Kids – The American Dream in Crisis*, Robert Putnam of Harvard argues that the growing gaps not just in income but also in neighborhood conditions, family structure, parenting styles and educational opportunities will almost inevitably lead to less social mobility in the future. Indeed, these multiple disadvantages or advantages are increasingly clustered, making it harder for children growing up in disadvantaged circumstances to achieve the dream of becoming middle class.

#### **THE GEOGRAPHY OF OPPORTUNITY**

Another way to assess the amount of mobility in the United States is to compare it to that found in other high-income nations. Mobility rates are highest in Scandinavia and lowest in the United States, Britain and Italy, with Australia, Western Europe and Canada lying somewhere in between, according to analyses by Jo Blanden, of the University of Surrey and Miles Corak of the University of Ottawa. Interestingly, the most recent research suggests that the United States stands out most for its lack of downward mobility from the top. Or, to paraphrase Billie Holiday, God blesses the child that's got his own.

## PROBABILITY OF BEING ON OR OFF TRACK



SOURCE: The authors.

Any differences among countries, while notable, are more than matched by differences *within* the United States. Pioneering work (again by Raj Chetty and his colleagues) shows that some cities have much higher rates of upward mobility than others. From a mobility perspective, it is better to grow up in San Francisco, Seattle or Boston than in Atlanta, Baltimore or Detroit. Families that move to these high-mobility communities when their children are still relatively young enhance the chances that the children will have more education and higher incomes in early adulthood. Greater mobility can be found in places with better schools, fewer single parents, greater social capital, lower income inequality and less residential segregation. However, the extent to which these factors are causes rather than simply correlates of higher or lower mobility is not yet known. Scholarly efforts to establish why it

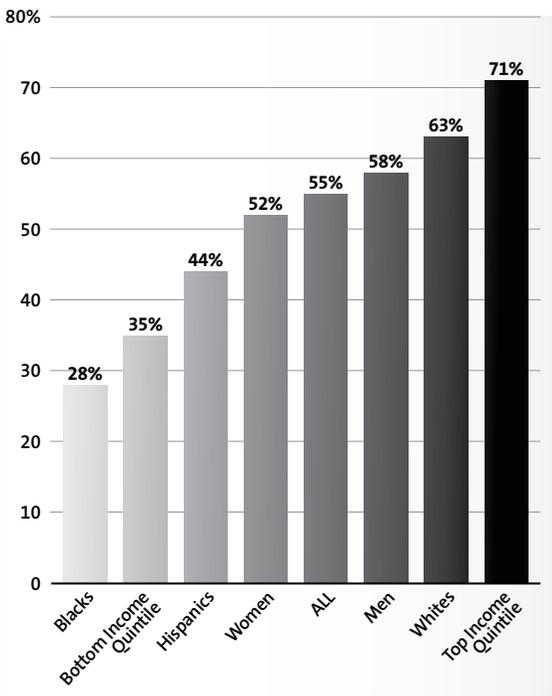
is that some children move up the ladder and others don't are still in their infancy.

## MODELS OF MOBILITY

What is it about their families, their communities and their own characteristics that determine why they do or do not achieve some measure of success later in life?

To help get at this vital question, the Brookings Institution has created a life-cycle model of children's trajectories, using data from the National Longitudinal Survey of Youth on about 5,000 children from birth to age 40. (The resulting Social Genome Model is now a partnership among three institutions: Brookings, the Urban Institute and Child Trends.) Our model tracks children's progress through multiple life stages with a corresponding set of success measures at the end of each. For example, children are considered successful at the end of elementary

## CHANCES OF REACHING MIDDLE CLASS BY MIDDLE AGE



SOURCE: The authors.

school if they have mastered basic reading and math skills and have acquired the behavioral or non-cognitive competencies that have been shown to predict later success. At the end of adolescence, success is measured by whether the young person has completed high school with a GPA average of 2.5 or better and has not been convicted of a crime or had a baby as a teenager.

These metrics capture common-sense intuition about what drives success. But they are also aligned with the empirical evidence on life trajectories. Educational achievement, for example, has a strong effect on later earnings and income, and this well-known linkage is reflected in the model. We have worked hard to adjust for confounding variables but cannot be sure that all such effects are truly causal. We do know that the model does a good job of

predicting or projecting later outcomes.

Three findings from the model stand out. First, it's clear that success is a cumulative process. According to our measures, a child who is ready for school at age 5 is almost twice as likely to be successful at the end of elementary school as one who is not.

This doesn't mean that a life course is set in stone this early, however.

Children who get off track at an early age frequently get back on track at a later age; it's just that their chances are not nearly as good. So this is a powerful argument for intervening early in life. But it is not an argument for giving up on older youth.

Second, the chances of clearing our last hurdle – being middle class by middle age (specifically, having an income of around \$68,000 for a family of four by age 40) – vary quite significantly. A little over half of all children born in the 1980s and 1990s achieved this goal. But those who are black or born into low-income families were very much less likely than others to achieve this benchmark.

Third, the effect of a child's circumstances at birth is strong. We use a multidimensional measure here, including not just the family's income but also the mother's education, the marital status of the parents and the birth weight of the child. Together, these factors have substantial effects on a child's subsequent success. Maternal education seems especially important.

The Social Genome Model, then, is a useful tool for looking under the hood at why some children succeed and others don't. But it can also be used to assess the likely impact of a variety of interventions designed to improve upward mobility. For one illustrative simulation, we hand-picked a battery of programs shown to be effective at different life stages – a parenting program, a high-quality early-education program, a reading and socio-emotional

learning program in elementary school, a comprehensive high school reform model – and assessed the possible impact for low-income children benefiting from each of them, or all of them.

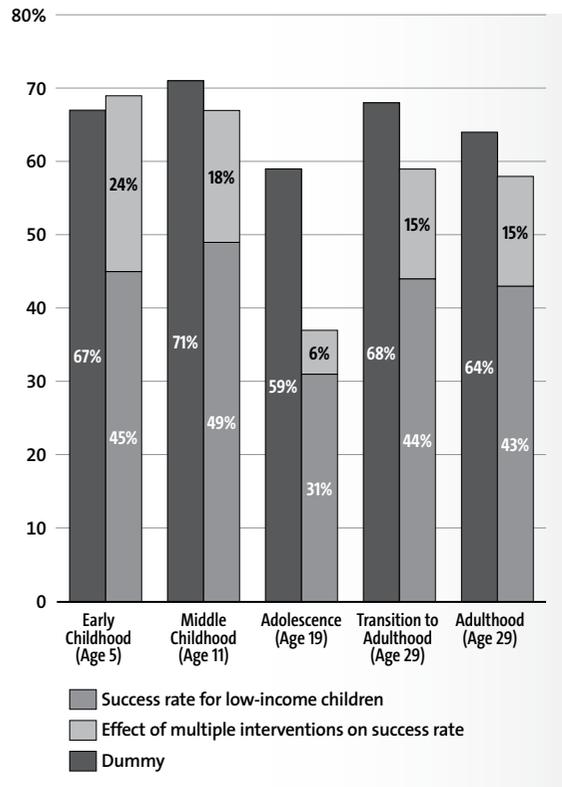
No single program does very much to close the gap between children from lower- and higher-income families. But the combined effects of multiple programs – that is, from intervening early and often in a child’s life – has a surprisingly big impact. The gap of almost 20 percentage points in the chances of low-income and high-income children reaching the middle class shrinks to six percentage points. In other words, we are able to close about two-thirds of the initial gap in the life chances of these two groups of children. The black-white gap narrows, too.

Looking at the cumulative impact on adult incomes over a working life (all appropriately discounted with time) and comparing these lifetime income benefits to the costs of the programs, we believe that such investments would pass a cost-benefit test from the perspective of society as a whole and even from the narrower prospective of the taxpayers who fund the programs.

### WHAT NOW?

Understanding the processes that lie beneath the patterns of social mobility is critical. It is not enough to know how good the odds of escaping are for a child born into poverty. We want to know *why*. We can never eliminate the effects of family background on an individual’s life chances. But the wide variation among countries and among cities in the U.S. suggests that we could do better – and that public policy may have an important role to play. Models like the Social Genome are intended to assist in that endeavor, in part by allowing policymakers to bench- test competing initiatives based on the statistical evidence.

### SUCCESS AT EACH LIFE STAGE, INCOME AT BIRTH



SOURCE: The authors.

America’s presumed exceptionalism is rooted in part on a belief that class-based distinctions are less important than in Western Europe. From this perspective, it is distressing to learn that American children do not have exceptional opportunities to get ahead – and that the consequences of gaps in children’s initial circumstances might embed themselves in the social fabric over time, leading to even less social mobility in the future.

But there is also some cause for optimism. Programs that compensate at least to some degree for disadvantages earlier in life really can close opportunity gaps and increase rates of social mobility. Moreover, by most any reasonable reckoning, the return on the public investment is high. 