The American Dream: Making it Real

County Welfare Directors Association (CWDA)

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Richard Reeves

Senior Fellow, Economic Studies

Co-Director, Center on Children & Families

The Brookings Institution

Bipartisan Agreement on Mobility

"A dangerous and growing inequality and lack of upward mobility…has jeopardized middle-class America's basic bargain -- that if you work hard, you have a chance to get ahead. I believe this is the defining challenge of our time…"

President Obama, Dec 4th, 2013

Bipartisan Agreement on Mobility

"Upward mobility is the central promise of life in America: but America's engines of upward mobility aren't working the way they should."
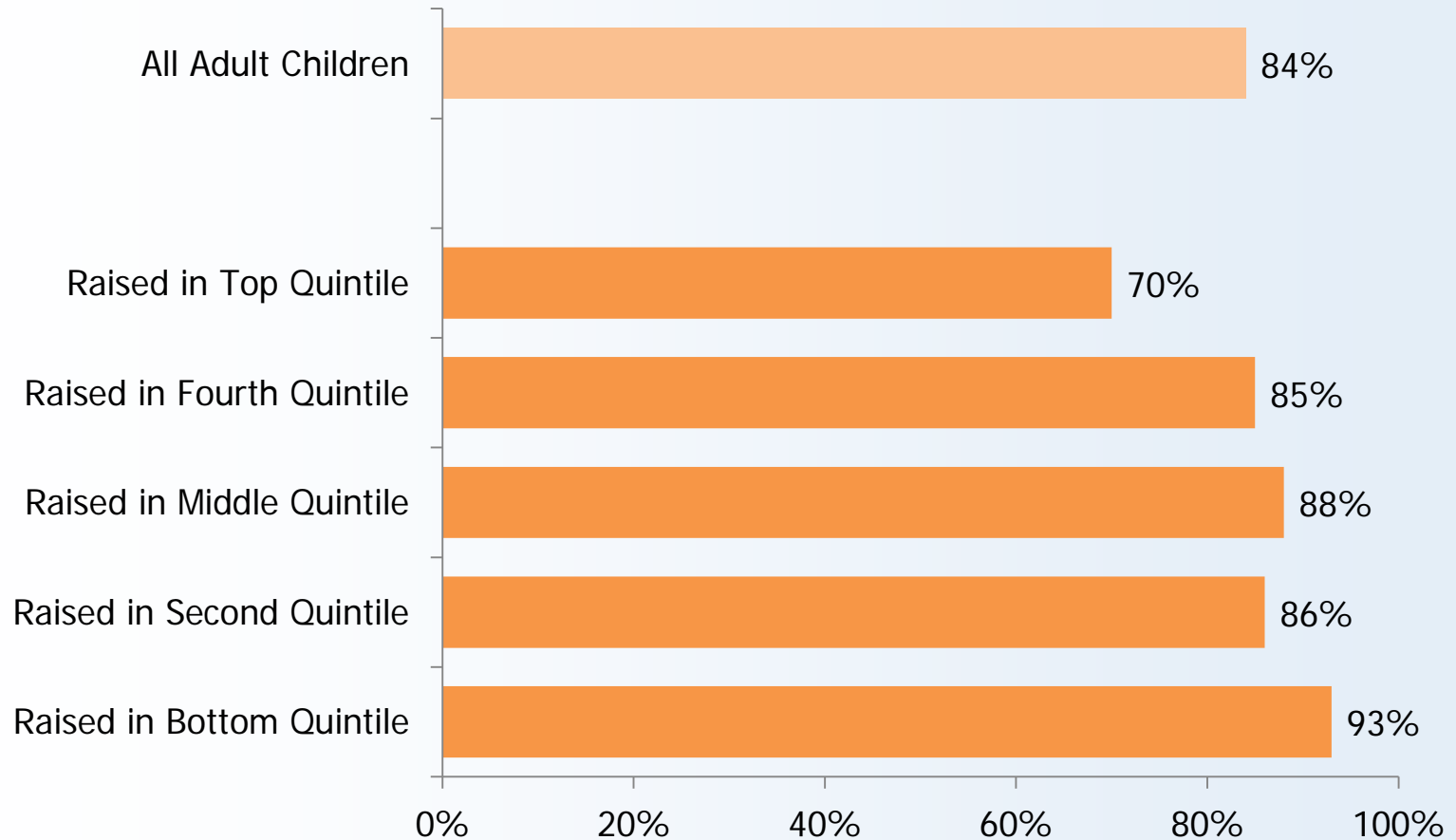
Rep. Paul Ryan, Jan 13th, 2014

What is the American Dream?

- Shared prosperity?
- Rising living standards?
- Absolute mobility?
- A strong middle class?
- No poverty?
- No child poverty?
- Meritocracy?
- High rates of relative mobility?

US: *Absolute* Mobility

Share of American children whose family income exceeds their parents' family income

Category	Value
All Adult Children	84%
Raised in Top Quintile	70%
Raised in Fourth Quintile	85%
Raised in Middle Quintile	88%
Raised in Second Quintile	86%
Raised in Bottom Quintile	93%

Source: Economic Mobility Project. 2012. *Pursuing the American Dream: Economic Mobility Across Generations*. Washington: The Pew Charitable Trusts.

US: *Relative* Mobility
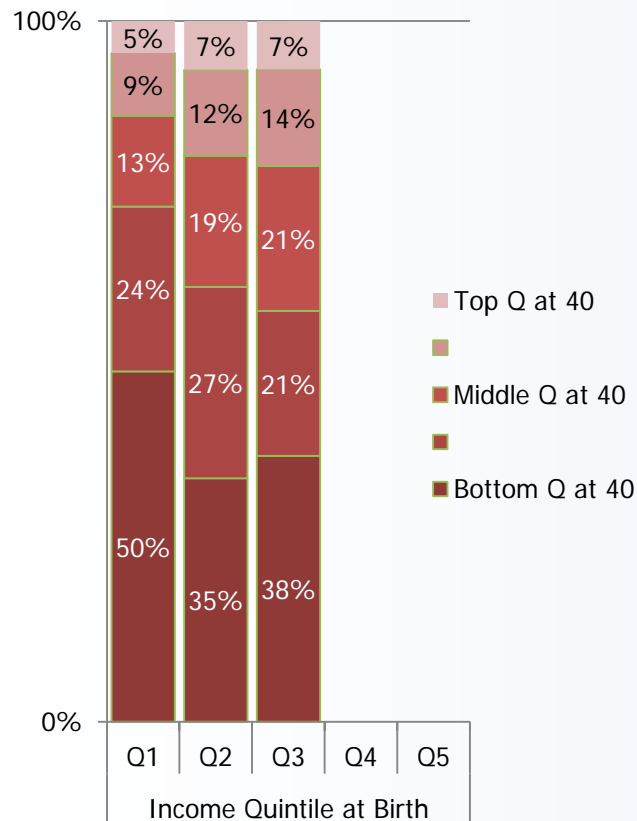
Income Quintile Transition Matrix, US overall
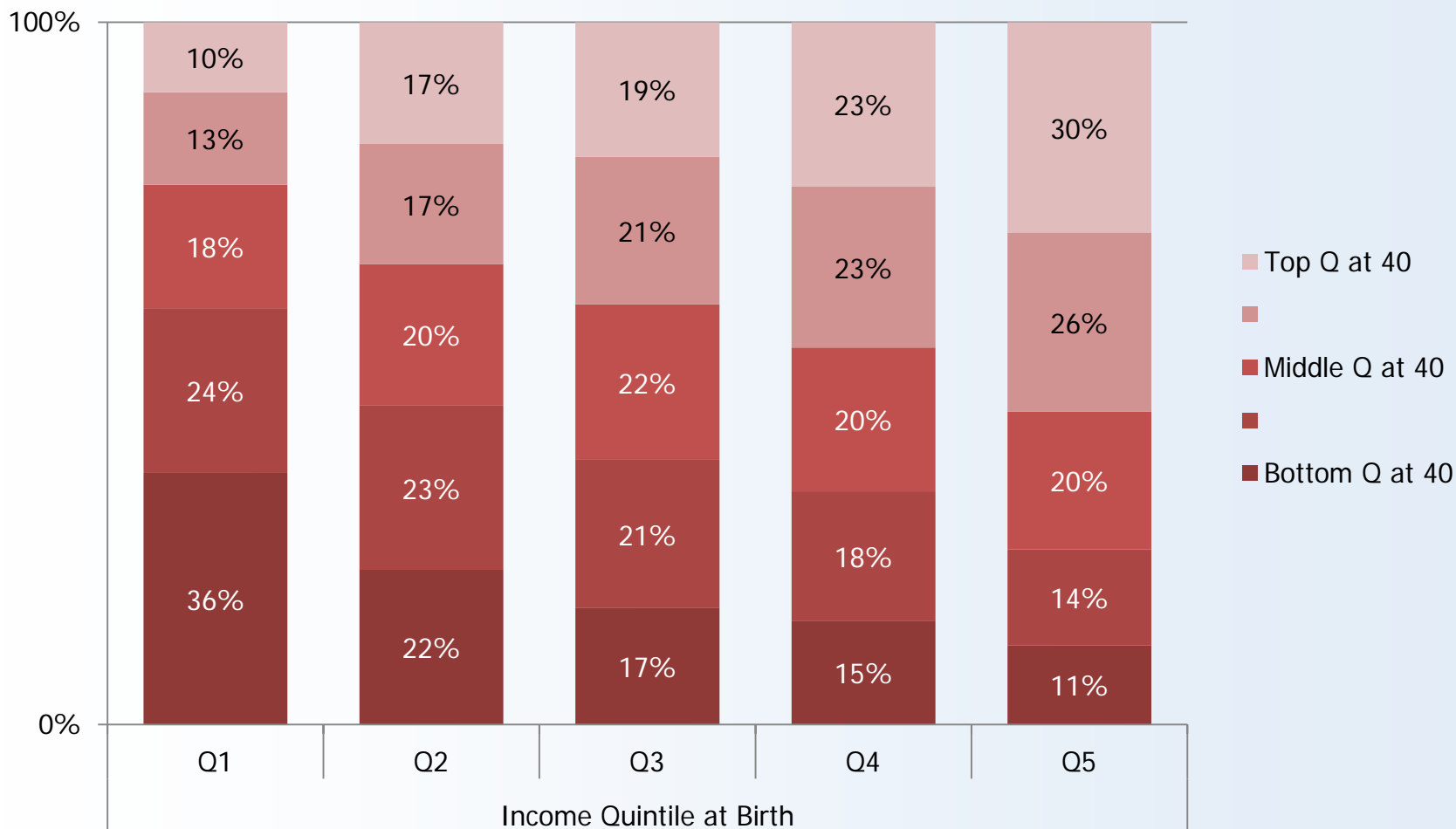
Source: Author's calculations.

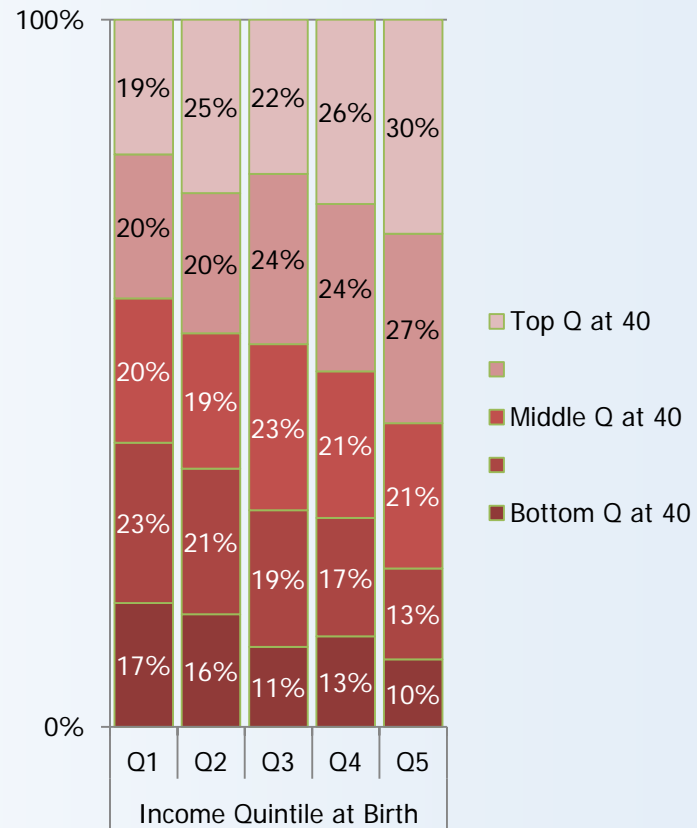# Why Stickiness? 4 Factors: FERG

- Family – stability, parenting
- Education – achievements and skills
- Race – especially poor black mobility
- Geography – metros, counties, neighborhoods

Family: Marriage is Better

Never-Married Mothers

**Continuously-Married Mothers**

Note: The sample size is too small to calculate a matrix for those born in the top two income quintiles.
Source: Author's calculations.

'Good' parenting 'explains' 'half' of the 'marriage effect'

Difference in income rank (percentile) at age 40 between children of continuously married mothers and children of never married or discontinuously married mothers
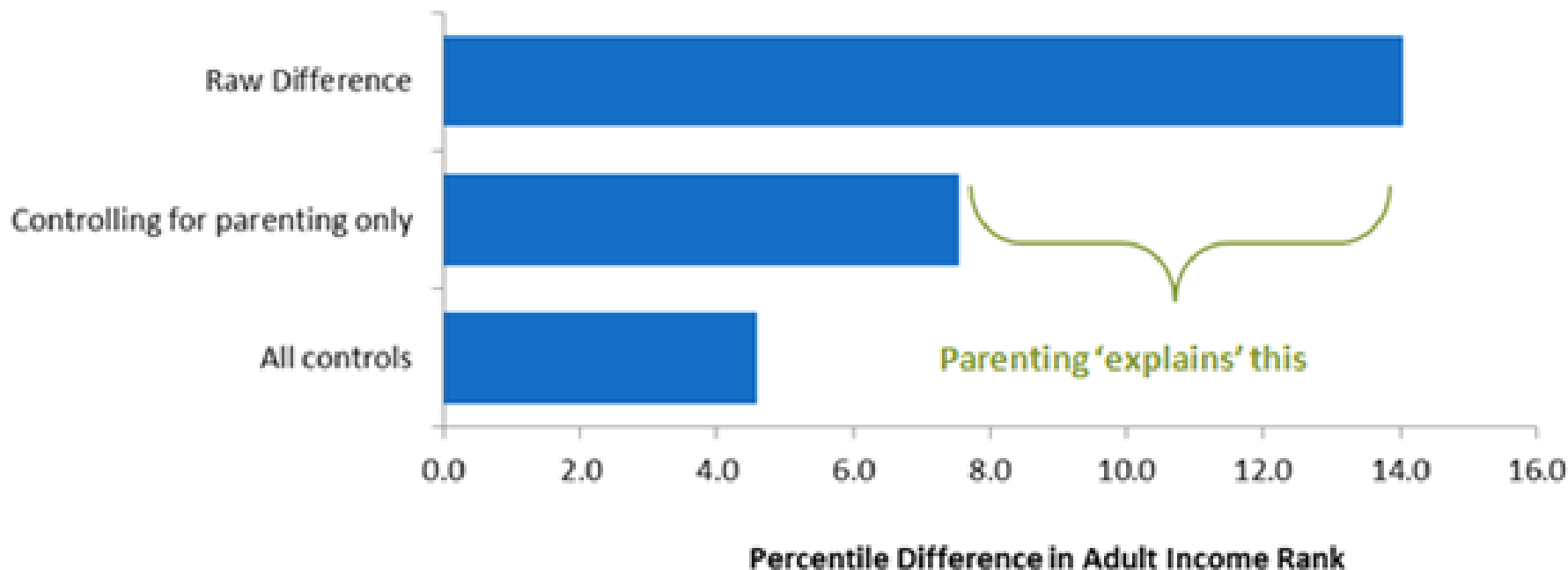
Education: No High School
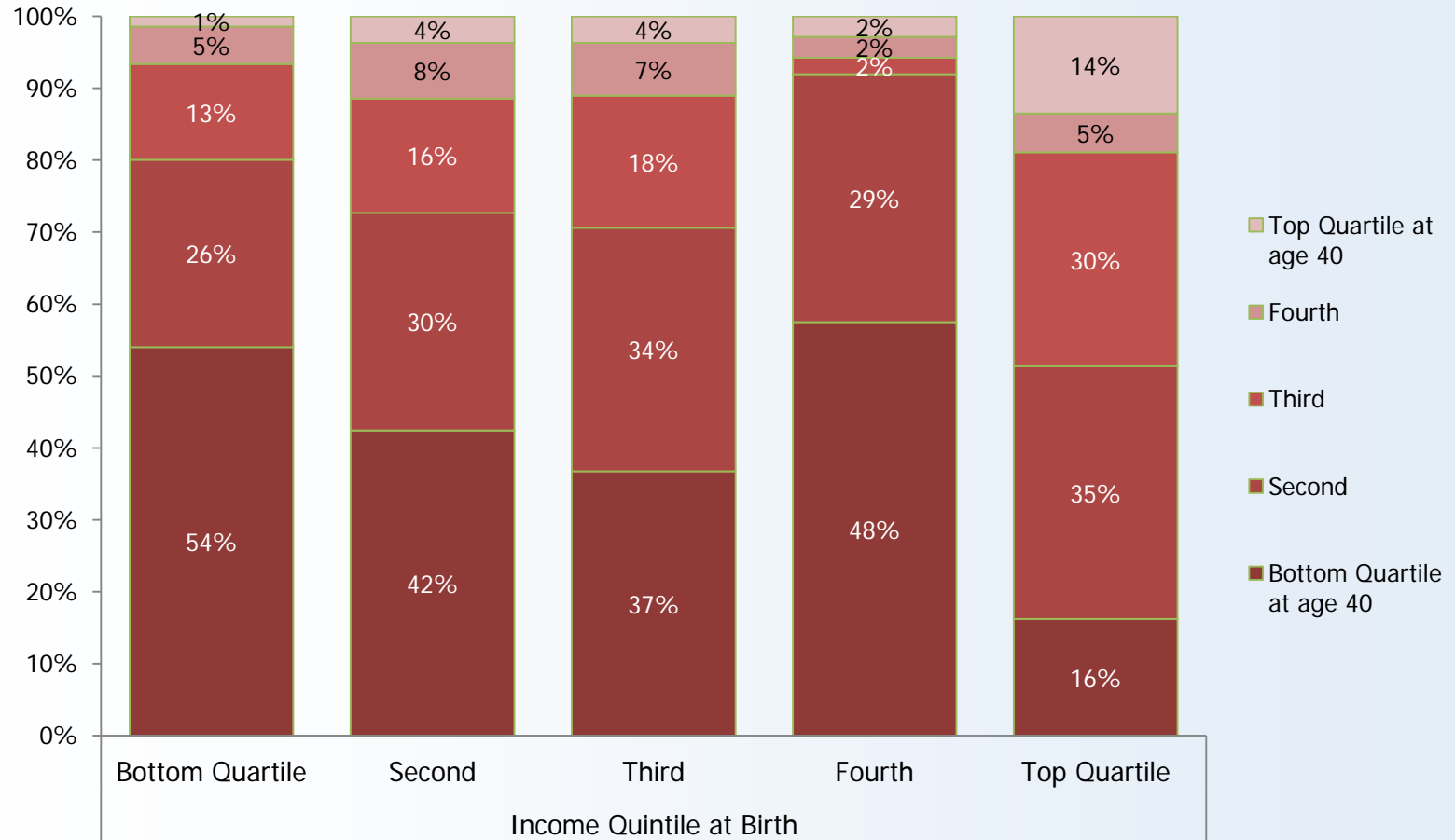
Note: Small sample size for high school graduates reaching the top quintile
Source: Author's calculations.

Education: High School Graduate

Source: Author's calculations.

Education: College Graduates
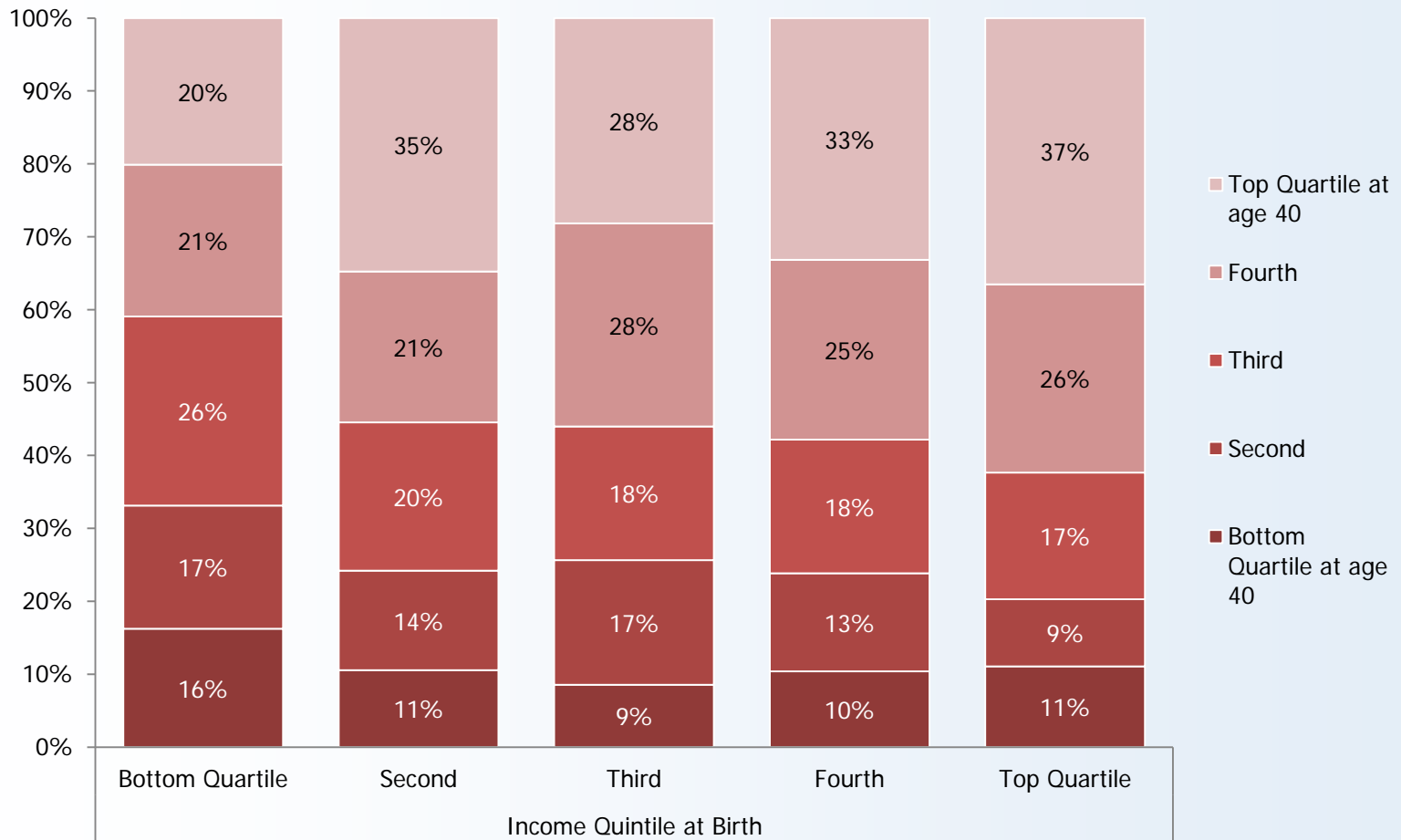
Source: Author's calculations.

Income Gaps in Higher Education

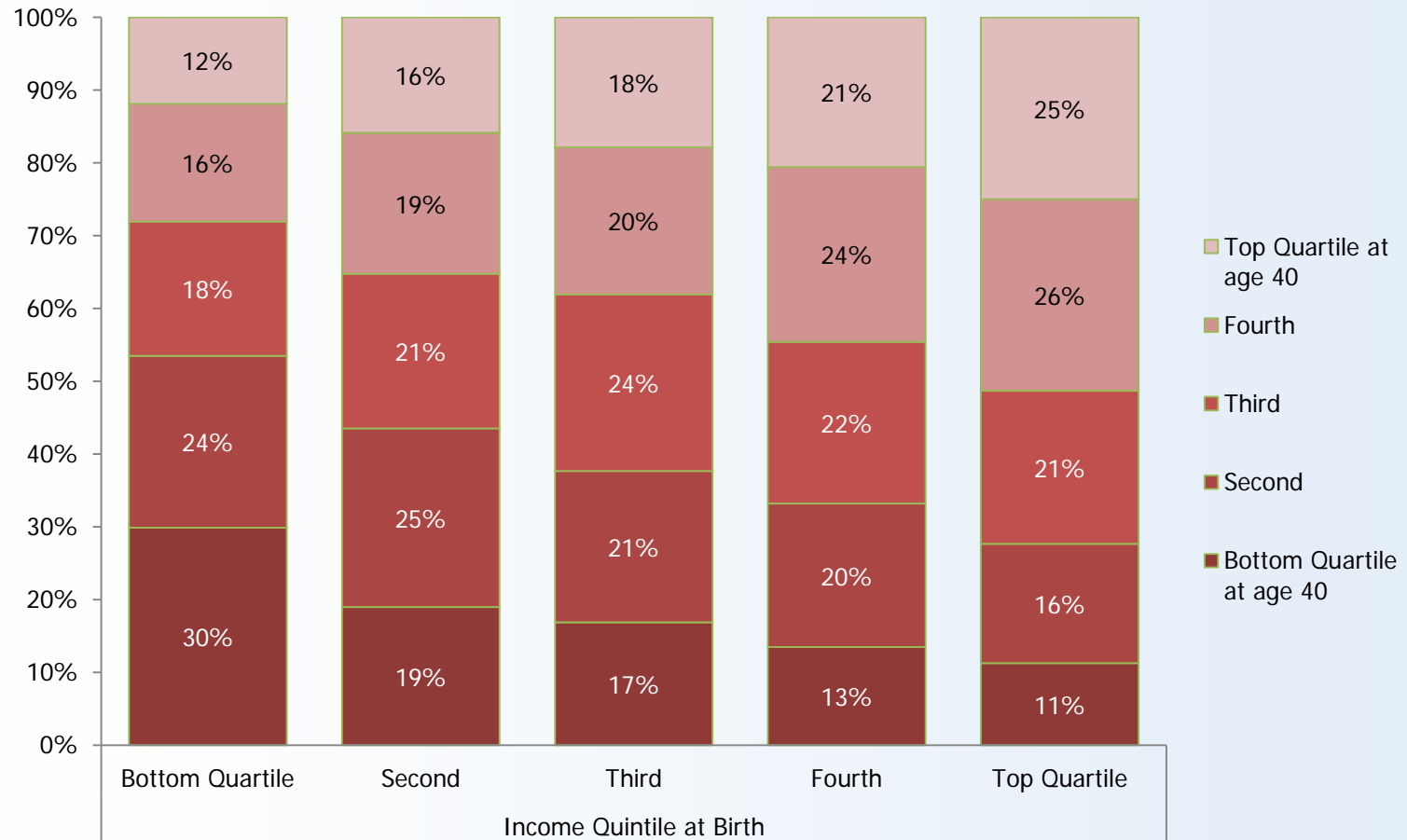## Fraction of students completing college (top quartile projected)

Income Gaps in Higher Education

Fraction of students completing college, (top quartile actual)
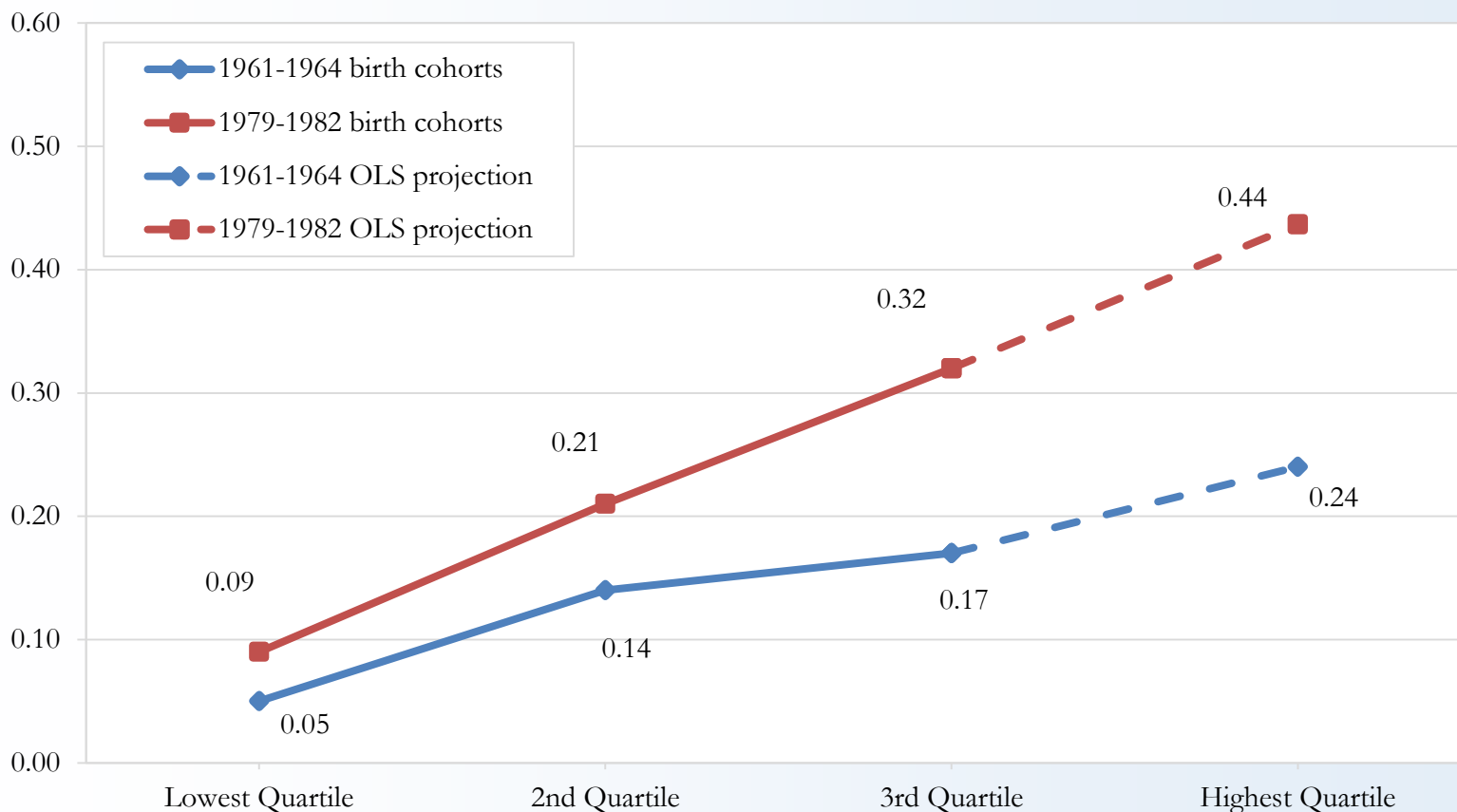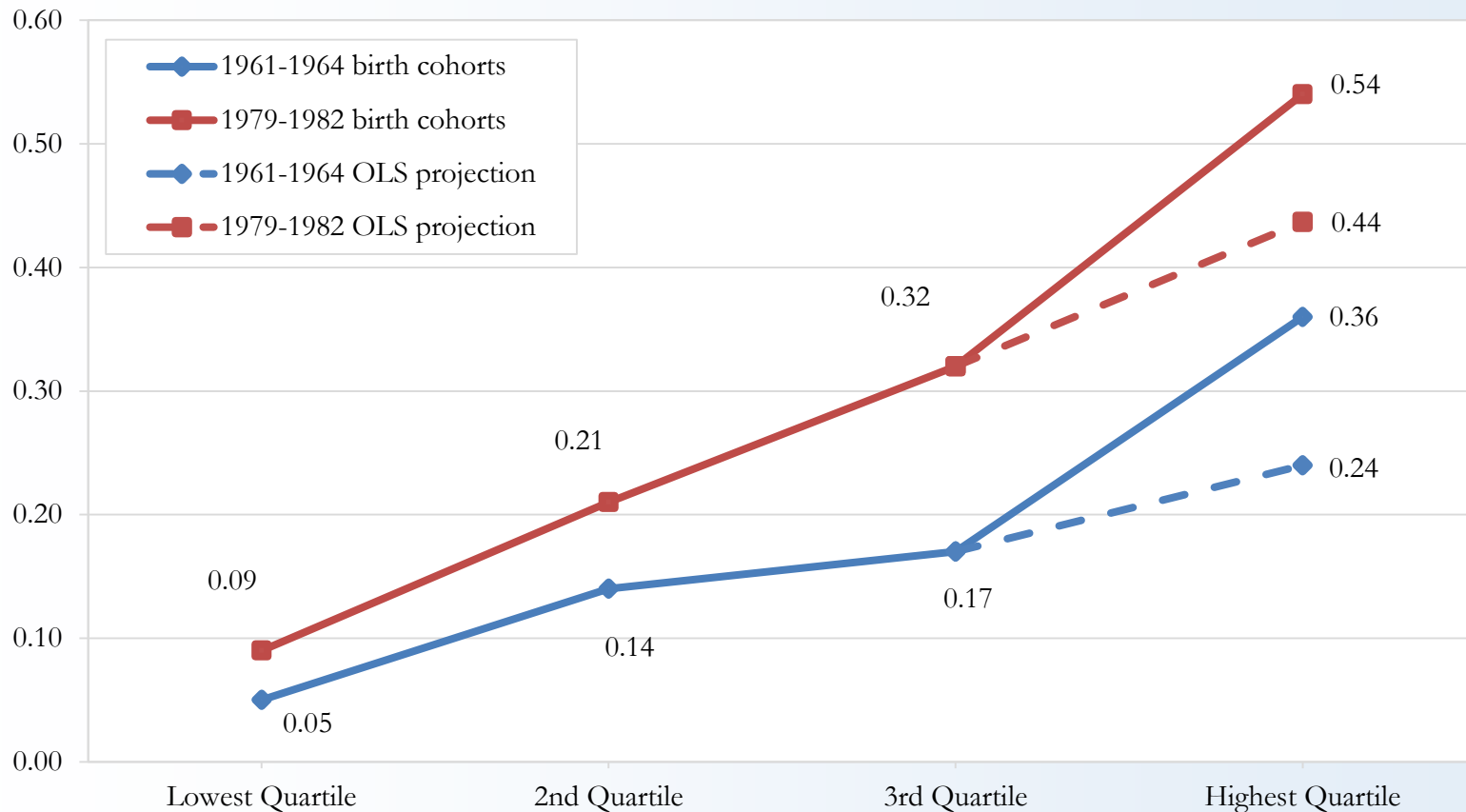
Source: Author's tabulations and Martha J. Bailey and Susan M. Dynarski, "Inequality in Postsecondary Education," in Whither Opportunity? Rising Inequality, Schools, and Children's Life Chances, edited by Greg Duncan and Richard Murnane (New York: Russell Sage Foundation, 2011), p. 117-132.

Race: Black v White Mobility

Social Mobility Matrices by Race

Black Americans
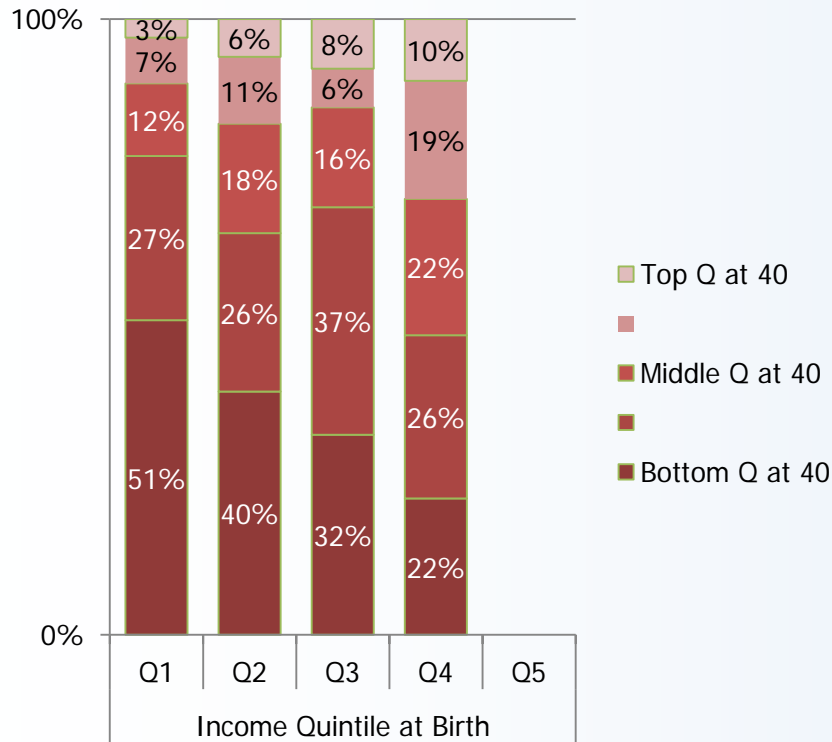
White Americans
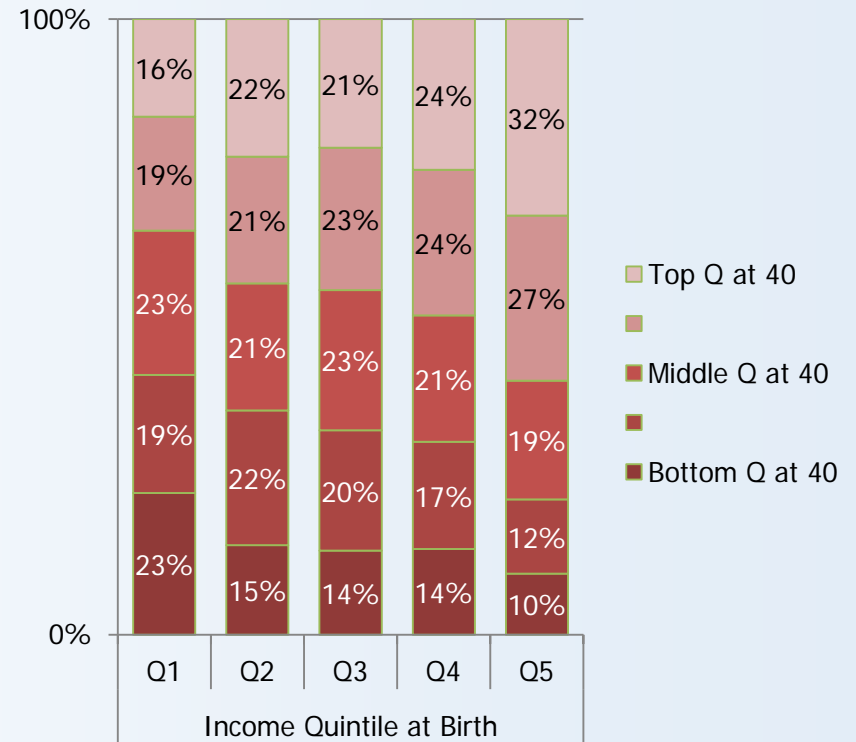
Note: The sample size is too small to calculate a matrix for those born in the top income quintile.
Source: Author's calculations.

Metro Mobility: Variation Within US

Relative Mobility: Rank-Rank Slopes by CZ

Legend	
■	0.404 - 0.508
■	0.381 - 0.404
■	0.360 - 0.381
■	0.346 - 0.360
■	0.330 - 0.346
■	0.312 - 0.330
■	0.292 - 0.312
■	0.270 - 0.292
■	0.240 - 0.270
■	0.068 - 0.240
⊠	Insufficient Data
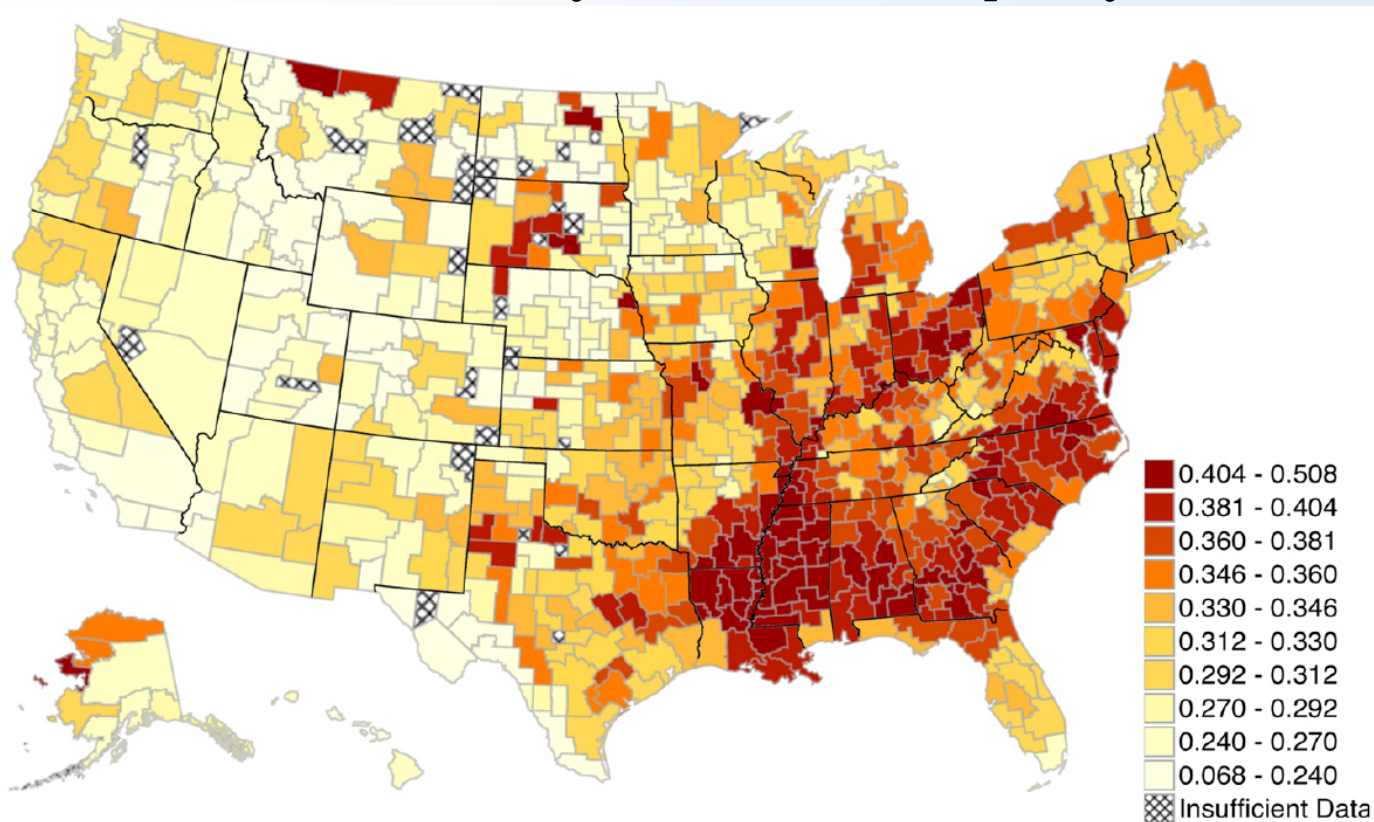
Corr. with baseline $\bar{r}_{25}$ = -0.68 (unweighted), -0.61 (pop-weighted)

Source: Chetty, Raj, et al. 2014. "Where is the Land of Opportunity: The Geography of Intergenerational Mobility in the United States." *Quarterly Journal of Economics* (forthcoming).

Metro Mobility: Correlates

"The spatial variation in intergenerational mobility is strongly **correlated** with five factors: (1) residential segregation, (2) income inequality, (3) school quality, (4) social capital, and (5) family structure." - Chetty

Medium City Mobility
Bottom to Top Income Relative Mobility in Mid-Sized Commuting Zones (0.5m-2m)
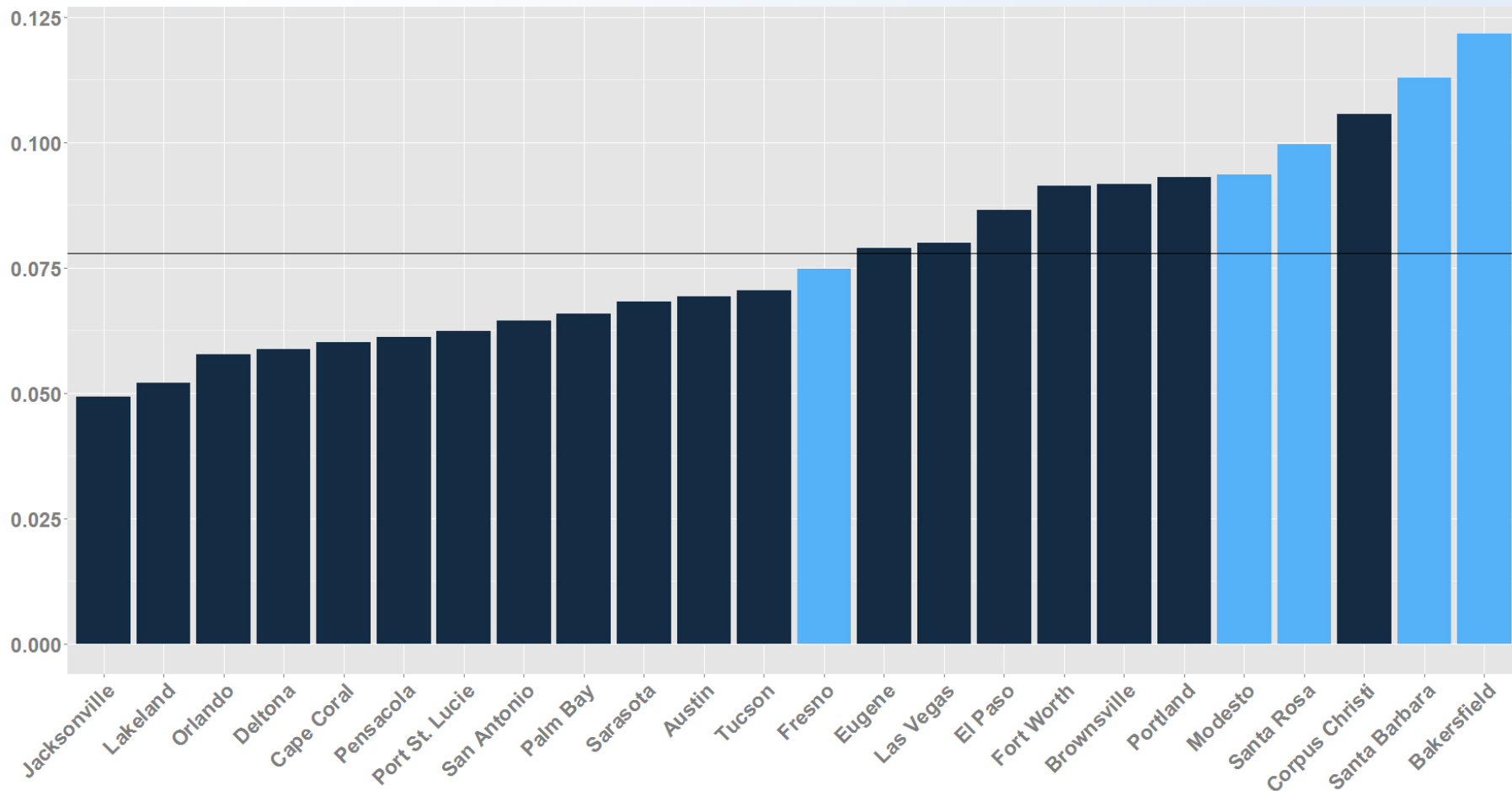
Source: Chetty et al. 2014

Policy: The O'Keefe Approach

- Select
- Simplify
- Amplify

A UK commitment …

Opening Doors,
Breaking Barriers:
A Strategy for
Social Mobility

April 2011   HM Government

"A fair society is an open society, one in which every individual is free to succeed. That is why **improving social mobility is the principal goal of the Government's social policy**" – Opening Doors, Breaking Barriers Executive Summary, April 2011

See download.cabinetoffice.gov.uk/social-mobility/opening-doors-breaking-barriers.pdf

Leading Indicators of Success

Indicator	Sub-indicators	Department
1. Low Birth Weight	Low Birth Weight (disadvantage gap)	DH
2. Child Development	Child development at age 2½ (TBC)	DH
	Gap in school readiness at age 5	DfE
3. School Attainment	Attainment of Level 4 at KS2 (FSM gap)	DfE
	Attainment of "the basics" at GCSE (FSM gap)	DfE
	Attainment of "the basics" at GCSE (deprived school gap)	DfE
	Attainment by 19 of children in state and independent schools (AAB at A level)	DfE
4. Employment and participation in education (age 18-24)	18-24 year olds participating in (full or part-time) education or training (disadvantage gap)	BIS
	18-24 year olds not in full-time education or training who are workless (disadvantage gap)	DWP
5. Further Education	Percentage achieving a level 3 qualification by age 19 (FSM gap)	DfE
6. Higher Education	Progression of pupils aged 15 to HE at age 19 (FSM gap)	BIS
	Progression of pupils to the 33% most selective HE institutions (state/independent school gap)	BIS
	Destinations from higher education (disadvantage gap)	BIS
7. Social Mobility in Adulthood	Access to the professions (disadvantage gap)	BIS/DWP
	Progression in the labour market (wage progression)	BIS/DWP
	Second chances in the labour market (post-19 basic skills)	BIS/DWP

Mobility: A Policy Architecture

Commitment to Goal

* High-level, clear commitment to mobility as target ie. "improving social mobility is the principal goal of the Government's social policy"

Definition & Measurement

• Clarity on definition: ie. Intergenerational, relative mobility by income and occupation
• Support for data to measure long-term trends: Government support for the 2012 birth cohort study (following Millenium Cohort Study of 2000)
• Seven 'leading indicators' of mobility & sub-indicators, published annually

Institutional Accountability

• Creation of statutory, independent Commission on Social Mobility & Child Poverty, reporting annually to Parliament "on the progress being made by government and wider society in improving social mobility…"
• Commission undertaking issue-specific reports (ie. HE access, professions)
• Chaired by senior Labour figure (Alan Milburn, ex-Cabinet Minister)

Executive Sponsorship

• Standing Ministerial Group on Social Mobility, Chaired by DPM
•'Social Mobility' test on all new policies or policy changes
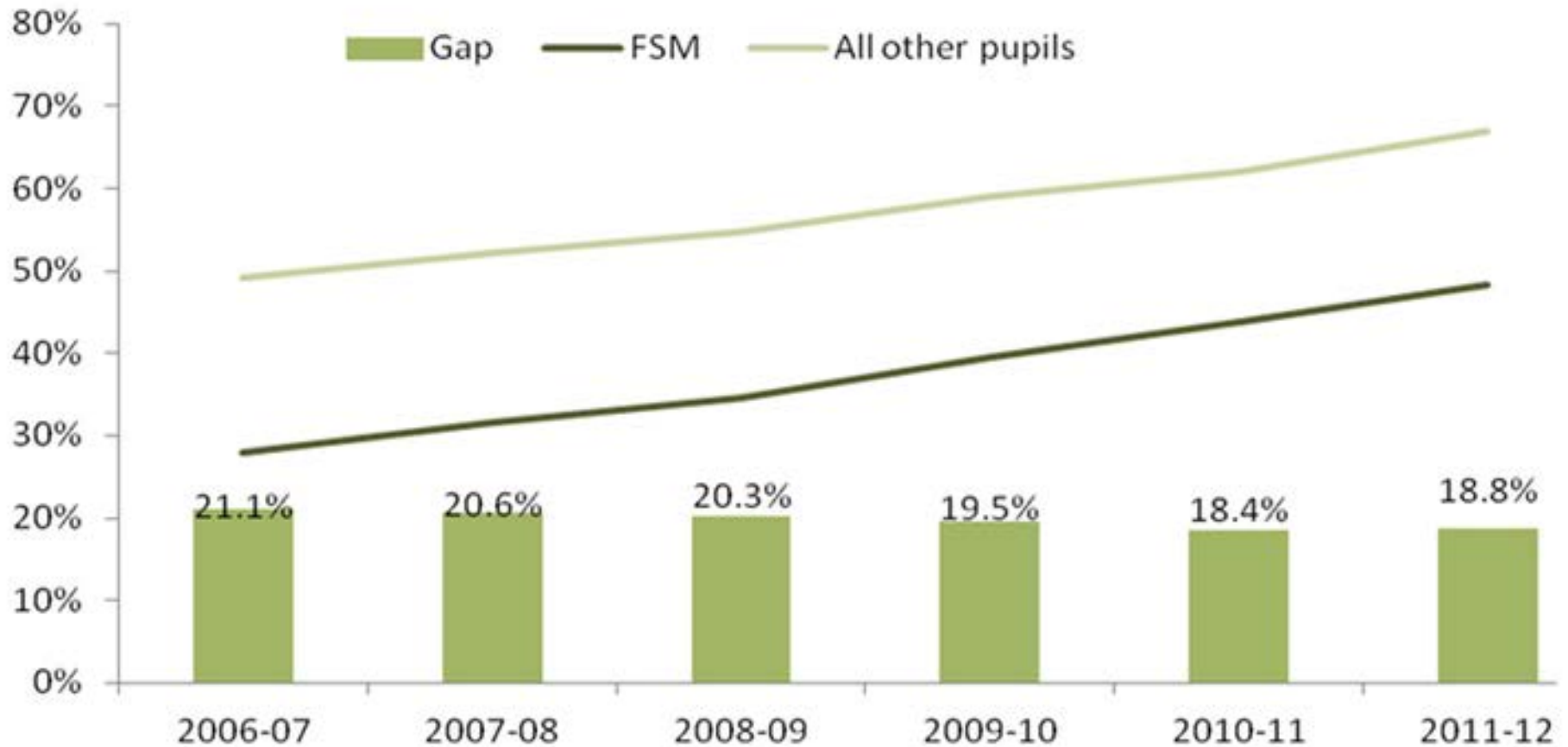•APPG on Social Mobility, All-Party

Low Birth Weight

School Readiness, Age 5

Colorado Opportunity Framework

Goal: "*Increasing the proportion of adults-- particularly from disadvantaged circumstances--who are middle class by middle age.* (Family Income of 300% FPL or higher at age 40)". (my emphasis)

CDPHE CDHS

HCPF CO

The
Colorado
Opportunity
Project

Project Goal: To deliver evidence-based initiatives that provide the opportunity for all Coloradans to reach middle class[1] by middle age.

Below are the Colorado Opportunity Project "indicators[2]", or milestones, that help Coloradans stay on the path towards self-sufficiency and economic success.

LIFE STAGE

FAMILY FORMATION
(positive birth circumstances)

Planned pregnancy, born at healthy birth weight, to dual parent household without maternal depression

EARLY CHILDHOOD
(ages 0 – 5)

School readiness, healthy social emotional skills & family access to affordable, nutritious food

MIDDLE CHILDHOOD
(ages 6 – 11)

Math/Reading skills & healthy social emotional skills

OPPORTUNITY INDICATORS

Family Formation
- ✓ rate of low birth weight
- ✓ family income
- ✓ maternal depression
- ✓ single- or dual-parent household
- ✓ unintended pregnancy

Early Childhood
- ✓ % of parents concerned about child's emotions, concentration, behavior, or ability to get along with others (ages 0 – 8)
- ✓ % of families relying on low cost food
- ✓ children whose family members read to them less than 3 days/week

Middle Childhood
- ✓ standardized test: math scores
- ✓ standardized test: reading scores
- ✓ % of parents concerned about child's emotions, concentration, behavior, or ability to get along with others (ages 9 – 14)

Social Genome Model: Goal

As many 'middle class by middle age' as possible = 300% FPL by age of 40. {Combined absolute and relative mobility measure}

Family formation
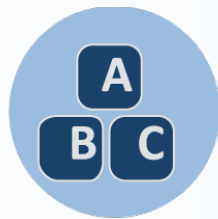
Early childhood
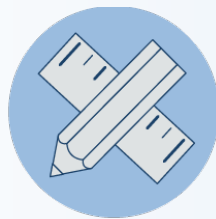
Middle childhood

Adolescence

Transition to adulthood

Adulthood

Odds of Reaching Middle Class

SGM Success Benchmarks

Family formation
Born at normal birth weight to a non-poor, married mother with at least a high school diploma

Early childhood
Acceptable pre-reading and math skills
AND
Behavior generally school-appropriate

Middle childhood
Basic reading and math skills
AND
Social-emotional skills

Adolescence
Graduates from high school w/GPA $\geq$ 2.5
AND
Has not been convicted of a crime nor become a parent

Transition to adulthood
Lives independently
AND
Receives a college degree or has a family income $\geq$ 250% of the poverty level

Adulthood
Reaches middle class (family income at least 300% of the poverty level)

Pathways to the Middle Class

Children successful by age 5 are nearly twice as likely to be successful by age 11 (76% vs. 41%).

55% ADVANTAGED	**FAMILY FORMATION** (AT BIRTH)	Born at normal birth weight to non-poor, married mother with at least a high school diploma	**45%** DISADVANTAGED

.66 | .34 | .46 | .54

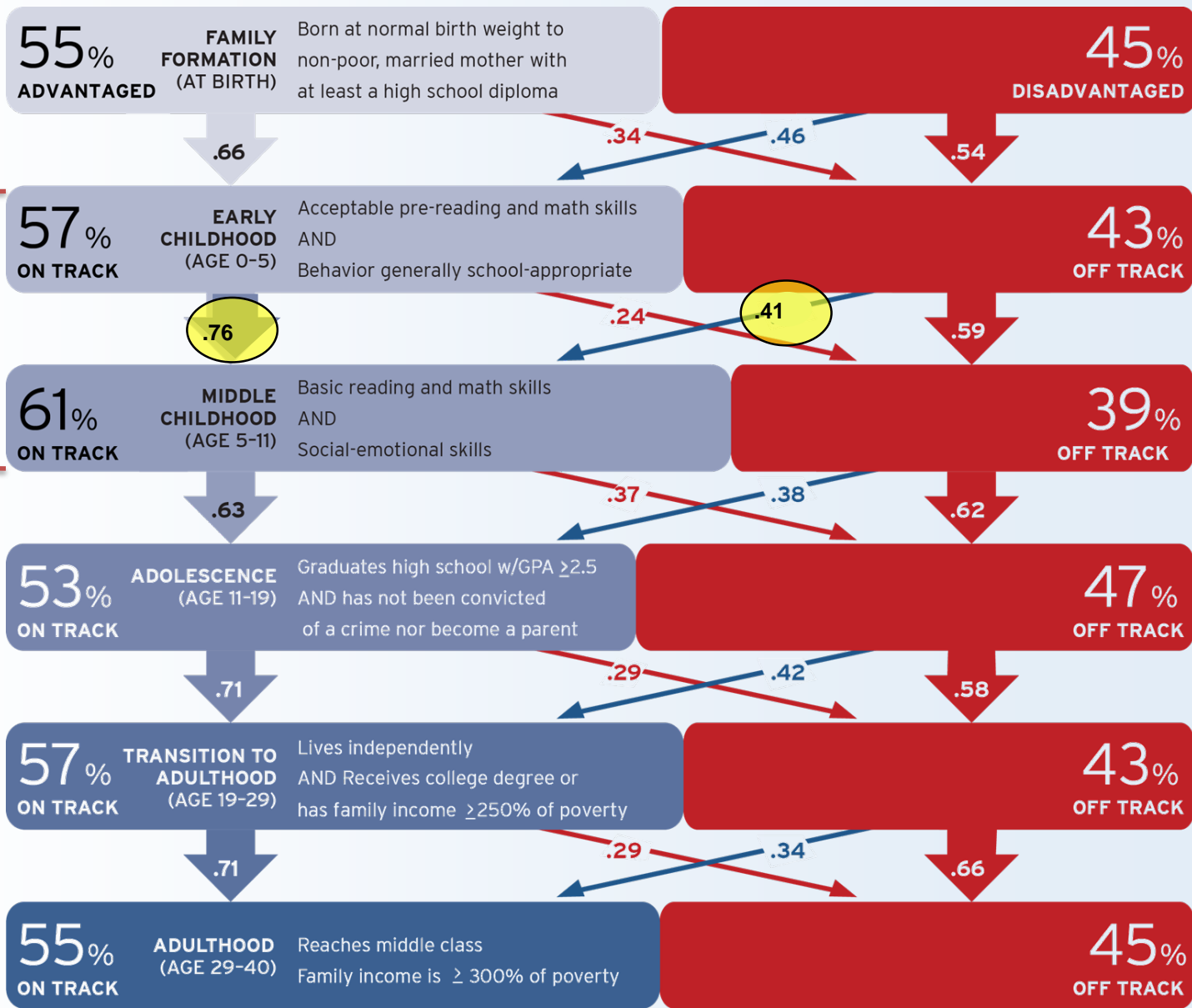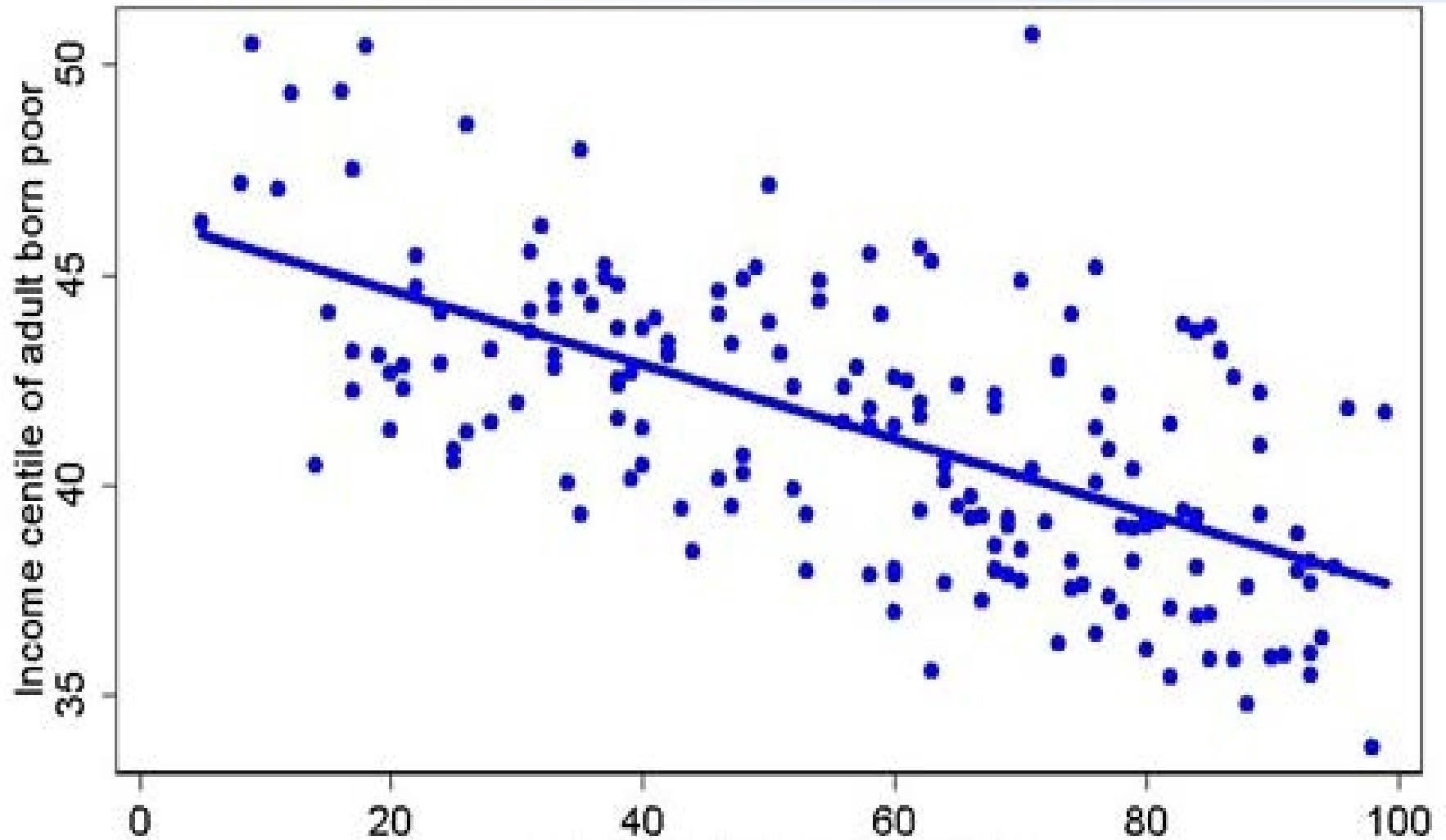|			
57% ON TRACK	**EARLY CHILDHOOD** (AGE 0-5)	Acceptable pre-reading and math skills AND Behavior generally school-appropriate	**43%** OFF TRACK

.76 | .24 | .41 | .59

61% ON TRACK	**MIDDLE CHILDHOOD** (AGE 5-11)	Basic reading and math skills AND Social-emotional skills	**39%** OFF TRACK

.63 | .37 | .38 | .62

53% ON TRACK	**ADOLESCENCE** (AGE 11-19)	Graduates high school w/GPA ≥2.5 AND has not been convicted of a crime nor become a parent	**47%** OFF TRACK

.71 | .29 | .42 | .58

57% ON TRACK	**TRANSITION TO ADULTHOOD** (AGE 19-29)	Lives independently AND Receives college degree or has family income ≥250% of poverty	**43%** OFF TRACK

.71 | .29 | .34 | .66

55% ON TRACK	**ADULTHOOD** (AGE 29-40)	Reaches middle class Family income is ≥ 300% of poverty	**45%** OFF TRACK

Low Birth Weight & Upward Mobility

So What?

- Clarity of our overall goal
- Clear success measures, long and short term
- Quality data & evidence-based policy
- Early years focus but not determinism
- Reproductive health & contraception
- Child welfare critical to the American Dream
- Good luck!

BROOKINGS

rreeves@brookings.edu

www.brookings.edu/blogs/social-mobility-memos

@richardvreeves