The Fading American Dream
Percent of Children Earning More than Their Parents, by Year of Birth

Source: Chetty, Grusky, Hell, Hendren, Manduca, Narang (Science 2017)
How Can We Restore the American Dream?

We use **big data** to study how to increase upward mobility

Analyze a broad range of interventions, from **childhood** to **adulthood**

Starting point: sharp **local** differences in rates of upward mobility
The Geography of Upward Mobility in the United States
Average Income at Age 35 for Children whose Parents Earned $25,000 (25th percentile)

Note: Blue = More Upward Mobility, Red = Less Upward Mobility
Source: Chetty, Friedman, Hendren, Jones, Porter 2018
Upward Mobility vs. Job Growth in the 30 Largest Metro Areas

Average Income at Age 35 of Children who Grew up in Low-Income Families

Job Growth Rate (%) from 1990-2010

High mobility, low growth
- San Jose
- San Francisco
- Minneapolis
- Seattle
- Sacramento
- Kansas City

Low mobility, low growth
- New York
- Los Angeles
- St. Louis
- Dallas
- Atlanta

High mobility, high growth
- San Diego
- Washington
- Portland
- Houston
- Denver
- Riverside

Low mobility, high growth
- Chicago
- Detroit
- Pittsburgh
- Cleveland
- Cincinnati

Upward Mobility vs. Job Growth in the 30 Largest Metro Areas
The Geography of Upward Mobility in the United States
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Source: Chetty, Friedman, Hendren, Jones, Porter 2018

Note: Blue = More Upward Mobility, Red = Less Upward Mobility
Two Americas: The Geography of Upward Mobility For Black vs. White Men

Average Income at Age 35 For Men Whose Parents Earned $27,000 (25th percentile)

Note: Blue = More Upward Mobility, Red = Less Upward Mobility
Source: Chetty, Hendren, Jones, Porter 2018
The Geography of Upward Mobility For Black vs. White Women
Average Income at Age 35 For Women Whose Parents Earned $27,000 (25th percentile)

Note: Blue = More Upward Mobility, Red = Less Upward Mobility
Source: Chetty, Hendren, Jones, Porter 2018
Income Mobility for Black vs. White Men Raised in High-Income Families

Source: Chetty, Hendren, Jones, Porter 2018; New York Times 2018
The Geography of Upward Mobility in the United States
Average Income at Age 35 for Children whose Parents Earned $25,000 (25th percentile)

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Source: Chetty, Friedman, Hendren, Jones, Porter 2018

Geographic Information:
- Seattle: $35.8k
- San Francisco Bay Area: $37.9k
- Los Angeles: $34.8k
- Salt Lake City: $37.9k
- Dubuque: $46.1k
- Cincinnati: $27.8k
- Cleveland: $30.0k
- Boston: $37.1k
- New York City: $36.6k
- Washington DC: $34.5k
- Charlotte: $26.3k
Household Income for Black Children of Low Income Parents
Household Income for Black Children of Low Income Parents

Dumont Avenue
Household Income for Black Children of Low Income Parents

$26K
The Geography of Upward Mobility for Black Men in Cincinnati
Average Income at Age 35 for Black Men with Parents Earning $25,000 (25th percentile)

Mount Adams $17,000
Over-The-Rhine $6,700
The Geography of Upward Mobility for Black Women in Cincinnati

Average Income at Age 35 for Black Women with Parents Earning $25,000 (25th percentile)

Mount Adams $27,000

Over-The-Rhine $27,000
The Geography of Incarceration Rates for Black Men in Cincinnati

Incarceration Rates for Black Men with Parents Earning $25,000 (25th percentile)

Mount Adams 12%

Over-The-Rhine 46%
The Geography of Upward Mobility in Seattle
Average Income at Age 35 for Children with Parents Earning $25,000 (25th percentile)
Income Gain from Moving to a Better Neighborhood
By Child’s Age at Move

Average Income at Age 35

Age of Child when Parents Move

Normandy Park

Central District
Move at age 2 from Central District to Normandy Park → average earnings of $39,000
Income Gain from Moving to a Better Neighborhood
By Child’s Age at Move

Average Income at Age 35

$41K

$36K

$31K

$26K

Age of Child when Parents Move

Central District

Normandy Park
Income Gain from Moving to a Better Neighborhood
By Child’s Age at Move

Graph showing the average income at age 35 for children whose parents moved to Normandy Park or Central District, depending on their age at the time of the move. The y-axis represents income, ranging from $26K to $41K, and the x-axis represents the age of the child when their parents moved, ranging from 2 to 28 years old. The graph illustrates a downward trend, indicating that income gain decreases as the child’s age at the time of the move increases.
Characteristics of High-Mobility Neighborhoods

- Lower Poverty Rates
- More stable family structure
- Greater social capital
- Better school quality
How Big Is a “Neighborhood”?  
Spatial Decay in Association Between Poverty Rates and Upward Mobility

Poverty rates more than 0.6 miles away from a block have no impact on upward mobility there.
From Research to Policy: Three Pillars

Reducing Segregation
Help Low-Income Families Move to High-Opportunity Areas

Place-Based Investments
Increase Upward Mobility in Low-Opportunity Areas

Improving Higher Education
Amplify Impacts of Colleges on Mobility
The Geography of Upward Mobility in Detroit
Average Income at Age 35 for Children with Parents Earning $25,000 (25th percentile)
From Research to Policy: Three Pillars

- **Reducing Segregation**: Help Low-Income Families Move to High-Opportunity Areas
- **Place-Based Investments**: Increase Upward Mobility in Low-Opportunity Areas
- **Improving Higher Education**: Amplify Impacts of Colleges on Mobility
Is Affordable Housing in Seattle Maximizing Opportunities for Upward Mobility?

Most Common Current Locations of Families Receiving Housing Vouchers
The Price of Opportunity in Seattle and King County
Upward Mobility versus Median Rent by Neighborhood

Average Incomes of Children with Low-Income Parents ($1000)
The Price of Opportunity in Seattle and King County
Upward Mobility versus Median Rent by Neighborhood

The scatter plot shows the relationship between average incomes of children with low-income parents ($1000) and median 2-bedroom rent in 2015 by neighborhood. The data points are distributed across the plot, with a trend line indicating a positive correlation. The Central District is marked on the plot, highlighting its specific data points in comparison to the overall trend.
The Price of Opportunity in Seattle and King County
Upward Mobility versus Median Rent by Neighborhood

Median 2-Bedroom Rent in 2015

Central District
Normandy Park

Opportunity Bargains
Creating Moves to Opportunity

Pilot study to help families with housing vouchers move to high-opportunity areas in Seattle using three approaches:

- Providing information to tenants
- Recruiting landlords
- Offering housing search assistance

Bergman, Chetty, DeLuca, Hendren, Katz, Palmer 2019
Location of LIHTC Developments in Hamilton County

Subgroup Scaling, Low-Income | Census Tracts
From Research to Policy: Three Pillars

- Reducing Segregation
  - Help Low-Income Families Move to High-Opportunity Areas

- Place-Based Investments
  - Increase Upward Mobility in Low-Opportunity Areas

- Improving Higher Education
  - Amplify Impacts of Colleges on Mobility
A Life-Course Approach to Place-Based Investment
From Research to Policy: Three Pillars

**Reducing Segregation**
Help Low-Income Families Move to High-Opportunity Areas

**Place-Based Investments**
Increase Upward Mobility in Low-Opportunity Areas

**Improving Higher Education**
Amplify Impacts of Colleges on Mobility
Which Colleges Help Move Low-Income Students to the Top of Income Ladder?
Success Rates Versus Low-Income Access by College, Highlighting Schools in Ohio

Success:
Percent of Students from Bottom 20% who Reach Top 20%

Access:
Percent of Students from Families in Bottom 20%
Which Colleges Help Move Low-Income Students to the Top of Income Ladder?
Success Rates Versus Low-Income Access by College, Highlighting Schools in Ohio

- Harvard University
- Case Western Reserve University
- Clark State Community College
Which Colleges Help Move Low-Income Students to the Top of Income Ladder?
Success Rates Versus Low-Income Access by College, Highlighting Schools in Ohio
Collegiate Leaders in Increasing Mobility

Partnership between Opportunity Insights and **400 colleges** across the U.S. that seeks to help colleges:

- Increase access to qualified low-income students
- Maximize the success of students from disadvantaged backgrounds
Which Colleges Help Move Low-Income Students to the Top of Income Ladder?

Success Rates Versus Low-Income Access by College, Highlighting Schools in Ohio
From Research to Policy: Three Pillars

**Reducing Segregation**
Help Low-Income Families Move to High-Opportunity Areas

**Place-Based Investments**
Increase Upward Mobility in Low-Opportunity Areas

**Improving Higher Education**
Amplify Impacts of Colleges on Mobility
A Wake-Up Call for Charlotte-Mecklenburg

Land of opportunity? Not by a long shot
Charlotte is nation’s worst big city for climbing out of poverty

The Charlotte Observer

Over the last several decades, Charlotte-Mecklenburg has transformed from a small southern town to one of the country’s largest and most dynamic communities. We continue to attract people—nearly 50 a day—who move here to take advantage of our strong business climate, favorable weather and geographic location, and our reputation as a great place to live and raise a family. Accolades from the outside regularly tell us how tall we stand among other communities. As recently as February 7, 2017, U.S. News and World Report ranked us as the 14th best place to live in the country.¹

Yet, in 2013 when the headline broke about the Harvard University/UC Berkeley study that ranked Charlotte-Mecklenburg 50th out of 50 in upward mobility² for children born into our lowest income quintile, many in our community responded with disbelief. **How, on the one hand, can we be such a vital and opportunity-rich community, and on the other, be ranked dead last in the odds that our lowest income children and youth will be able to move up the economic ladder as they become adults?**

The Geography of Opportunity in Charlotte

< $16k | $34k | > $56k
Web: www.opportunityinsights.org

Twitter: @OppInsights

Email: policy@opportunityinsights.org
Opportunity Atlas
Income in Adulthood for Children who Grow up in Low Income Families

<$60k
$32k
>10k
Opportunity Atlas
Income in Adulthood for Black Men who Grow up in Low Income Families

-$3.8K/year
-$16K/year
<$1k
$14k
>$28k
Opportunity Atlas

Incarceration Rates for Black Men who Grow up in Low Income Families

- >40%:
  - 29%
- 14%:
  - 10%
- <1%:
  - 10%