



Creating Equality of Opportunity

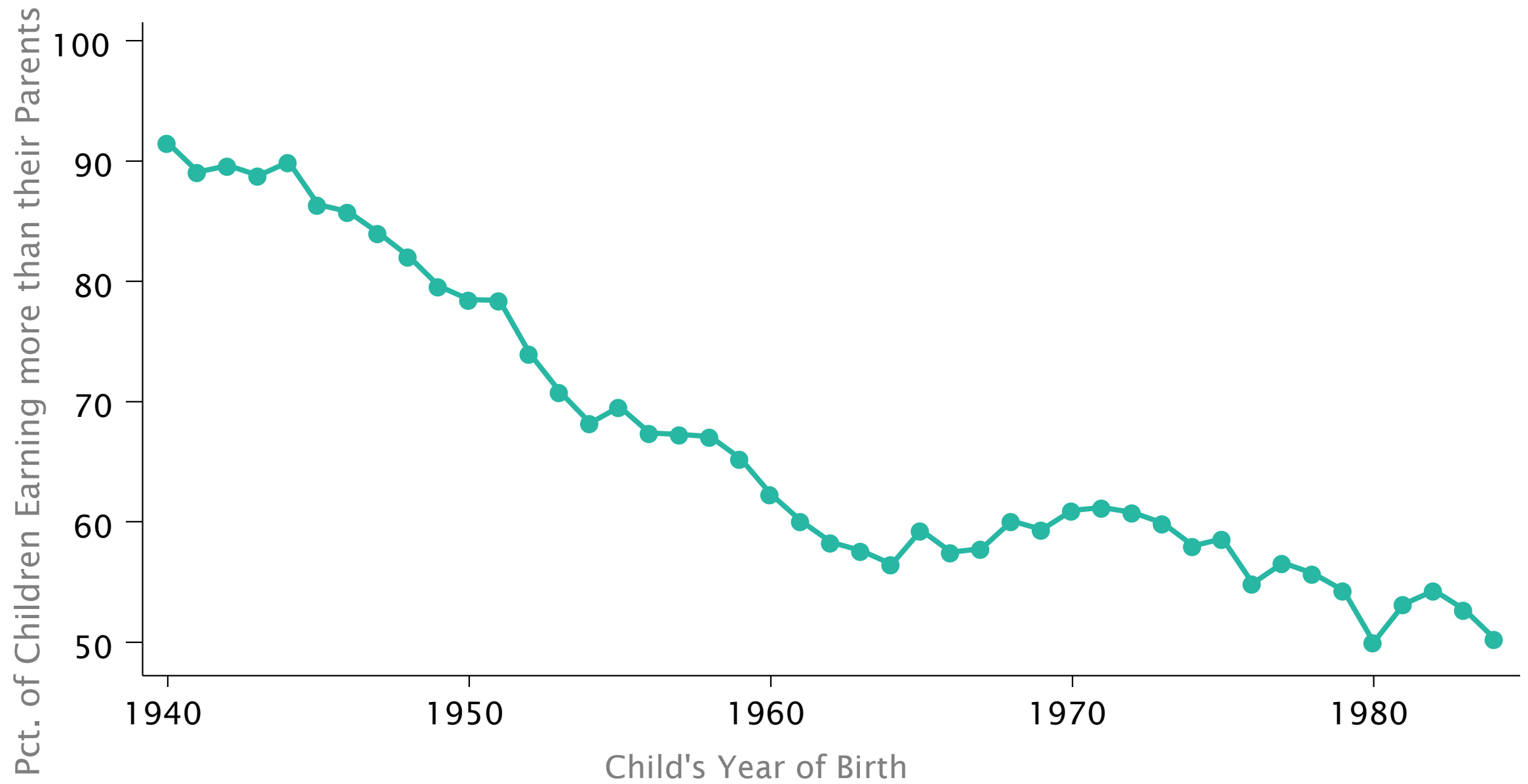
New Insights from Big Data

 OPPORTUNITY
INSIGHTS

John N. Friedman
Brown University

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)

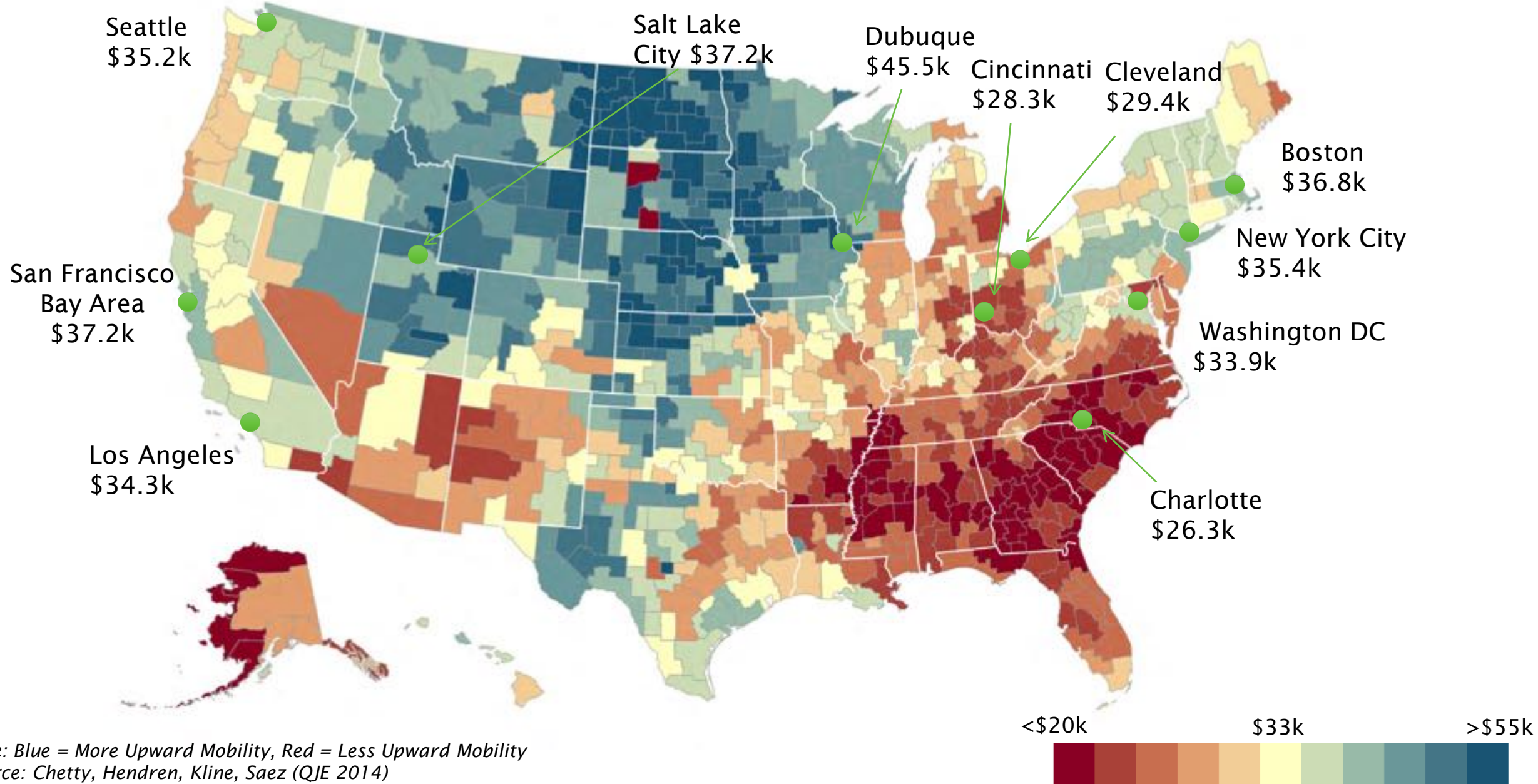
How Can We Restore the American Dream?

Understanding the Science of Economic Opportunity

- Large literature in social sciences analyzing determinants of economic mobility [e.g., Blau and Duncan 1967, Becker and Tomes 1979, Solon 1992, Mazumder 2005, Heckman and Mosso 2014]
- Recent studies make use of large-scale longitudinal administrative data (“big data”) to make further progress
 - Study determinants of economic opportunity by **disaggregating** data across subgroups and using quasi-experimental methods to analyze mechanisms
 - Here, present an overview of a series of papers with John Friedman, Nathan Hendren, Matthew Jackson, Larry Katz, Johannes Stroebe, Theresa Kuchler, and many others

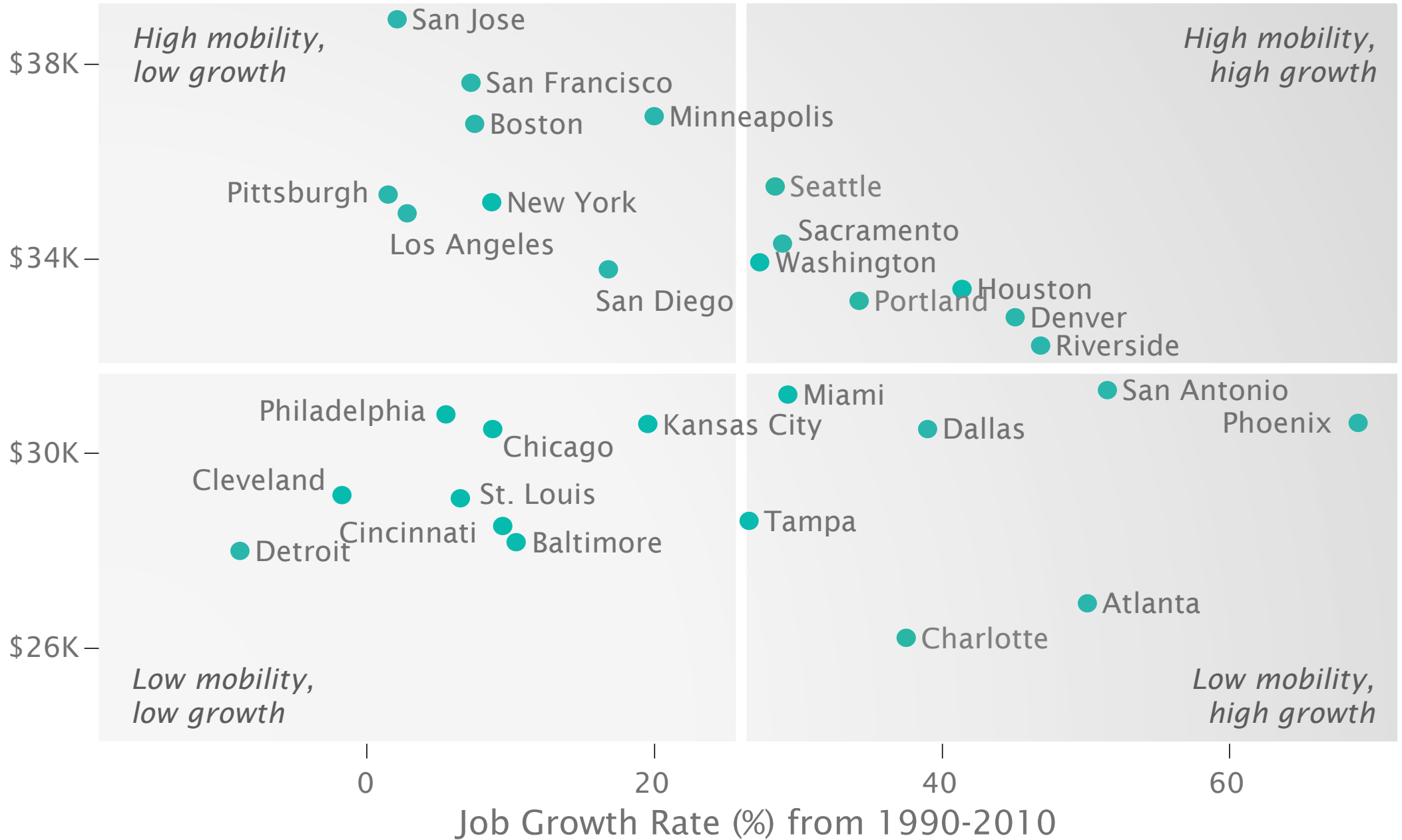
The Geography of Upward Mobility in the United States

Average Household Income at Age 35 for Children whose Parents Earned \$27k (25th pctile)



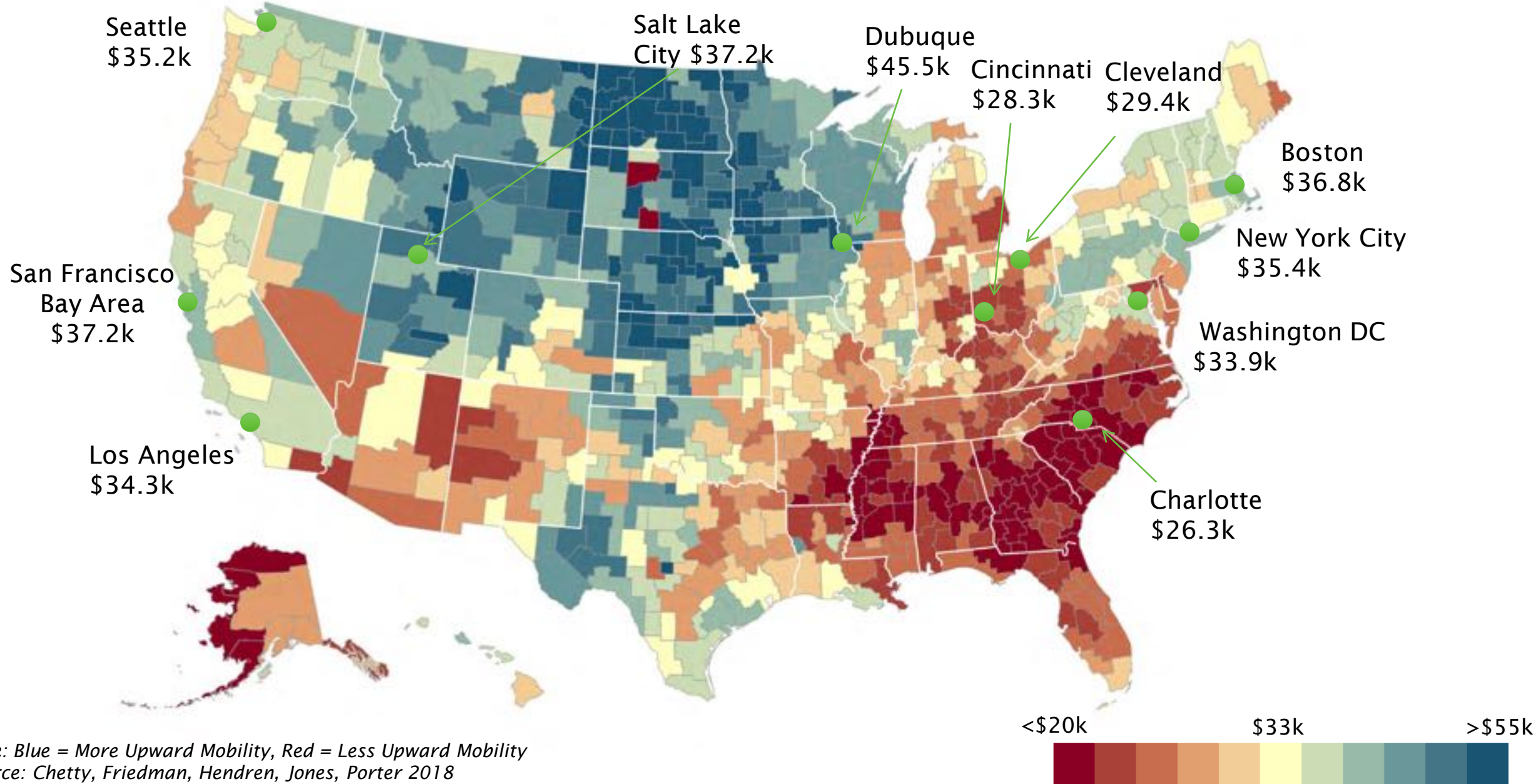
Upward Mobility vs. Job Growth in the 30 Largest Metro Areas

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



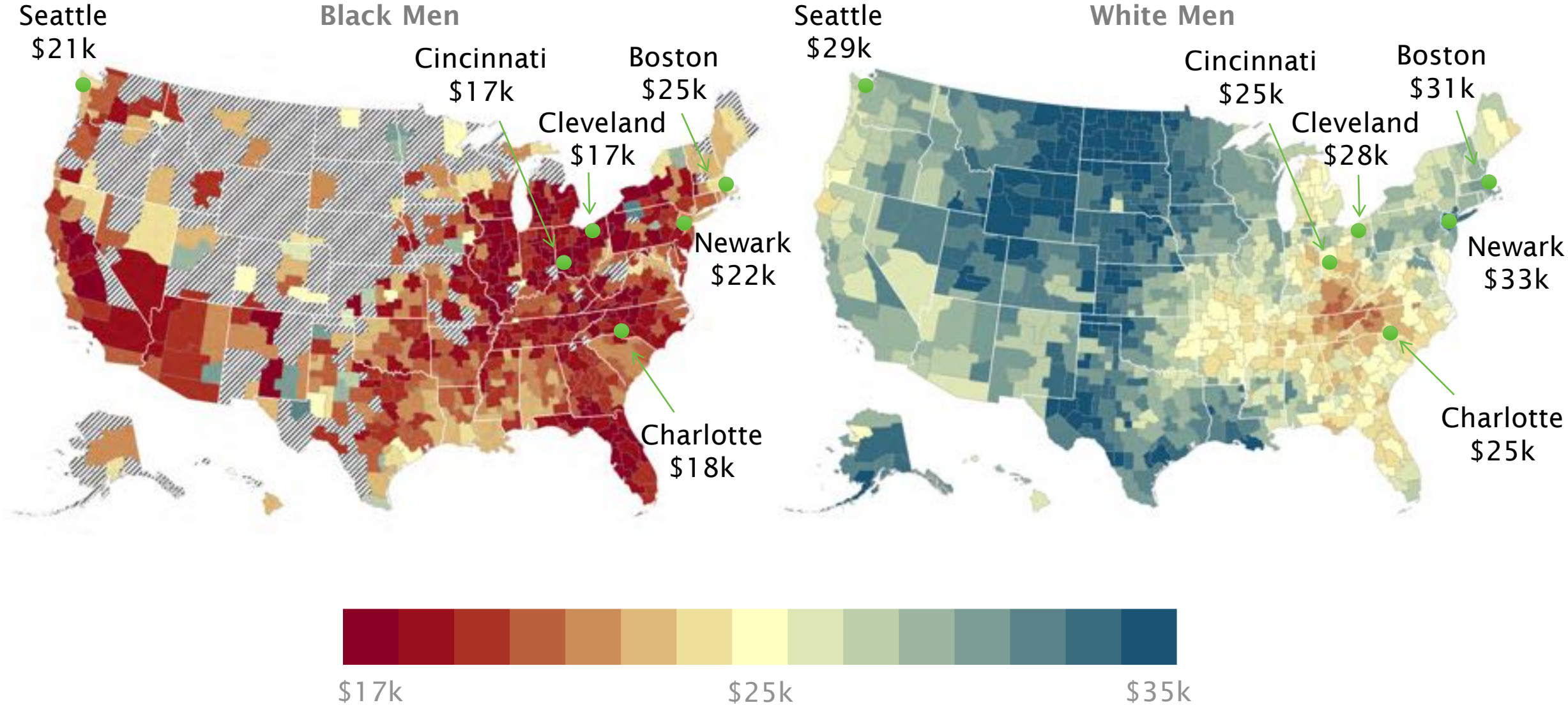
The Geography of Upward Mobility in the United States

Average Income at Age 35 for Children whose Parents Earned \$27,000 (25th percentile)



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)



\$17k

\$25k

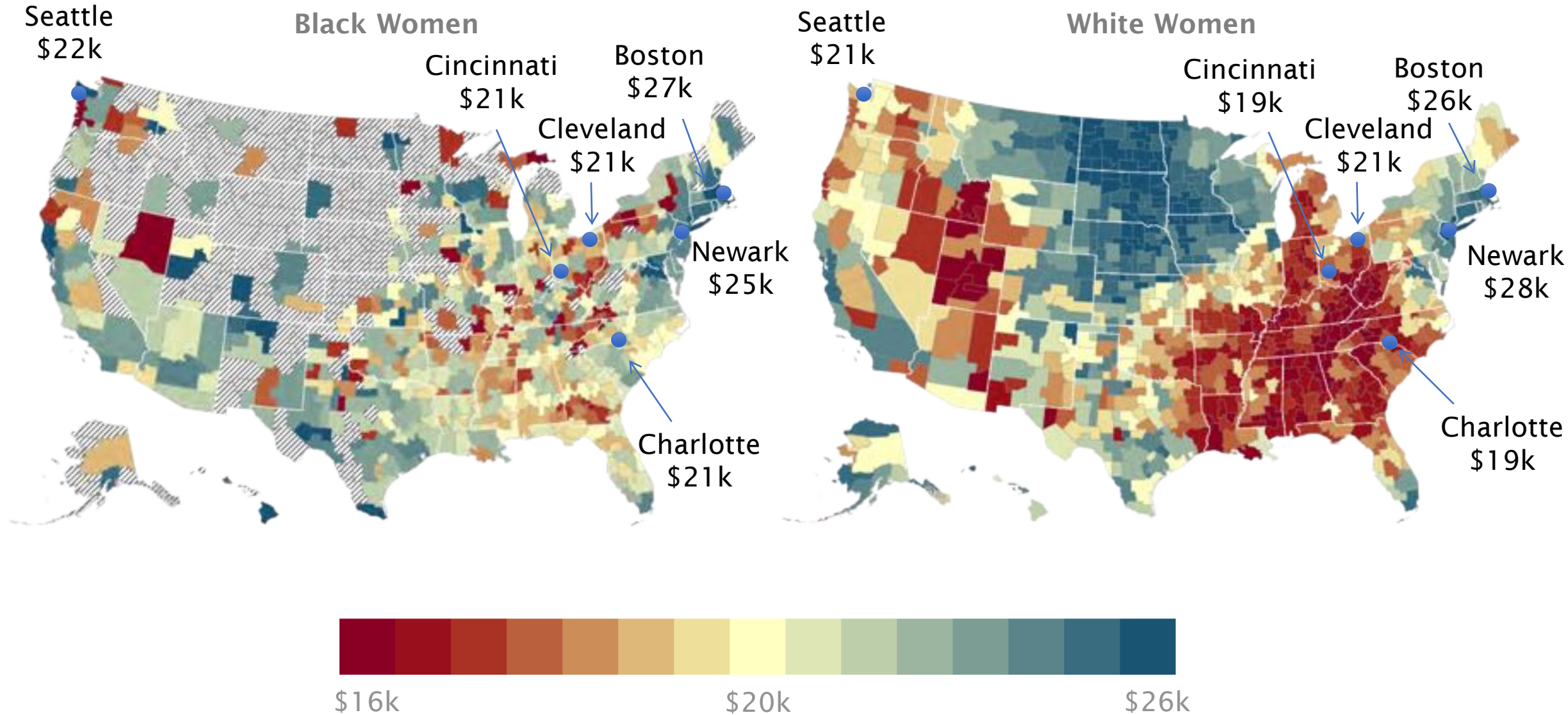
\$35k

Note: Blue = More Upward Mobility, Red = Less Upward Mobility

Source: Chetty, Hendren, Jones, Porter (QJE 2020)

The Geography of Upward Mobility For Black vs. White Women

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



\$16k

\$20k

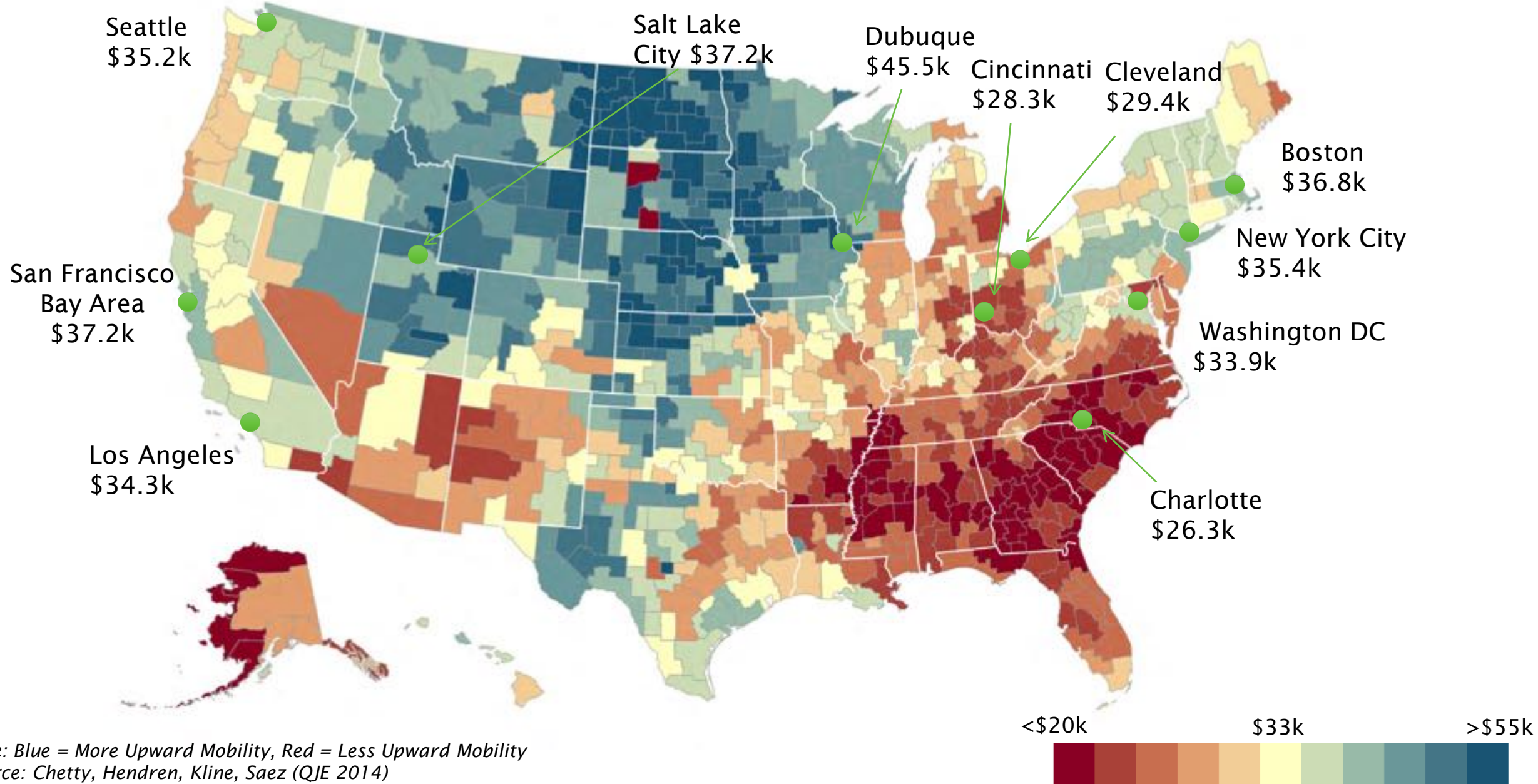
\$26k

Note: Blue = More Upward Mobility, Red = Less Upward Mobility

Source: Chetty, Hendren, Jones, Porter (QJE 2020)

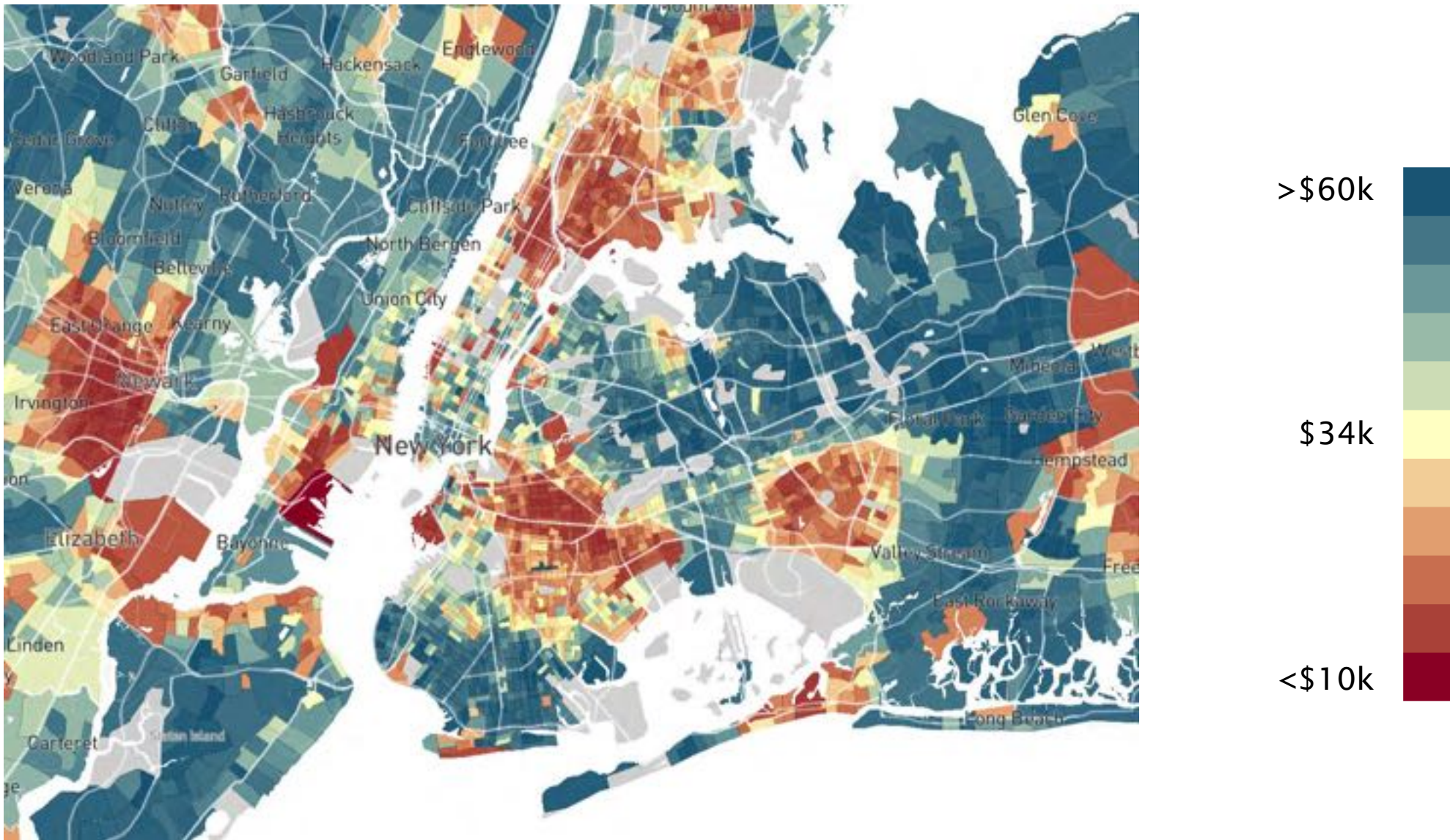
The Geography of Upward Mobility in the United States

Average Household Income at Age 35 for Children whose Parents Earned \$27k (25th pctile)



The Geography of Upward Mobility in New York

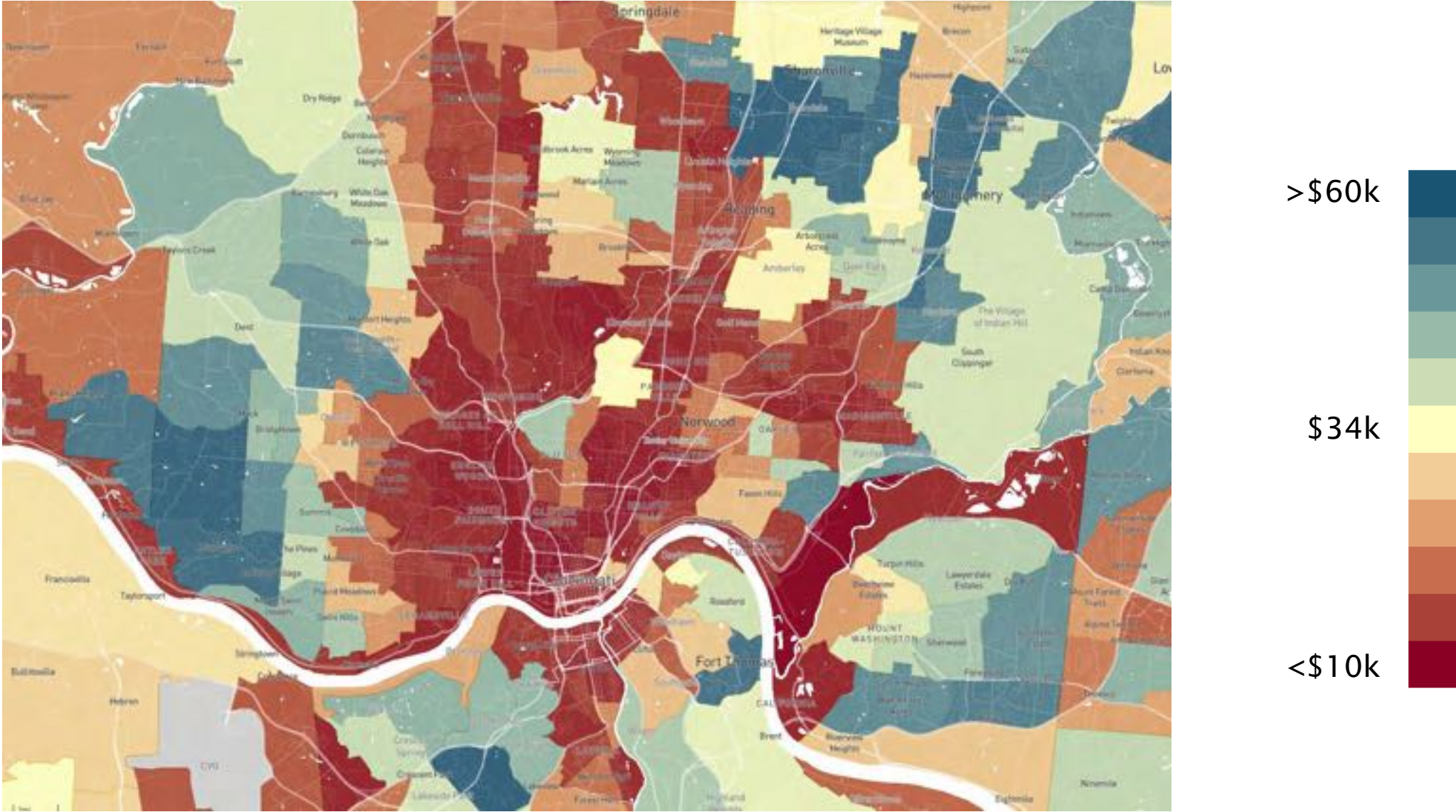
Average Income at Age 35 for Children whose Parents Earned \$27,000 (25th percentile)



Note: reliability of tract-level estimates (split-sample correlation) = 0.91;
See estimates for other cities at The Opportunity Atlas: www.opportunityatlas.org

The Geography of Upward Mobility in Cincinnati

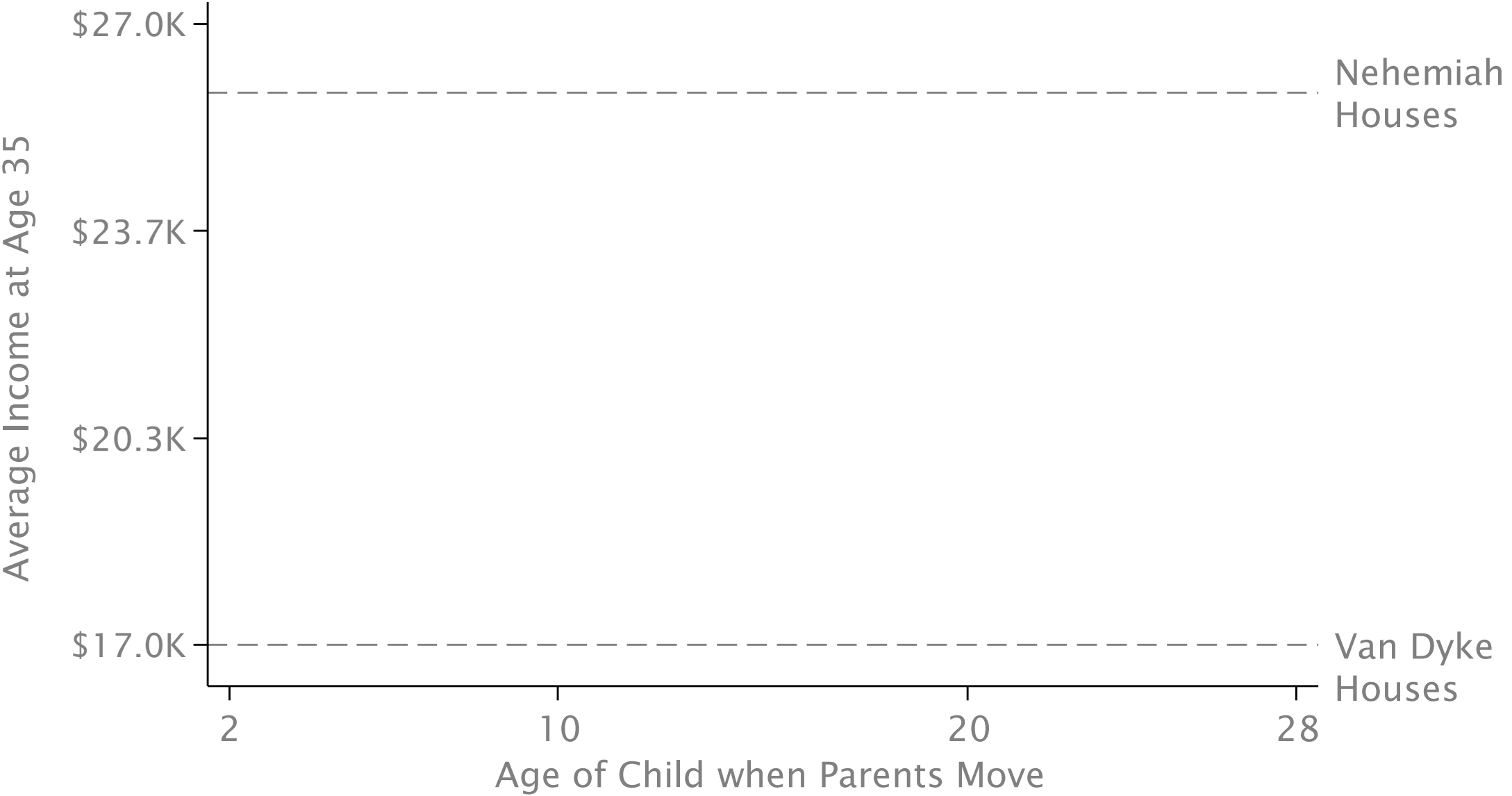
Average Income at Age 35 for Children whose Parents Earned \$27,000 (25th percentile)



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Income Gain from Moving to a Better Neighborhood

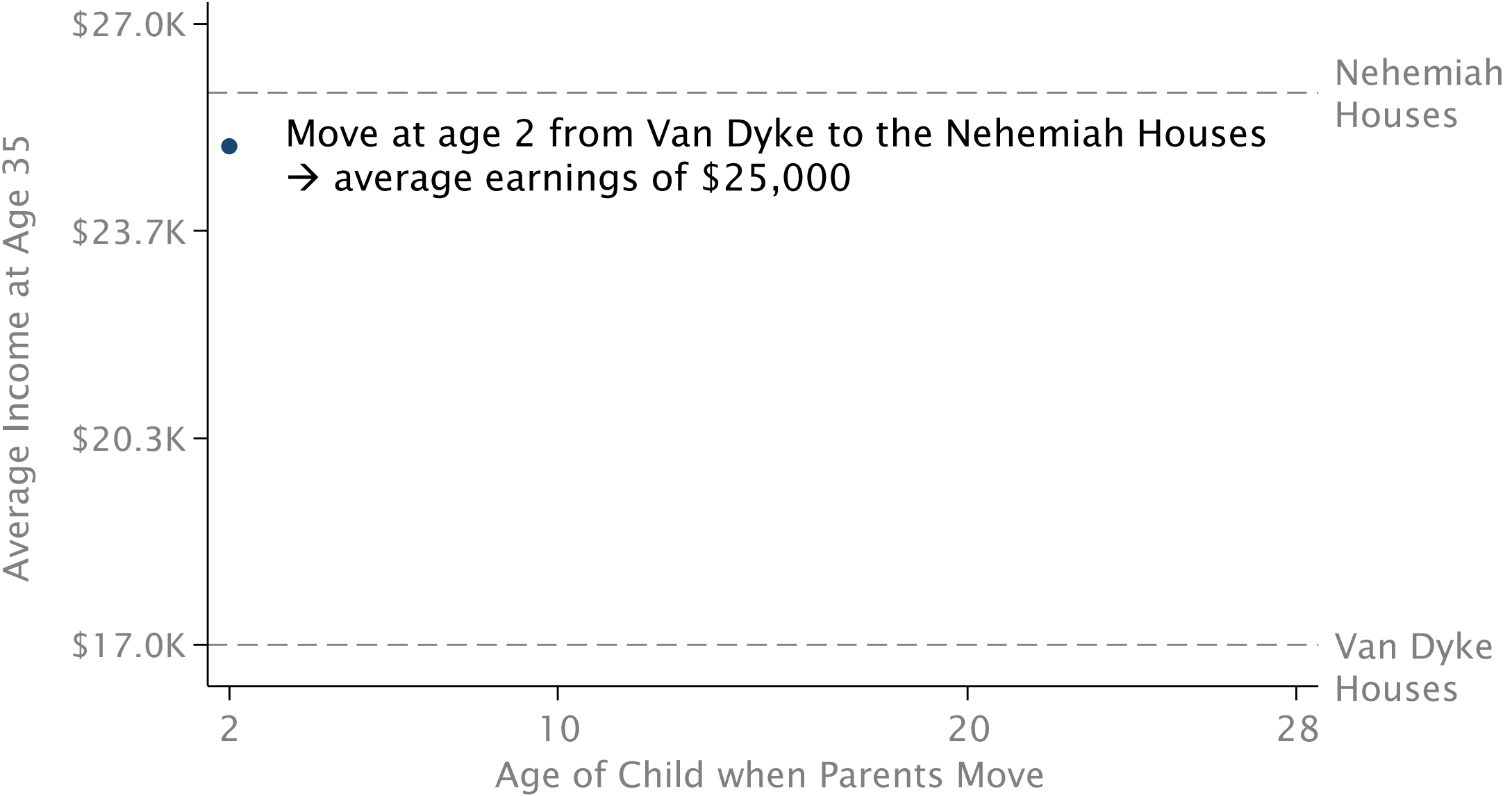
By Child's Age at Move



Source: Chetty and Hendren (QJE 2018)

Income Gain from Moving to a Better Neighborhood

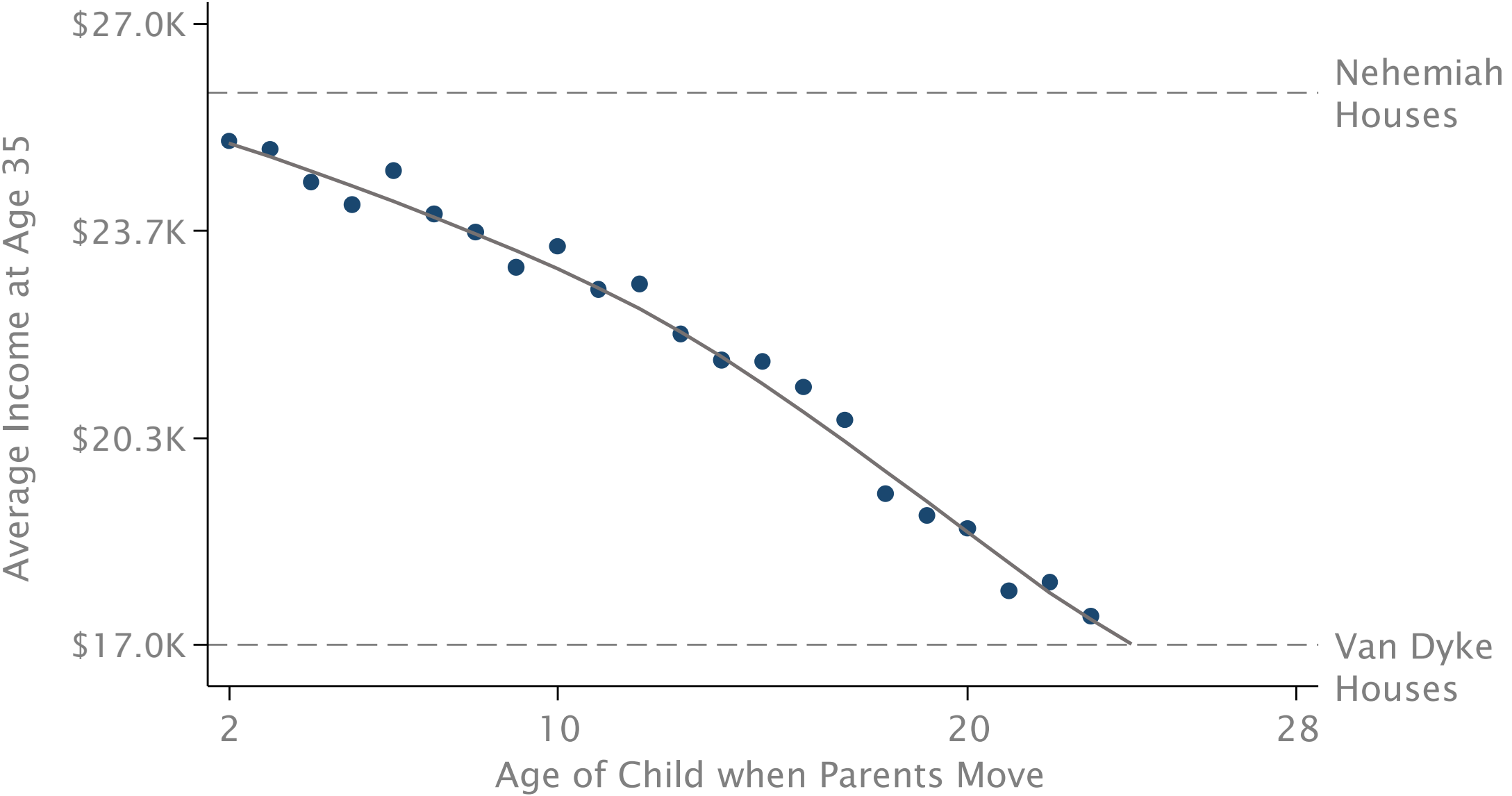
By Child's Age at Move



Source: Chetty and Hendren (QJE 2018)

Income Gain from Moving to a Better Neighborhood

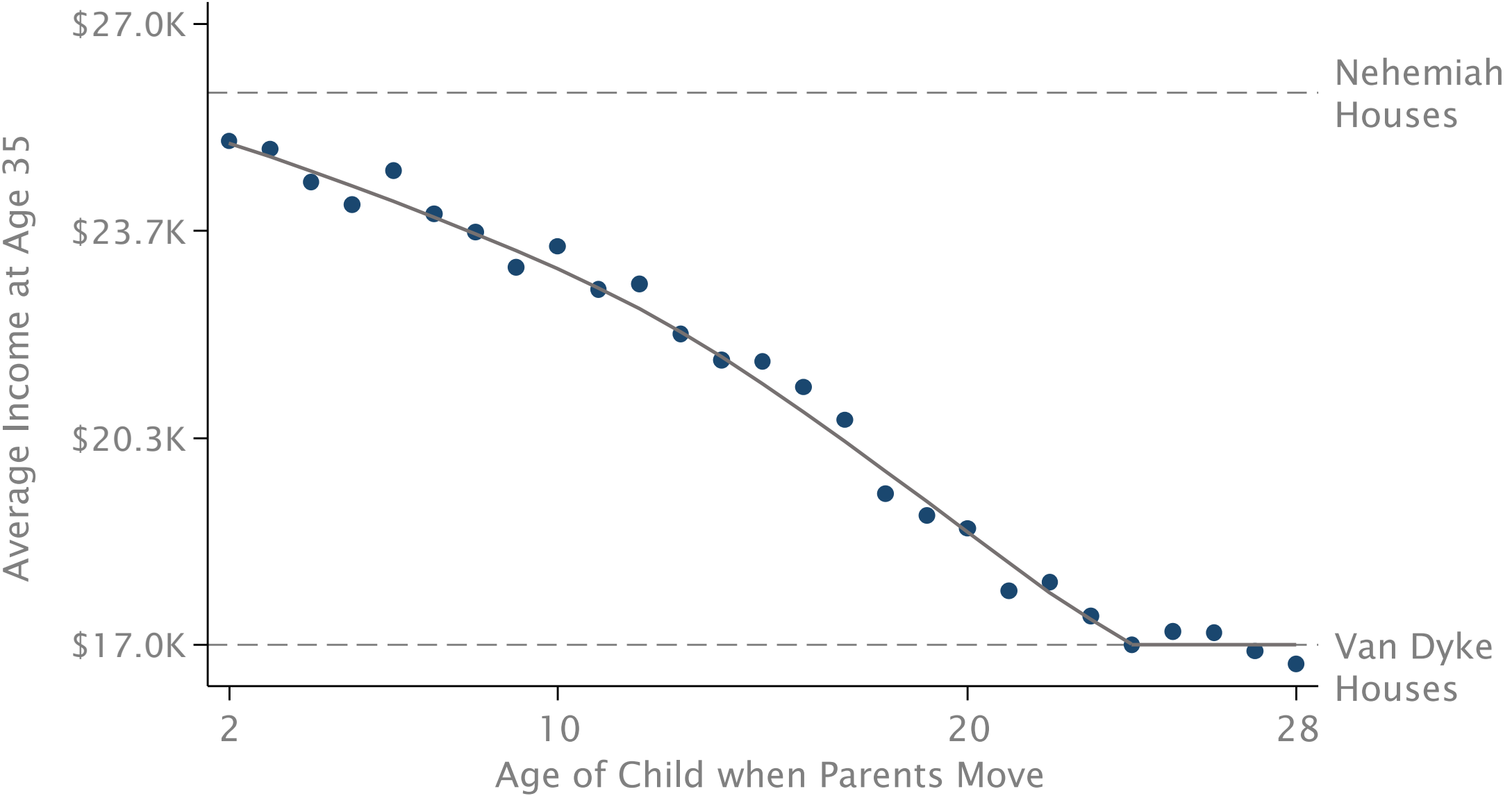
By Child's Age at Move



Source: Chetty and Hendren (QJE 2018)

Income Gain from Moving to a Better Neighborhood

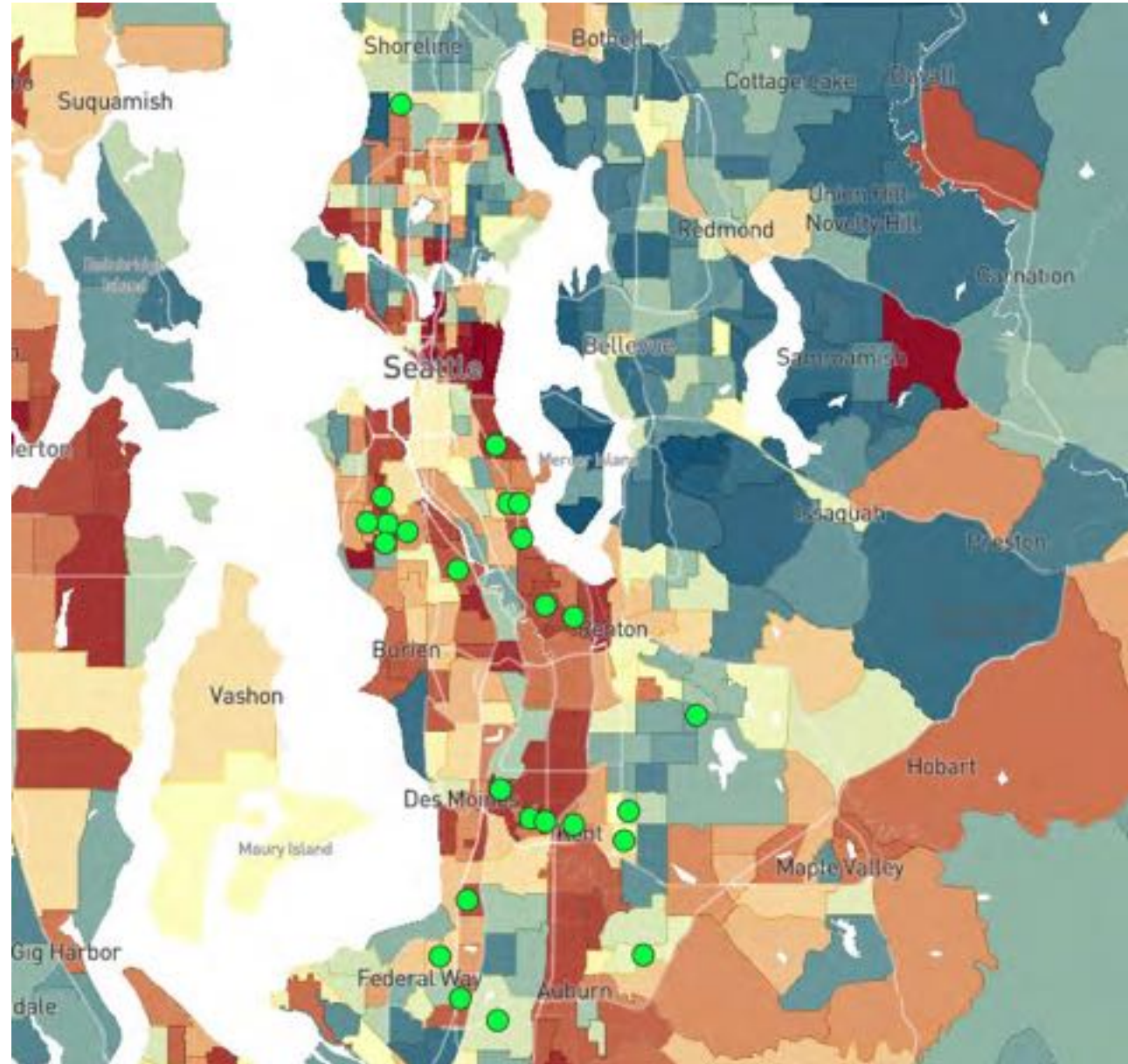
By Child's Age at Move



Source: Chetty and Hendren (QJE 2018)

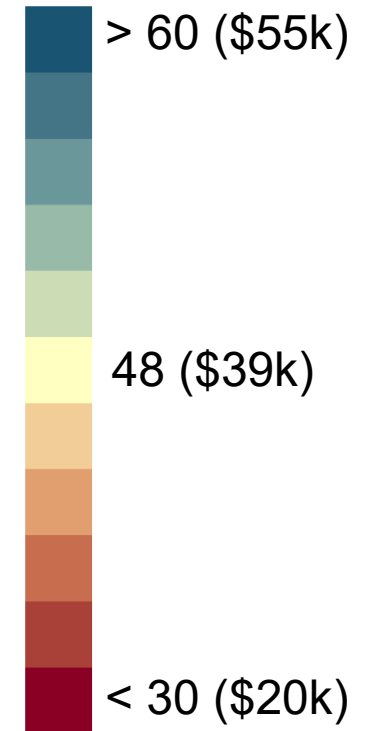
The Geography of Upward Mobility in Seattle

Average Income at Age 35 for Children with Parents Earning \$27,000 (25th percentile)



● 25 most common tracts where voucher holders lived in 2015-17

Percentile Rank in Adulthood

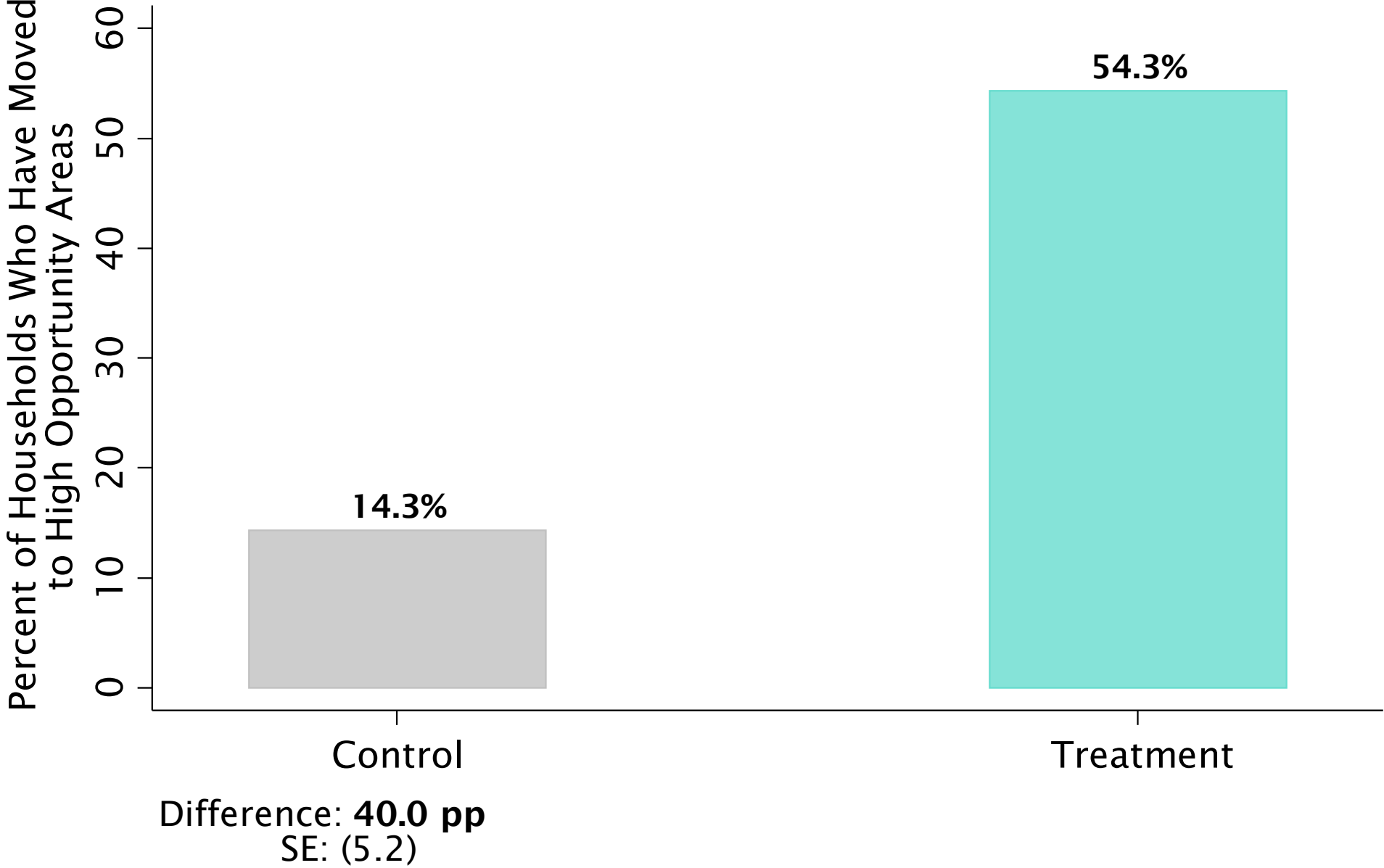


Creating Moves to Opportunity in Seattle

Randomized trial to help families with housing vouchers move to high-opportunity neighborhoods by providing customized counseling, connections to landlords, and liquidity



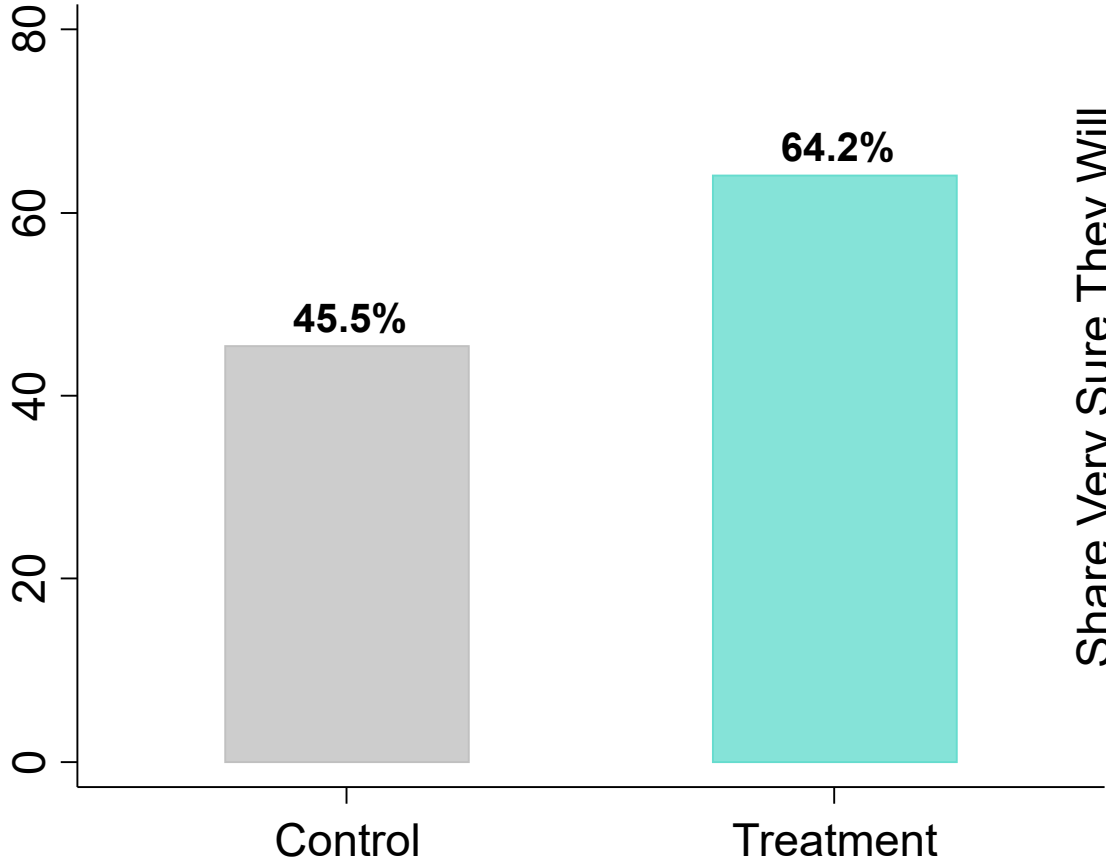
Fraction of Families Who Leased Units in High-Opportunity Areas



Satisfaction with New Neighborhoods

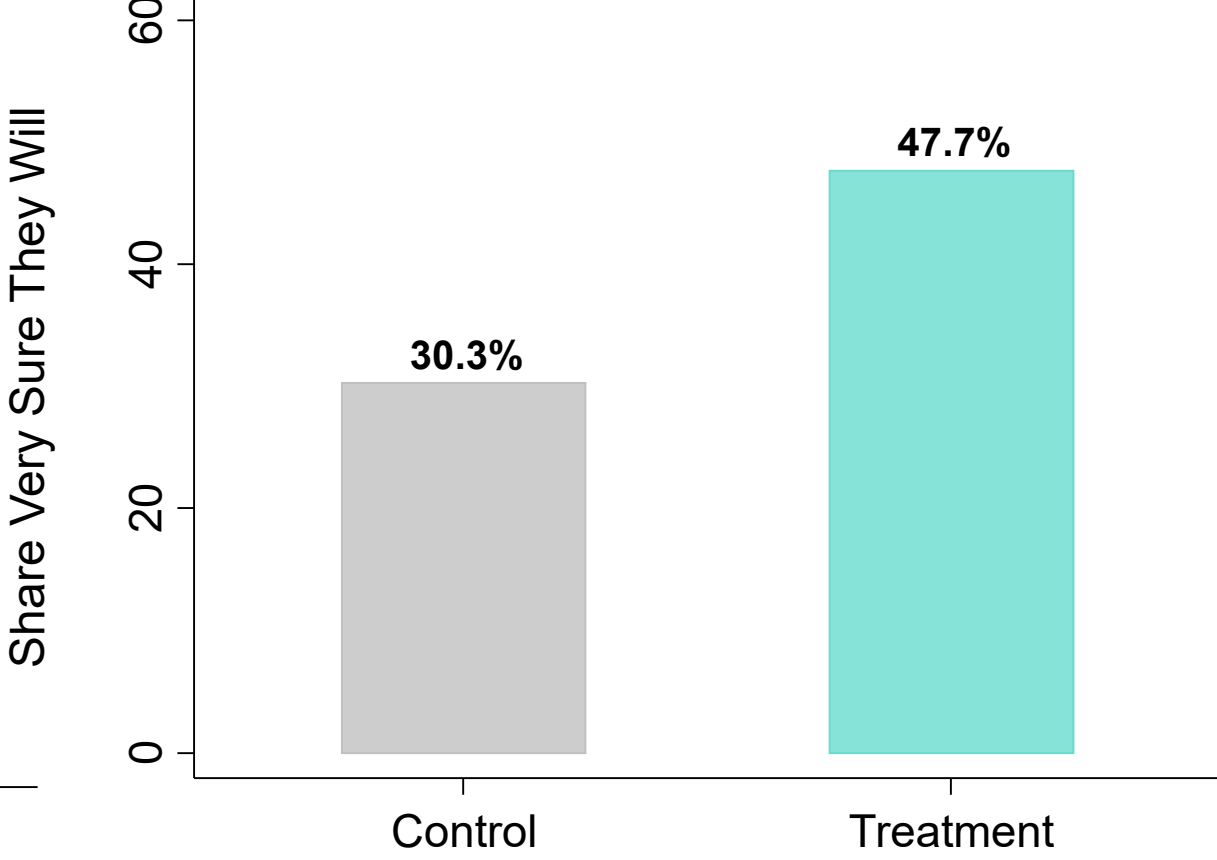
Based on Surveys Six Months Post-Move

Satisfaction with New Neighborhood



Difference: **18.7 pp**
SE: (10.1)

Certainty about Wanting to Stay in New Neighborhood



Difference: **17.4 pp**
SE: (9.8)

Housing Choice Voucher Mobility Demonstration Act

Shown Here:
Referred in Senate (07/11/2018)

115TH CONGRESS
2^D SESSION

H. R. 5793

IN THE SENATE OF THE UNITED STATES

JULY 11, 2018

Received; read twice and referred to the Committee on Banking, Housing, and Urban Affairs

AN ACT

To authorize the Secretary of Housing and Urban Development to carry out a housing choice voucher mobility demonstration to encourage families receiving such voucher assistance to move to lower-poverty areas and expand access to opportunity areas.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Housing Choice Voucher Mobility Demonstration Act of 2018".

SEC. 2. HOUSING CHOICE VOUCHER MOBILITY DEMONSTRATION.

(a) **AUTHORITY.**—The Secretary of Housing and Urban Development (in this section referred to as the "Secretary") may carry out a mobility demonstration program to enable public housing agencies to administer housing choice voucher assistance under section 8(o) of the United States Housing Act of 1937 ([42 U.S.C. 1437f\(o\)](#)) in a manner designed to encourage families receiving such voucher assistance to move to lower-poverty areas and expand access to opportunity areas.

(b) SELECTION OF PHAs.—

(1) **REQUIREMENTS.**—The Secretary shall establish requirements for public housing agencies to participate in the demonstration program under this section, which provide that the following public housing agencies may participate:

Place-Based Investments: Characteristics of High-Mobility Neighborhoods

**Better school
quality**



HARLEM CHILDREN'S ZONE PROMISE ACADEMY



Place-Based Investments: Characteristics of High-Mobility Neighborhoods

**Better school
quality**

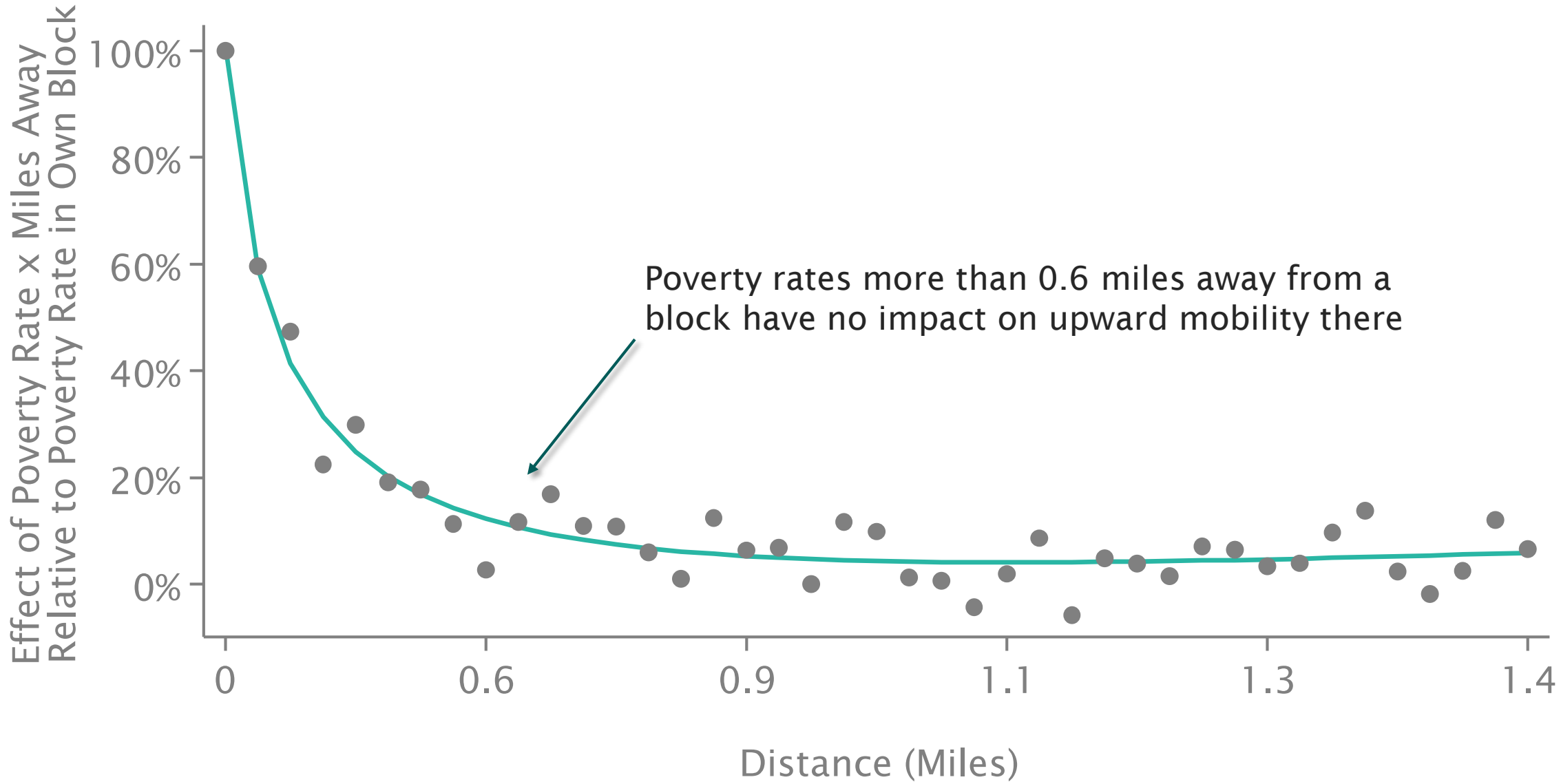


**Lower poverty
rates**



How Big Is a “Neighborhood”?

Spatial Decay in Association Between Poverty Rates and Upward Mobility



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

Place-Based Investments: Characteristics of High-Mobility Neighborhoods

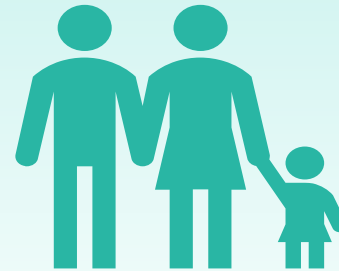
**Better school
quality**



**Lower poverty
rates**



**More stable
family structure**

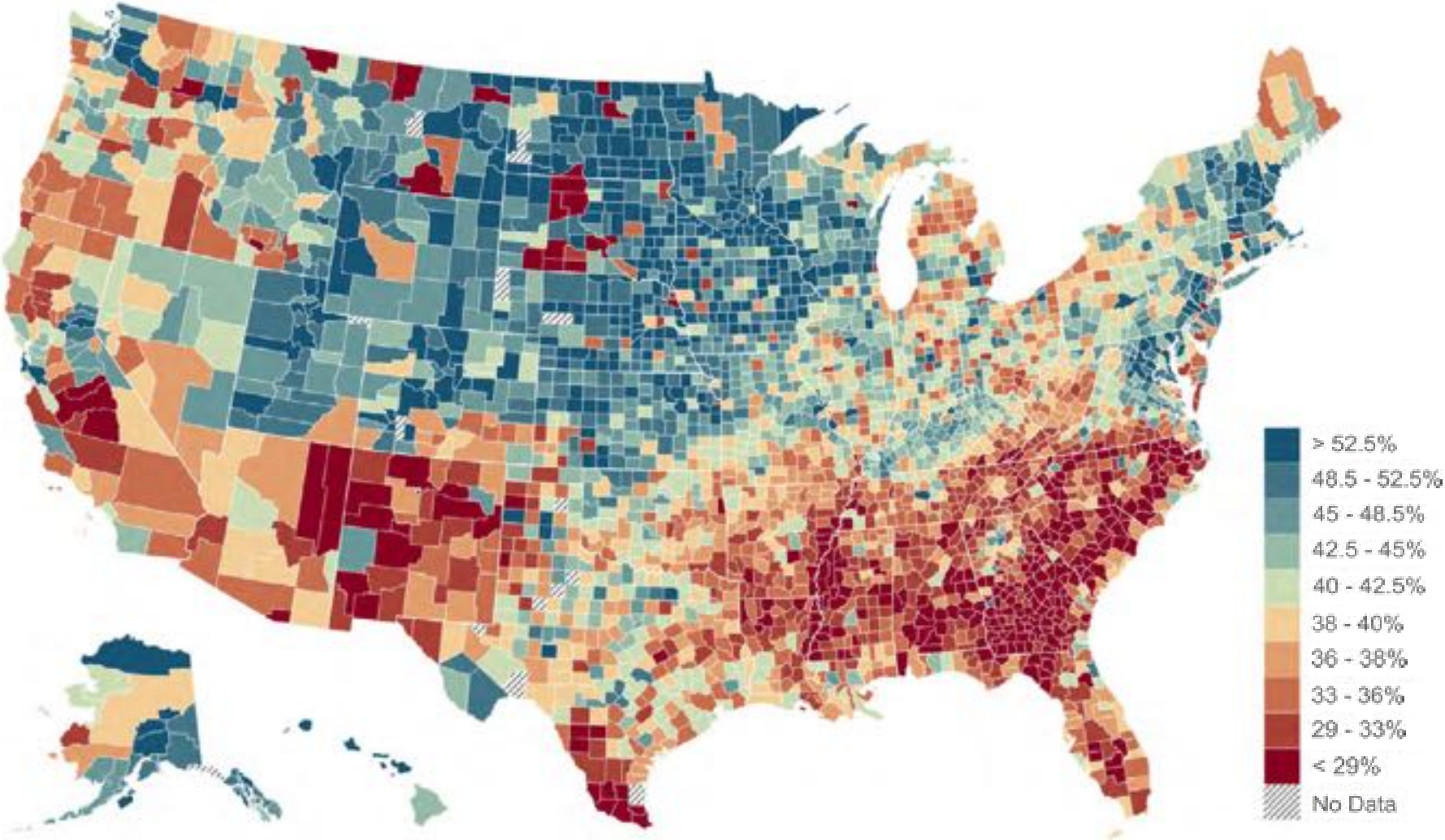


**Greater social
capital**



Economic Connectedness of Low-SES Individuals, by County

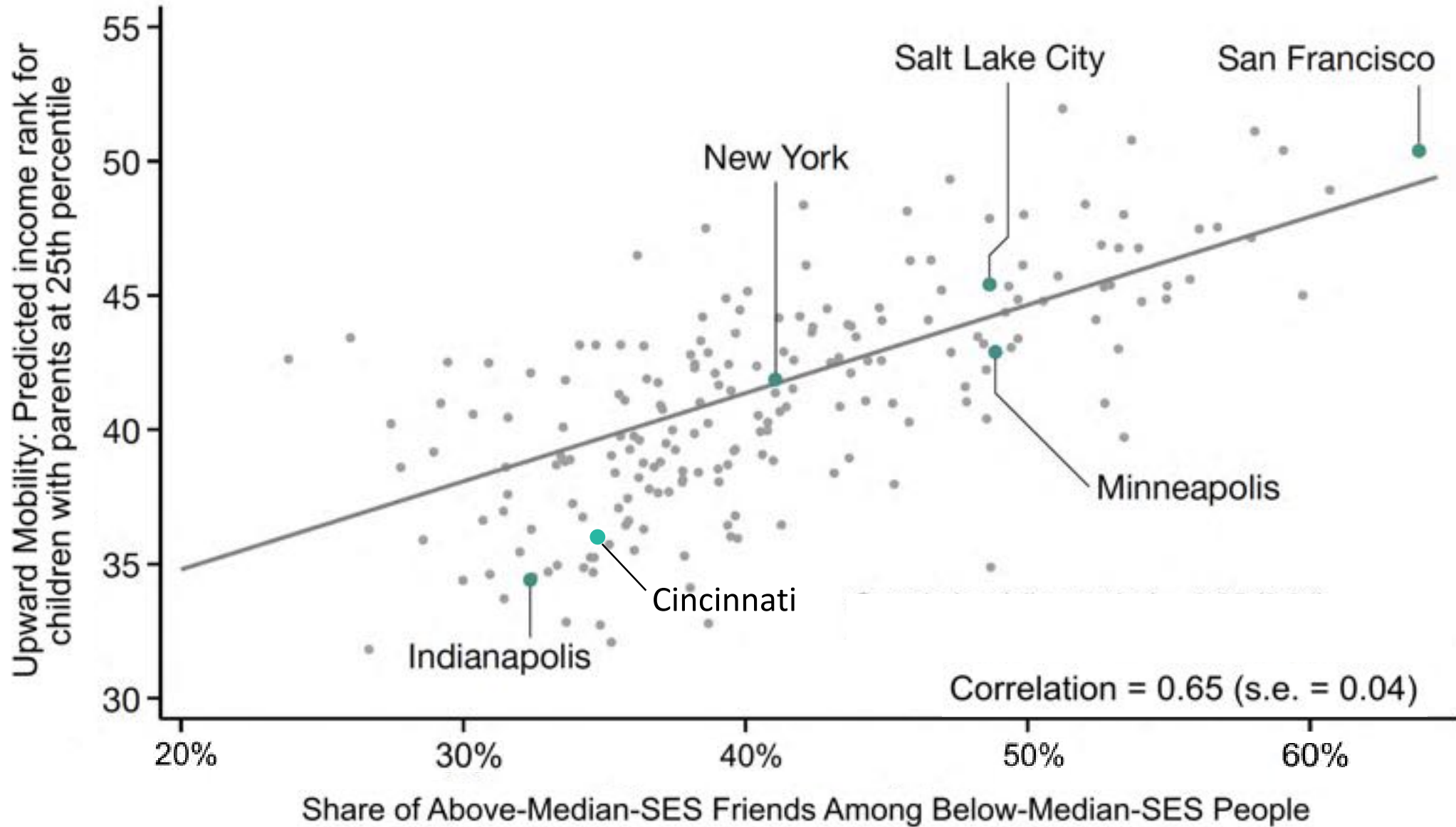
Share of Above-Median-SES Friends Among Below-Median-SES People in Facebook Data



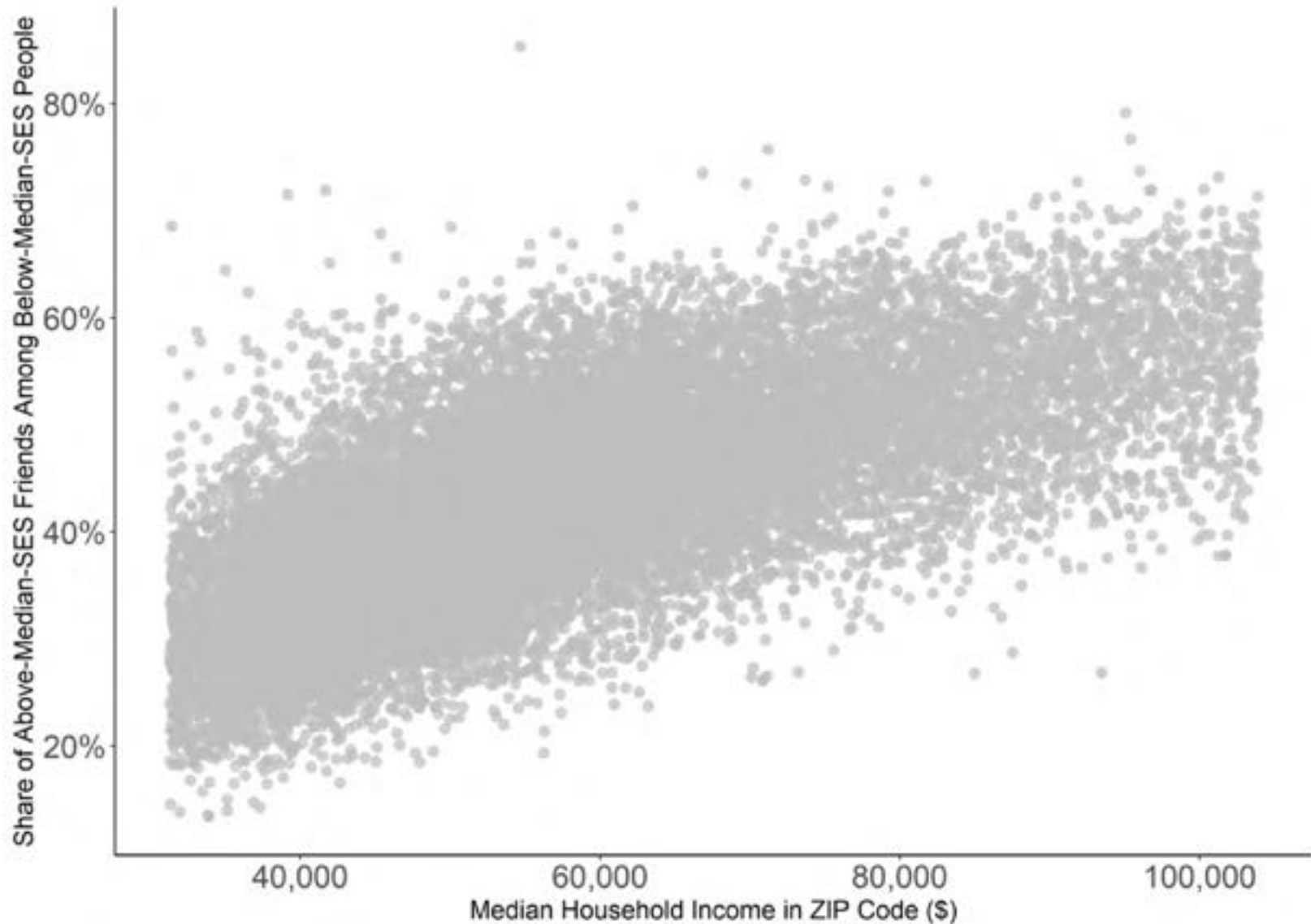
Source: Chetty, Jackson, Kuchler, Stroebel et al. (Nature 2022a,b)

Upward Mobility vs. Economic Connectedness, by County

200 Largest Counties



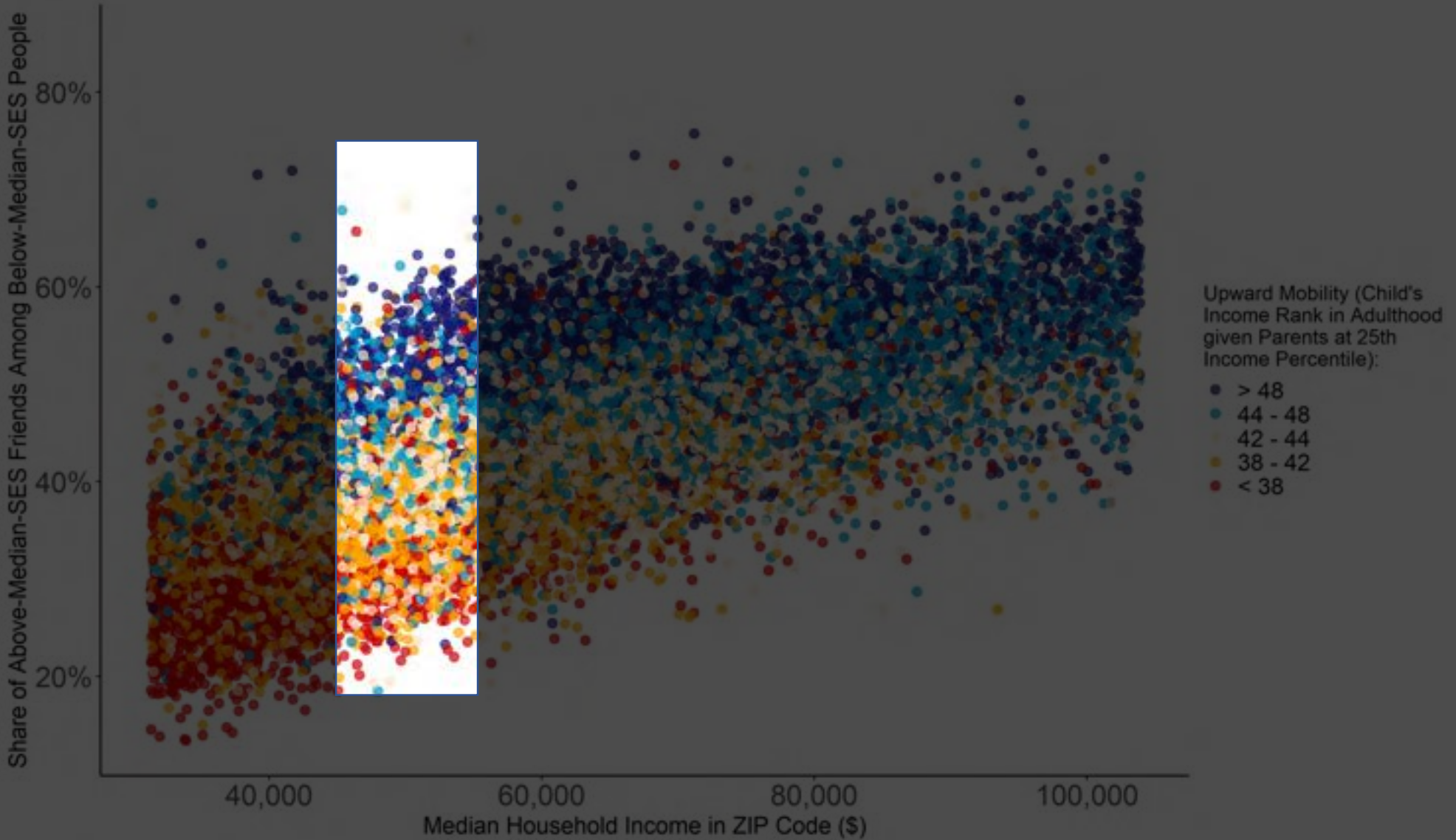
Economic Connectedness vs. Household Median Income, by ZIP Code



Source: Chetty, Jackson, Kuchler, Stroebel et al. (Nature 2022a,b)

Economic Connectedness vs. Household Median Income, by ZIP Code

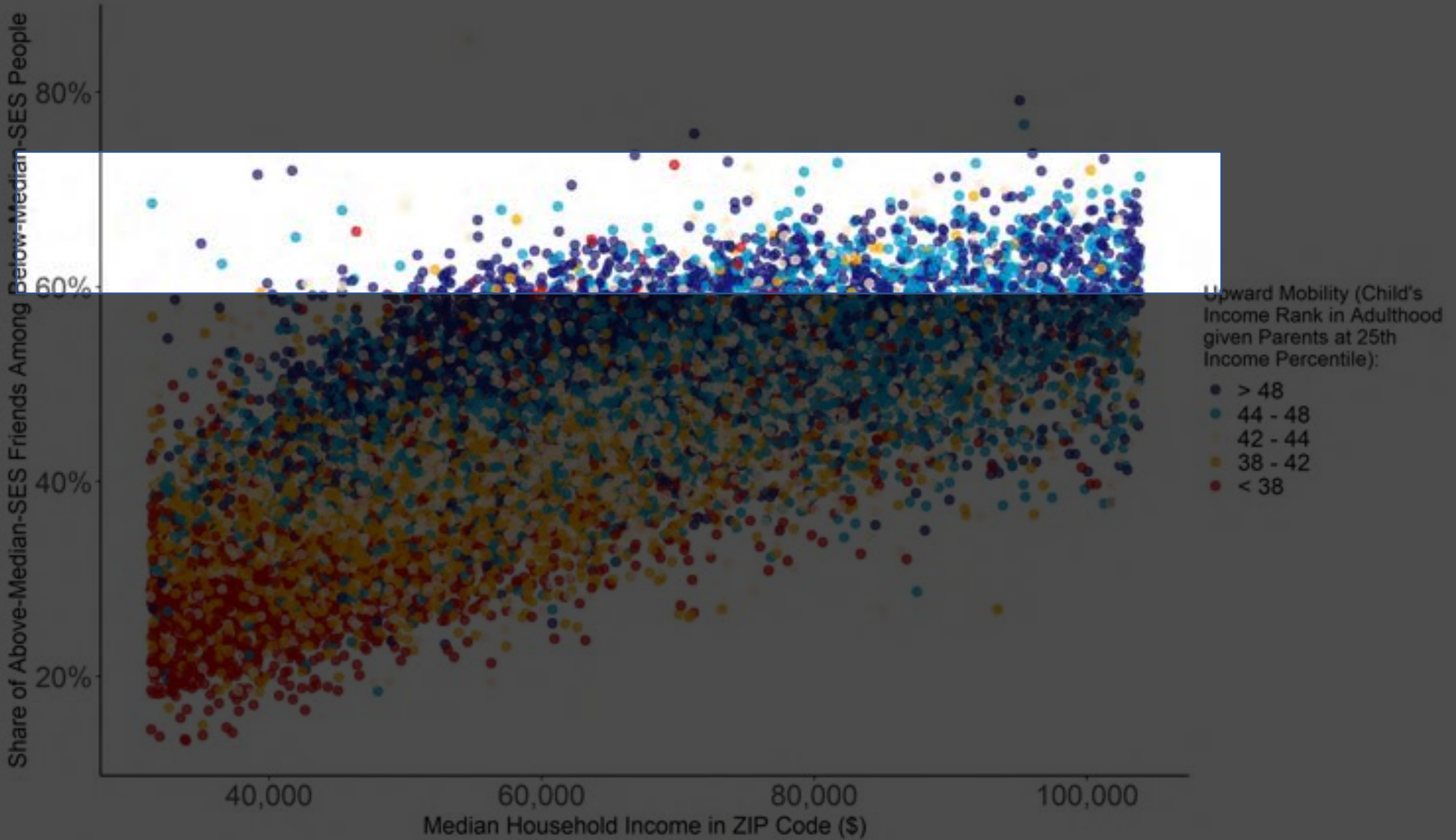
Colored by Rate of Upward Mobility



Source: Chetty, Jackson, Kuchler, Stroebel et al. (Nature 2022a,b)

Economic Connectedness vs. Household Median Income, by ZIP Code

Colored by Rate of Upward Mobility



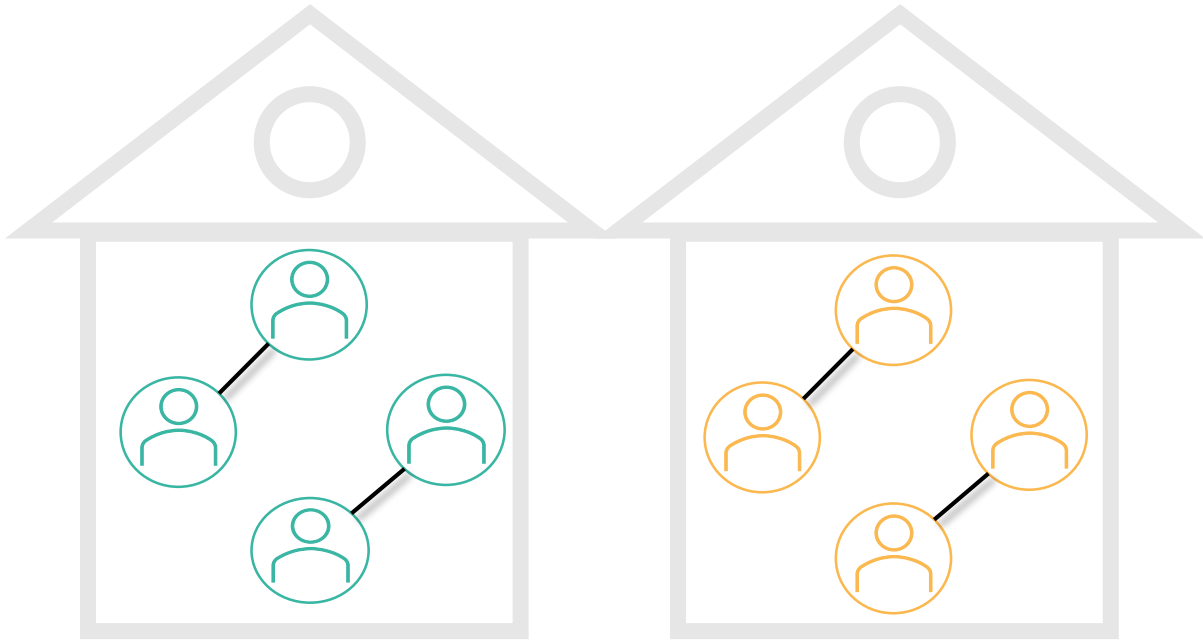
Source: Chetty, Jackson, Kuchler, Stroebel et al. (Nature 2022a,b)

Determinants of Economic Connectedness

Exposure
Segregation by Income

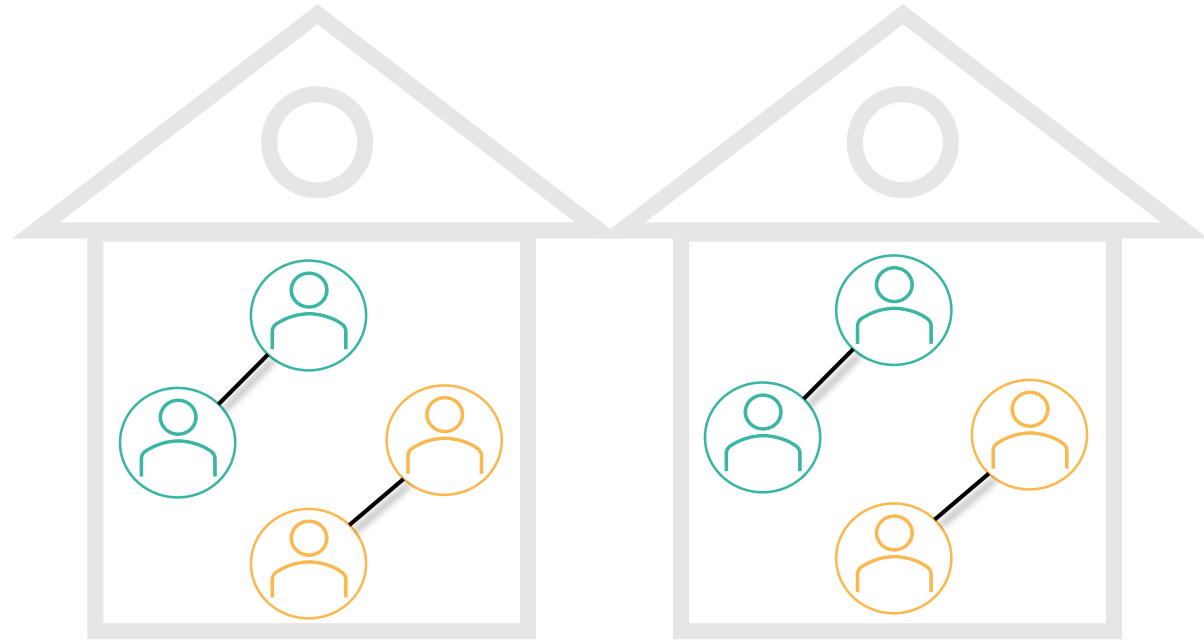
vs.

Friending Bias
Interaction Conditional on Exposure



School A

School B



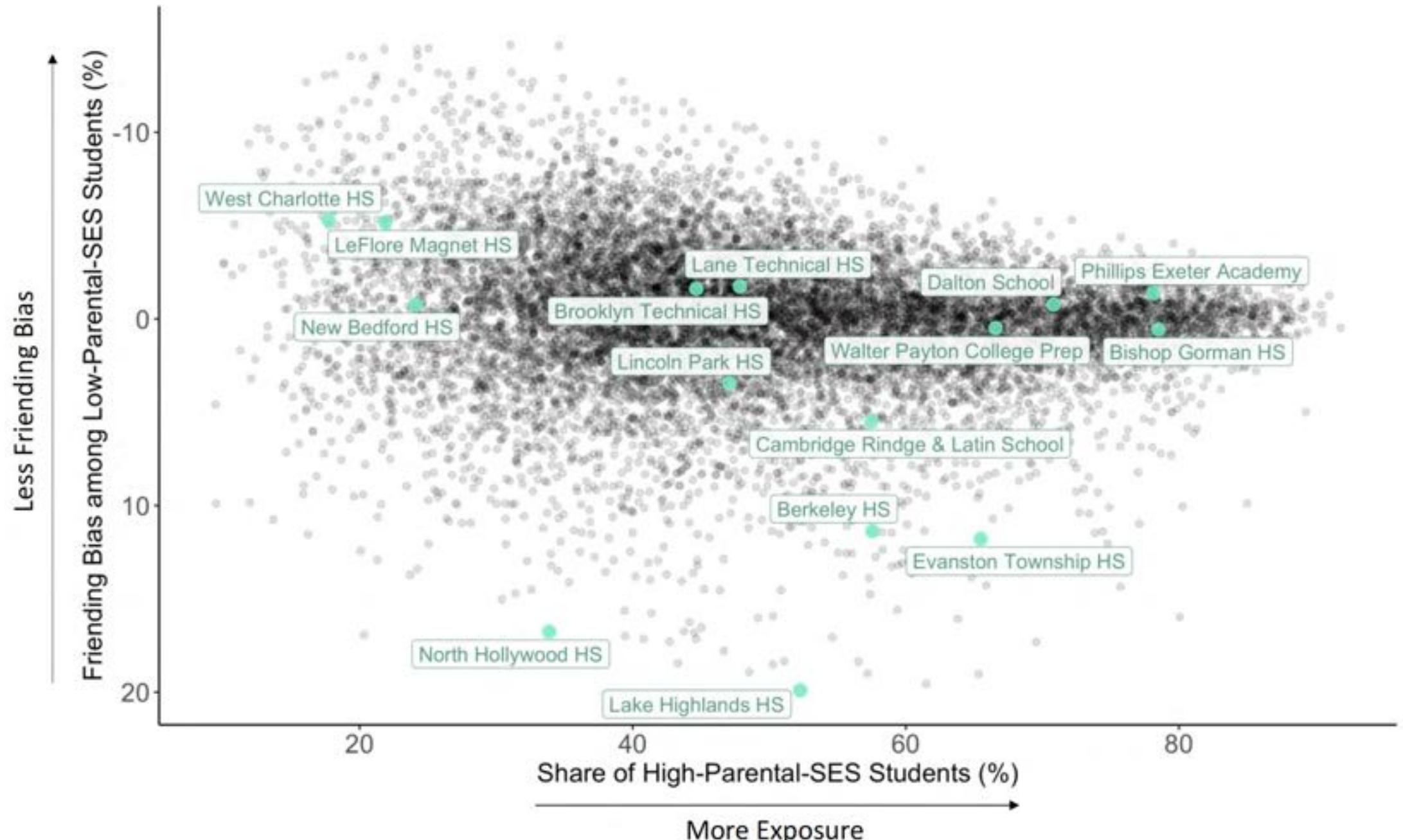
School A

School B

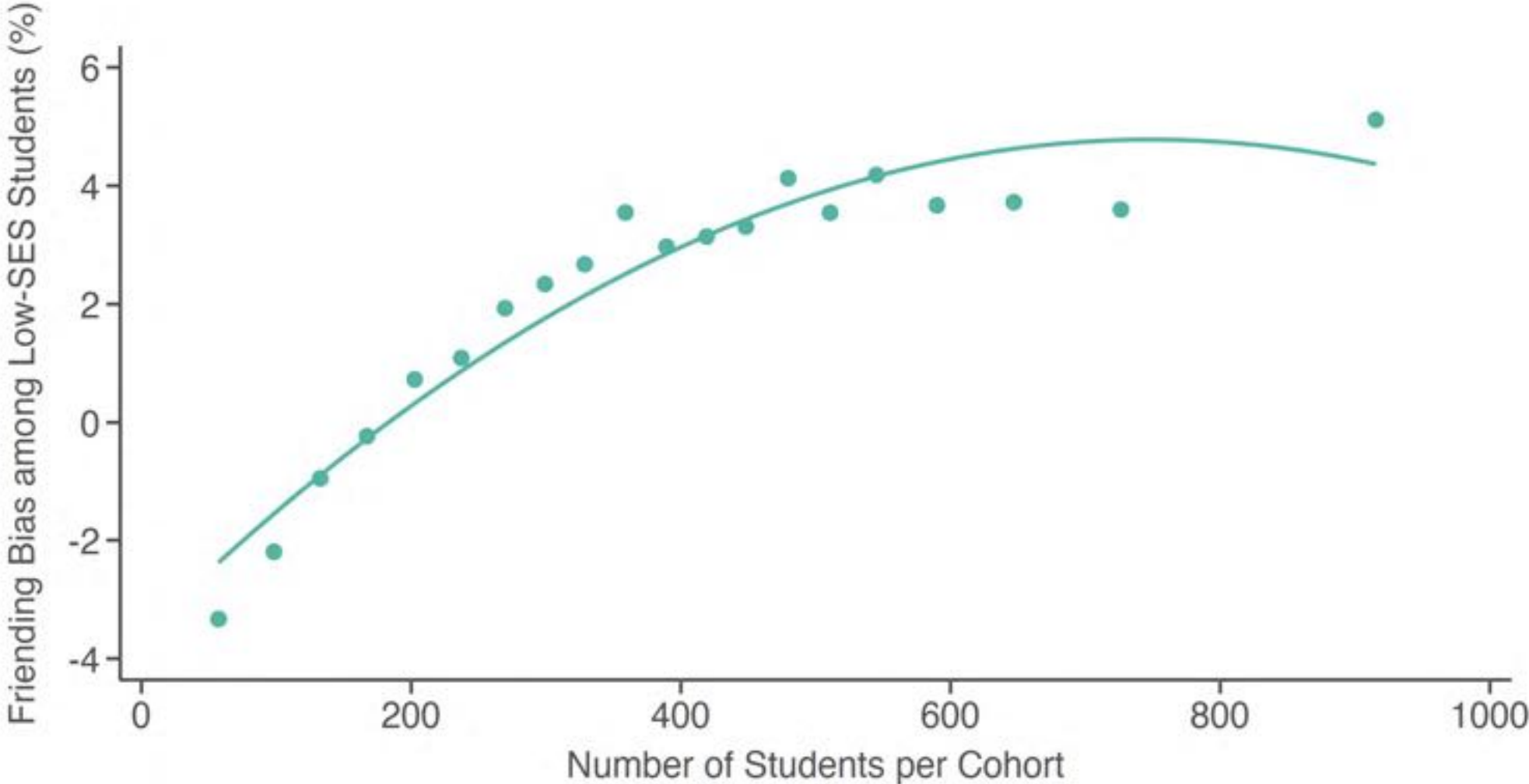
 **High-SES**

 **Low-SES**

Friending Bias vs. Exposure to High-SES Students, by High School



Friending Bias in High Schools vs. School Size



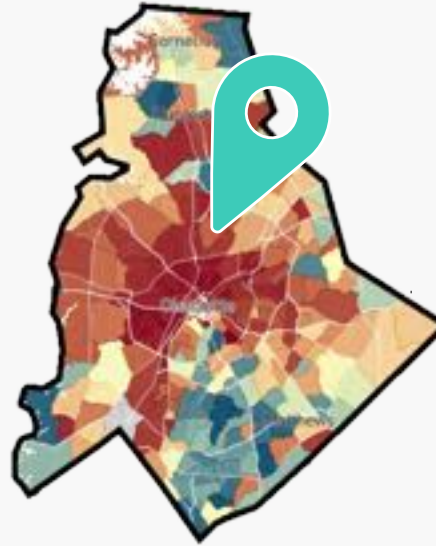
Three Policy Approaches to Increasing Upward Mobility

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

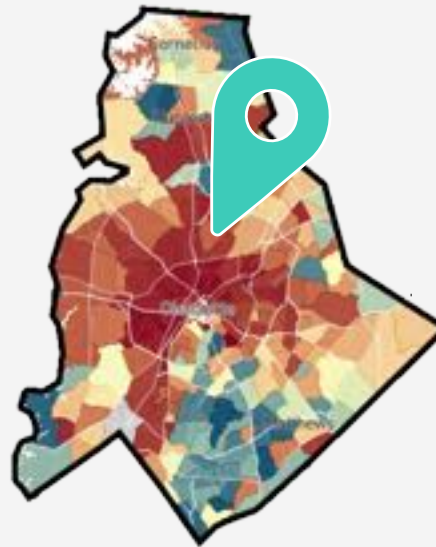
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Amplify Impacts of Colleges on Mobility

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

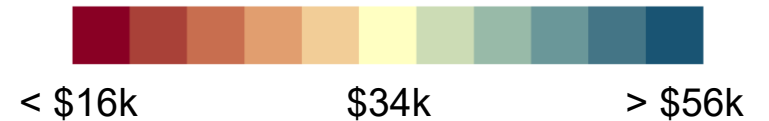
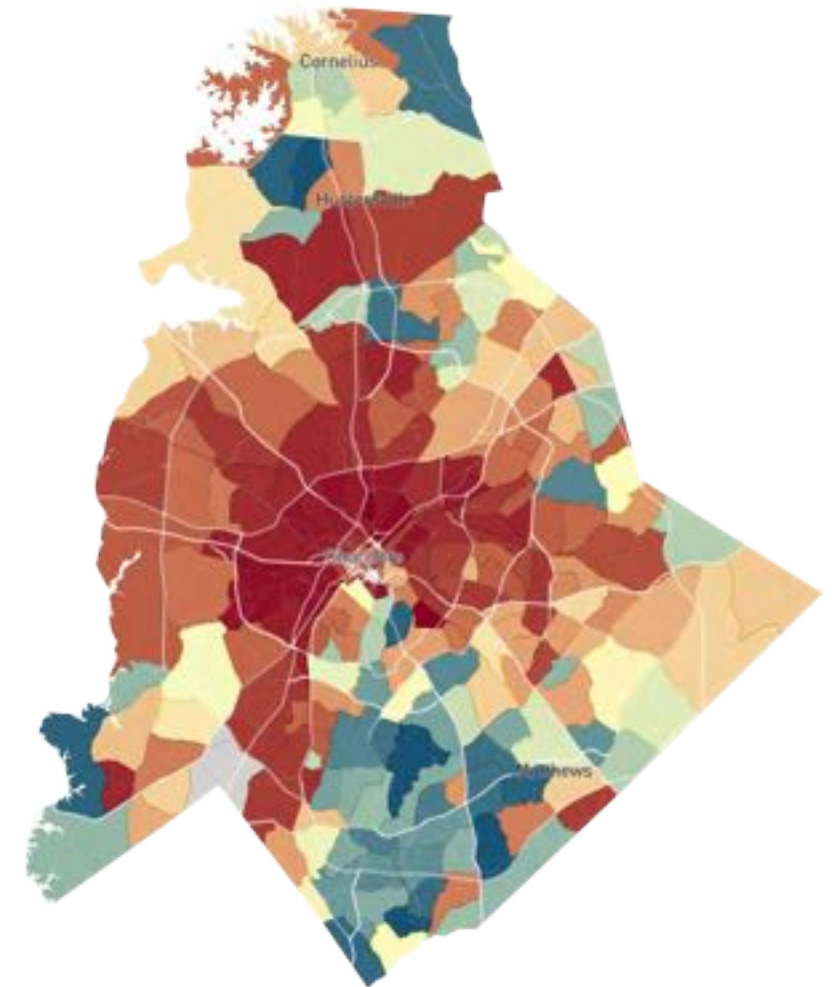
Over the last several decades, Charlotte-Mecklenburg has transformed from a small southern town to one of the country's largest and most dynamic communities. We continue to attract people—nearly 50 a day— who move here to take advantage of our strong business climate, favorable weather and

geographic location, and our reputation as a great place to live and raise a family.

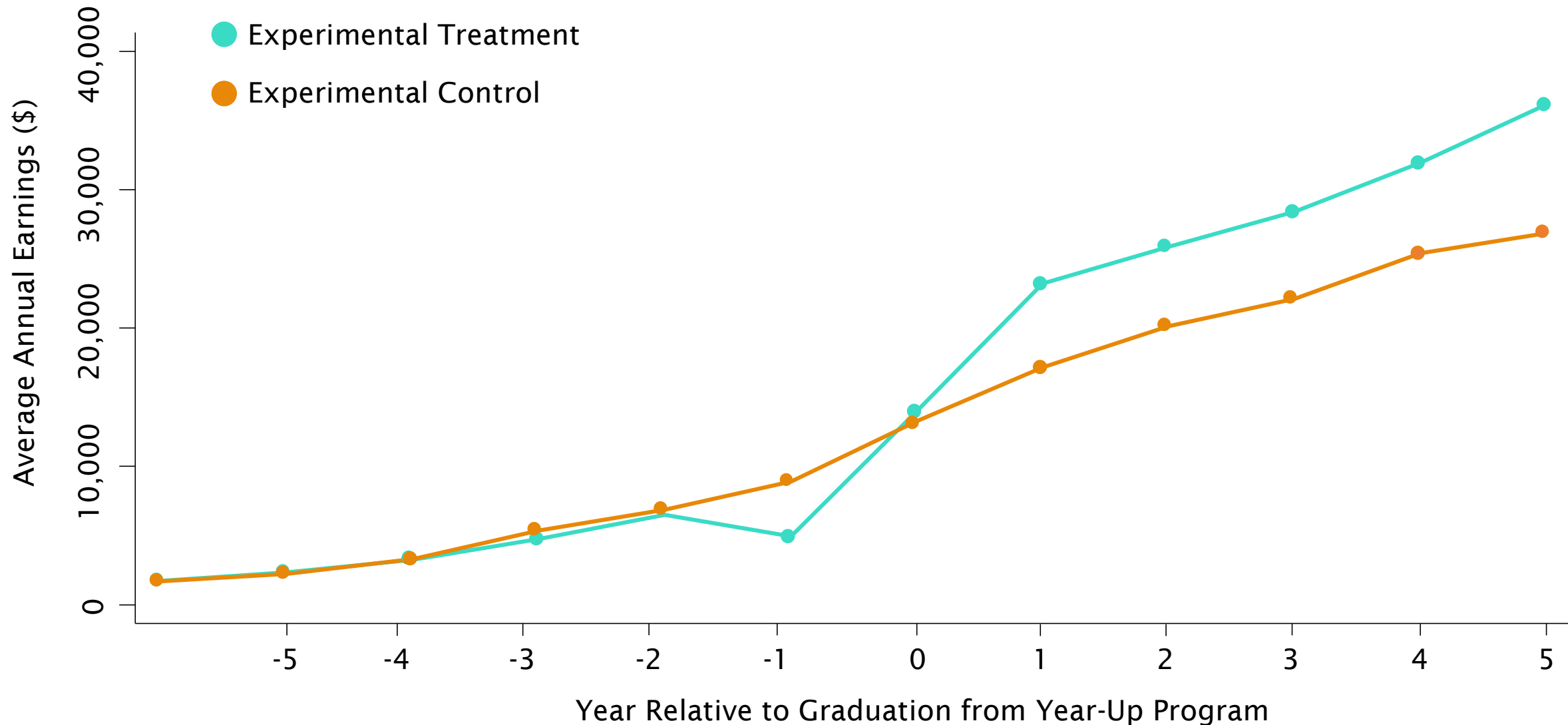
Accolades from the outside regularly tell us how tall we stand among other communities. As recently as February 7, 2017, U.S. News and World Report ranked us as the 14th best place to live in the country.¹

Yet, in 2013 when the headline broke about the Harvard University/UC Berkeley study that ranked Charlotte-Mecklenburg 50th out of 50 in upward mobilityⁱⁱ 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



Impact of Year-Up Sectoral Job Training Program on Earnings



Note: Observational Sample matched on race, gender, age, and Census tract

Source: Chetty, Noray, Katz, et al. (in progress)

The Charlotte Observer

Local News Sports Arts/Culture Business Personal Finance Detour Obituaries

HOME PAGE

Here's how Bank of America is trying to improve economic opportunity in Charlotte

BANK OF AMERICA 

Our commitment to support & strengthen Charlotte

Bank of America is committed to advancing racial equality and economic opportunity, and helping...

A new path to high-paying careers in tech

In a city addressing unequal access to good jobs, the nonprofit Road to Hire provides a pathway...

Road to Hire

ROAD TO HIRE PATHWAYS

What is Pathways?

R2H Pathways is for high school rising seniors like you who want a paid summer internship, access to up to \$30K in college scholarships, exposure to high-earning career paths and graduating without debt!

During the program, Pathways students will experience:



Paid Internship



Life & Career Skills



Up to 30k in Scholarships



Paid tech/nursing apprenticeships

What does the Pathways promise look like?

If students meet the requirements, they will receive a scholarship at any 2 or 4 year public NC college OR entrance support into a PAID apprenticeship program.

Here is how the Pathways College Scholarship works:

- Eligible to receive up to \$7,500/year at a NC 2 or 4 year public college
- Additional scholarship benefits at our partner schools based on financial aid eligibility (partner schools below)
- Pathways will financially support students at a private school or non NC public schools only on a case by case basis

Partner schools are: JCSU, WSSU, UNCC, NC A&T, ECU, Wingate University, Meredith College, CPCC, Chapel Hill, NC State, and more.

Apprenticeships available: Coding Apprenticeship with Road to Hire, Atrium Rise to Success for Nursing and other Health careers

Restoring the American Dream: What Can Business Leaders Do?



Recruit diverse talent using proven **sectoral job training** programs and increase **connectedness** within firms



Invest in local **communities** that have lower rates of upward mobility



Support **policy reforms** that will increase economic mobility, expanding talent pool for businesses



Measure progress systematically using the tools of big data



From Jasmine, 7 years old, whose family moved to a high-opportunity area in Seattle in the Creating Moves to Opportunity study



Research studies and summaries
www.opportunityinsights.org



Explore your community's data

Opportunity Atlas: www.opportunityatlas.org

Social Capital Atlas: www.socialcapital.org

College Mobility: www.nytimes.com/interactive/projects/college-mobility/



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Questions?

info@opportunityinsights.org

Family Stability and Opportunity Vouchers Act

The *Family Stability and Opportunity Vouchers Act* puts a significant down payment on evidence-based housing mobility vouchers for the nation's most vulnerable families with young children. The bill couples mobility vouchers with customized support services to help families escape the cycle of poverty and move to high opportunity areas.

Specifically the bill:

- Creates an **additional 500,000 housing vouchers** over five years for low-income, high-need families with young children. Pregnant women and families with a **child under age 6** would qualify for these new vouchers if they have a history of homelessness or housing instability, live in an area of concentrated poverty, or are at risk of being pushed out of an opportunity area.
- Provides voucher recipients with **access to counseling and case management services** that have a proven track record of helping families move out of poverty.
- The bill's resources would enable housing agencies to **engage new landlords in the voucher program** and connect families with information about housing in high-opportunity neighborhoods, and community-based supports for families as they move.