Economic Mobility – What’s the Problem?

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PRESENTATION AT FREE MARKET FORUM, OCTOBER 11, 2016
How Much Mobility Is There?

Pew Economic Mobility Project – “Pursuing the American Dream: Economic Mobility Across Generations”
U.S. Mobility Worse Than in Other Countries?
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Source: Jantti et al. (2006)
U.S. Mobility Worse Than in Other Countries?

Sources: Norway, Finland, & Denmark from Jantti et al. (2006)

U.S. & Sweden from Corak, Lindquist, & Mazumder (2014)
U.S. Mobility Worse Than in the Past?
Earnings & Income Mobility

- Chetty et al. (2014) using IRS data and rank-rank slope find no change
- 10 studies using PSID (mostly looking at men, almost always using IGE or IGC) find no change or small increases in mobility:
  - Reville (1996); Corcoran (2001); Levine and Mazumder (2002); Fertig (2003); Nam (2004); Mayer and Lopoo (2005); Harding, Jencks, Lopoo, and Mayer (2005); Hertz (2007); Lee and Solon (2009); Bloome (2015)
- 3 studies using NLS (looking at men and IGEs) show declines between original and 1979 cohorts:
  - Levine and Mazumder (2002); Levine and Mazumder (2007); Bloome and Western (2011)
- Aaronson and Mazumder (2008) using decennial census data and quasi-IGE find decline
Occupational & Educational Mobility

◦ Occupational mobility
  ◦ Beller (2009) finds that “exchange mobility” declined between 1950s and 1970s cohorts; Mitnik, Cumberworth, and Grusky (2013) find recent declines but levels no worse in 2000s than in 1970s
  ◦ Research on cross-cohort changes over calendar years shows no decline through first half of 2000s: Hout (1988); Rytina (2000); Jonsson et al. (2011)

◦ Educational mobility
  ◦ Evidence (mixed) suggests small changes in intergenerational association (if any) over time: de Broucker and Underwood (1998); Hertz et al. (2007); Pfeffer (2008); Hout and Janus (2011); Bloome and Western (2011)
  ◦ Hilger (2015) finds association between parent income and child education fell between 1930 and 1970, flat or rising after that
Here’s the Problem

![Bar chart showing upward immobility of adolescents with parental income in bottom fifth.](chart)

Upward Immobility of Adolescents with Parental Income in Bottom Fifth (% in bottom fifth as adults)

- **Family Income**: 27 (White), 38 (All Adolescents), 53 (Black)
- **Family Income, Men**: 21 (White), 33 (All Adolescents), 50 (Black)
- **Family Income, Women**: 34 (White), 43 (All Adolescents), 56 (Black)
- **Earnings, Men**: 25 (White), 34 (All Adolescents), 48 (Black)
- **Earnings, Women**: 32 (White), 30 (All Adolescents), 30 (Black)

Source: NLSY79 estimates, Winship (forthcoming)
Promise and Limits of Marriage

Source: NLSY79 estimates, Winship (forthcoming)
The Challenge of Social Structure

Source: NLSY79 estimates, Winship (forthcoming)