

Improving Equality of Opportunity in America

New Insights from Big Data

John N. Friedman
Brown University

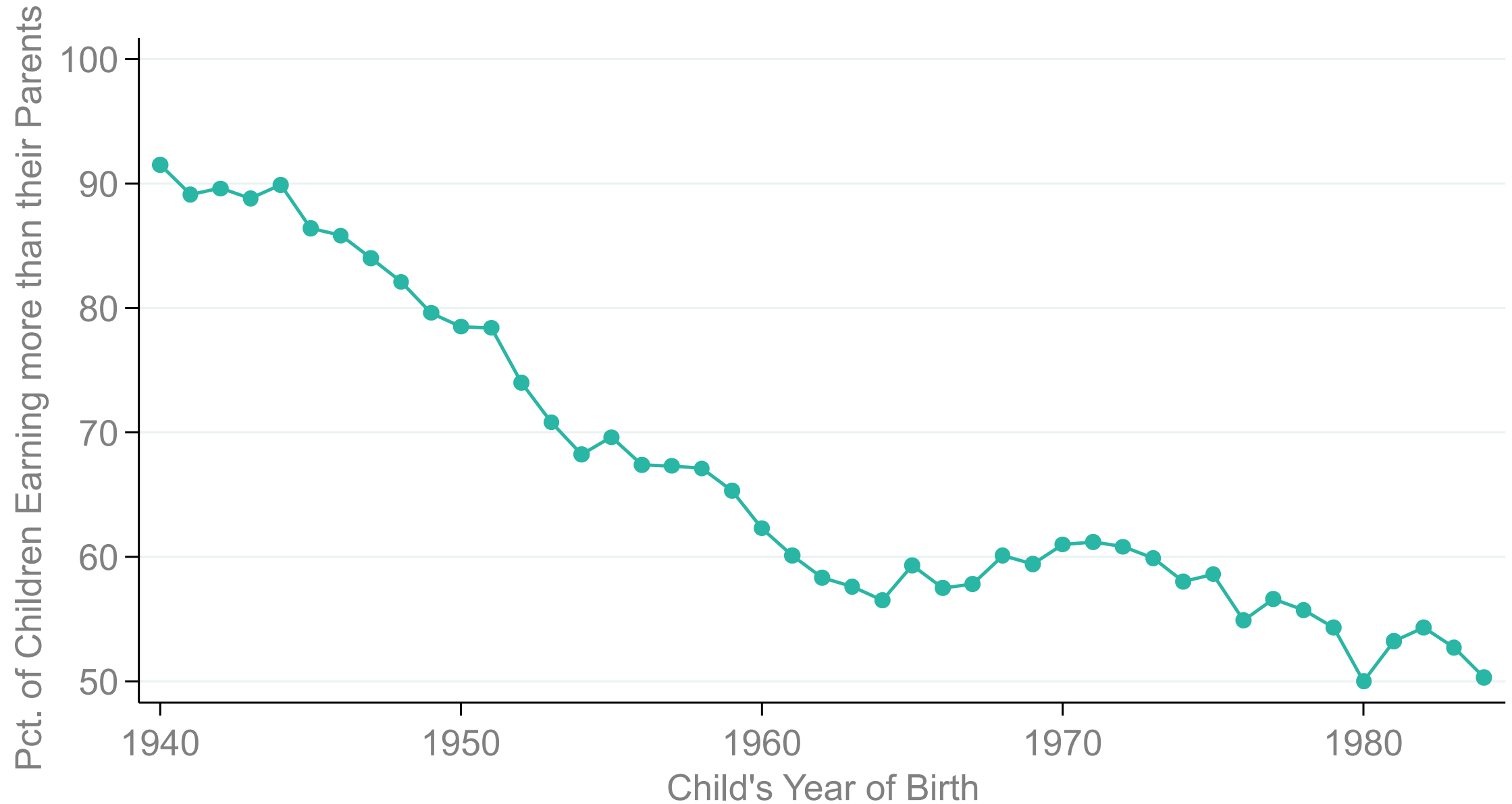


 **OPPORTUNITY
INSIGHTS**

Twitter: @Opplnsights

The Fading American Dream

Percent of Children Earning More than Their Parents, by Year of Birth



How Can We Restore the American Dream?



Demonstrate how one can use **big data** to study upward mobility in America



Analyze a broad range of interventions, following children into **adulthood**



Use administrative and survey records from **three federal agencies**

Data Sources



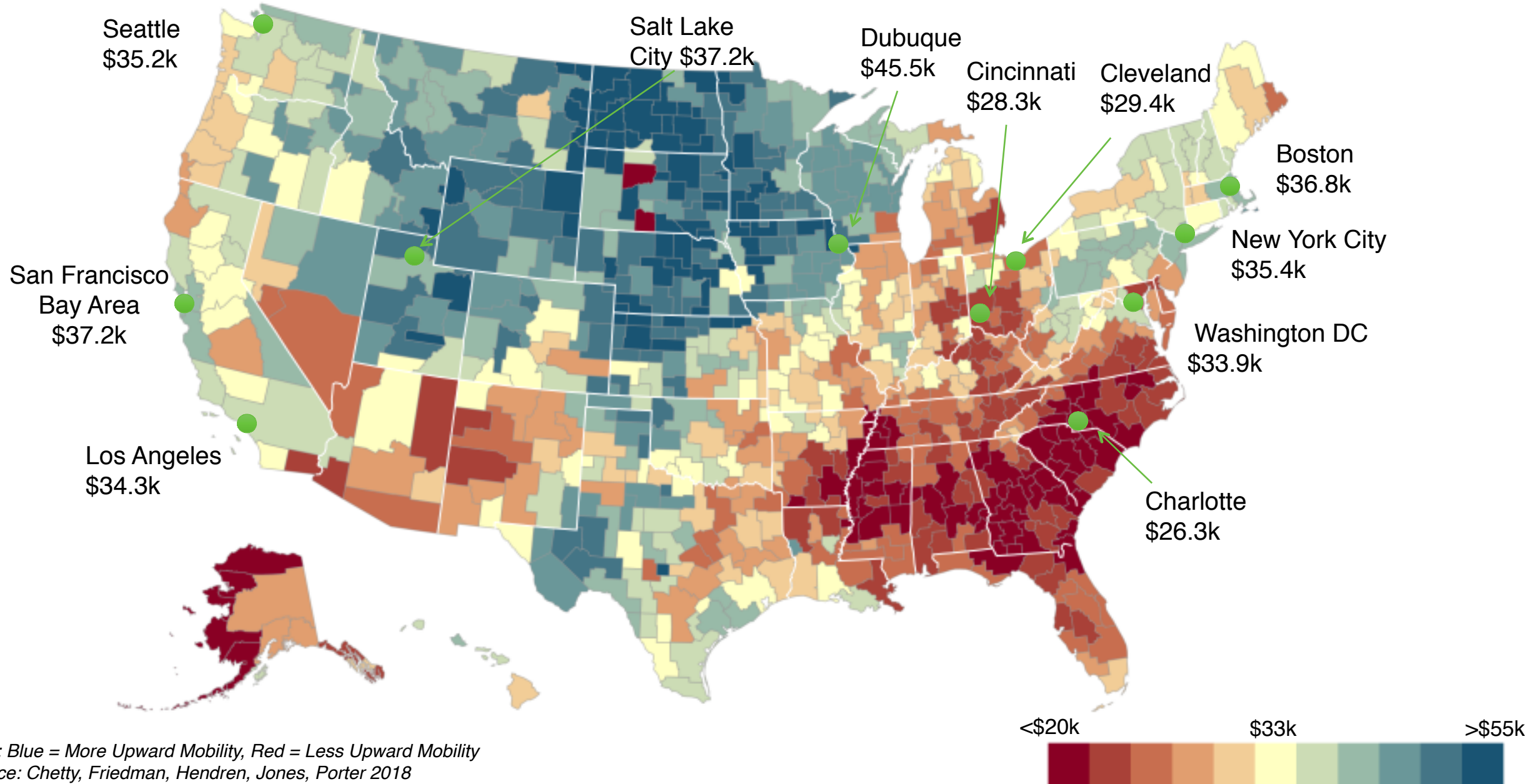
United States[™]
Census
Bureau



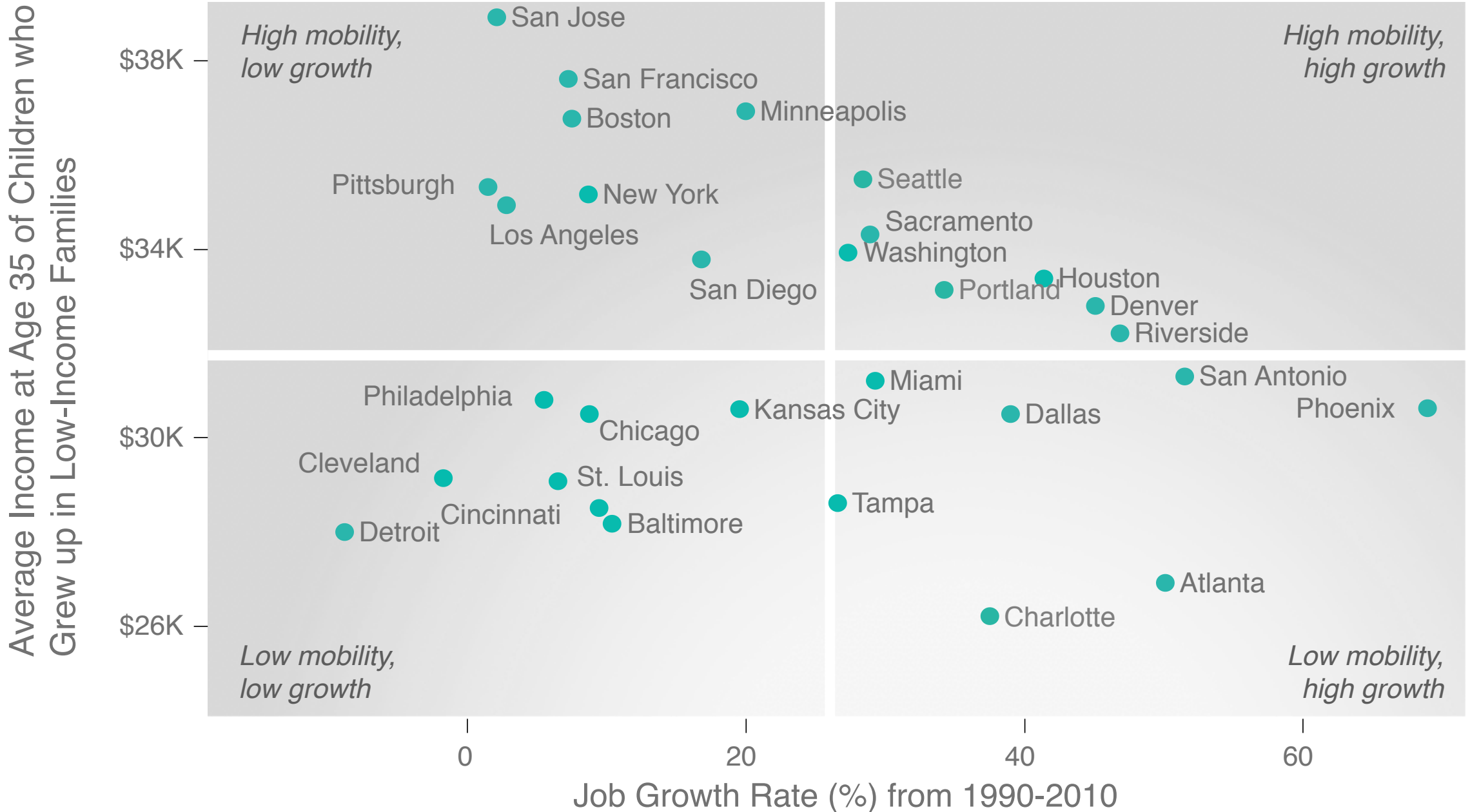
IRS

The Geography of Upward Mobility in the United States

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

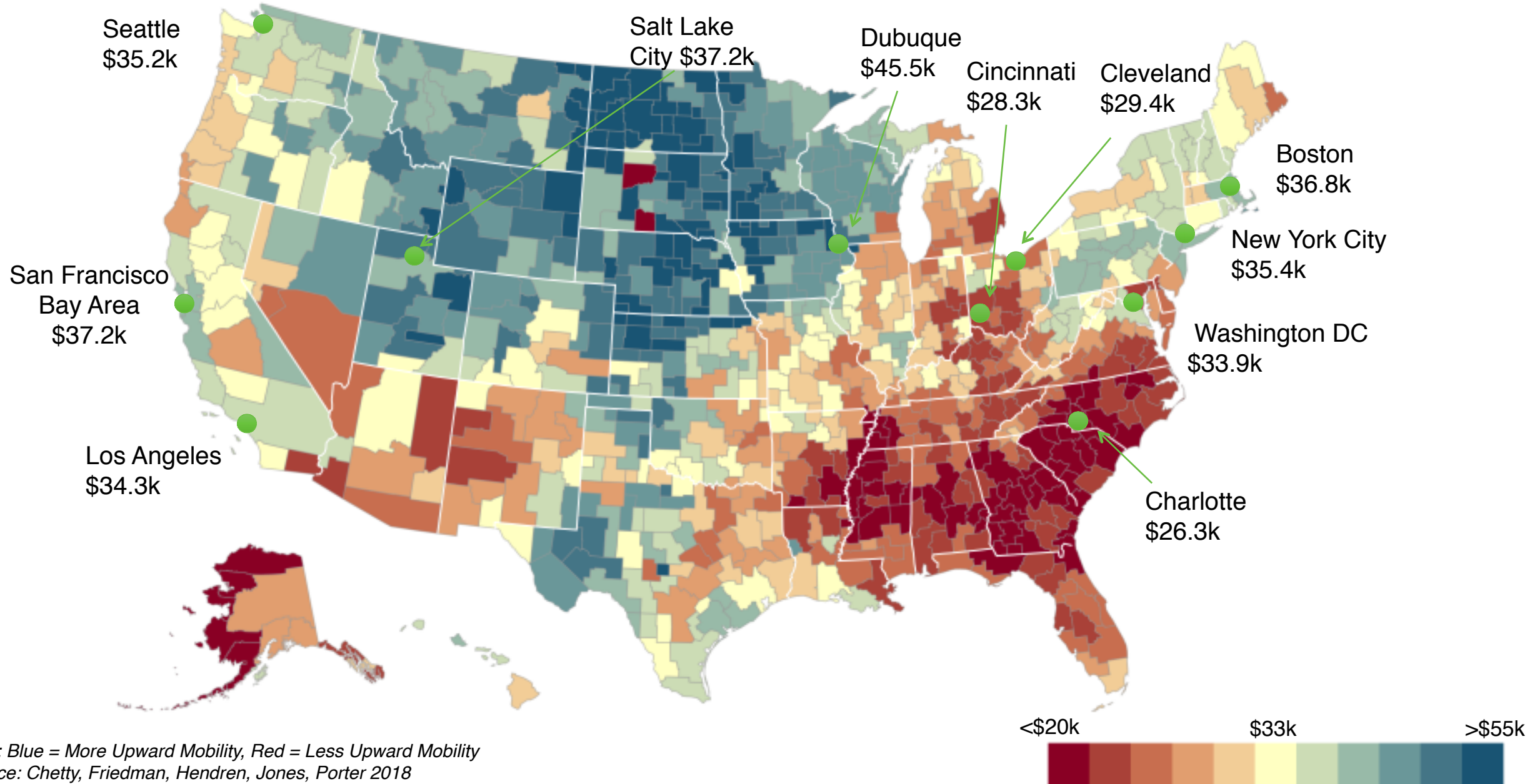


Upward Mobility vs. Job Growth in the 30 Largest Metro Areas



The Geography of Upward Mobility in the United States

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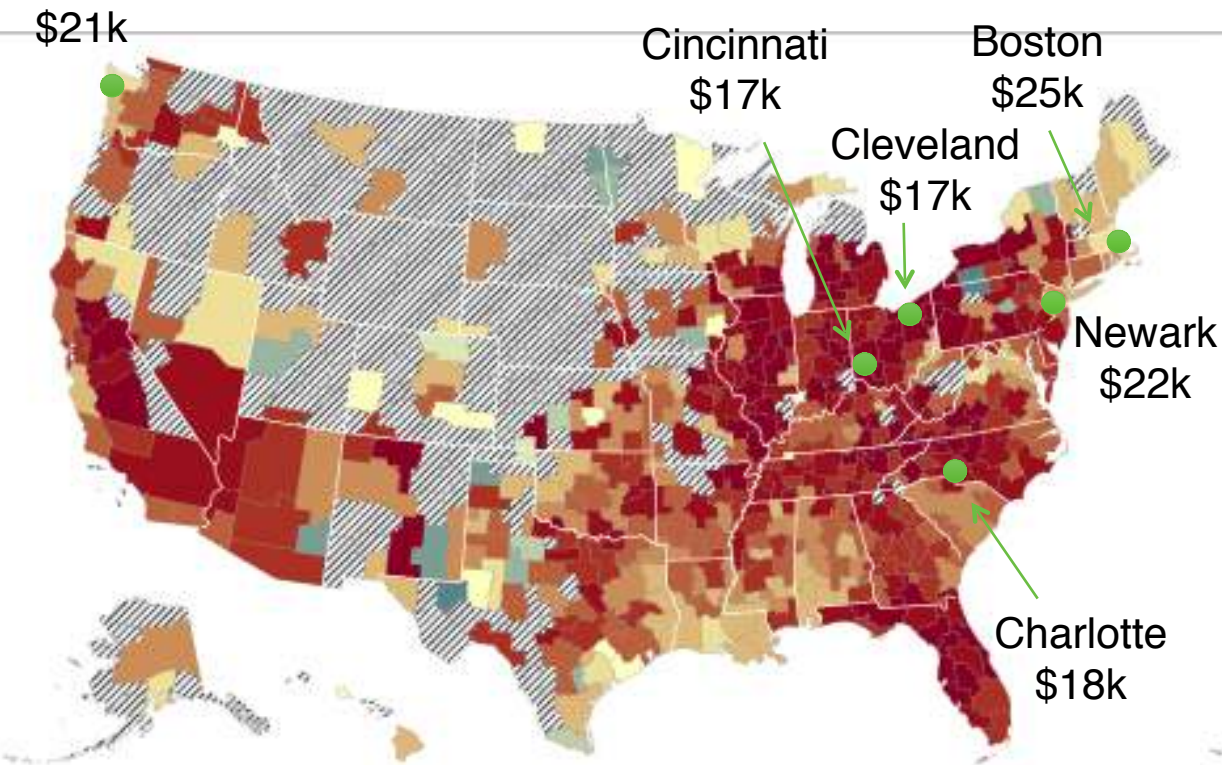


Two Americas: The Geography of Upward Mobility For Black vs. White Men

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

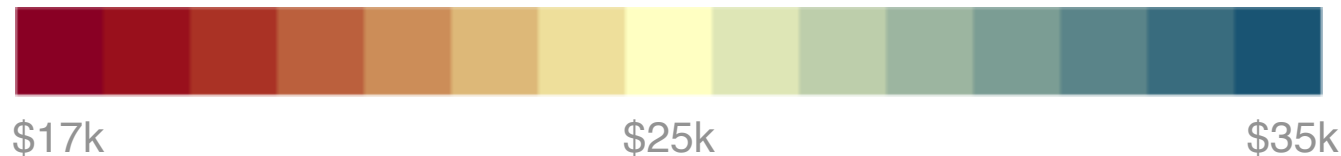
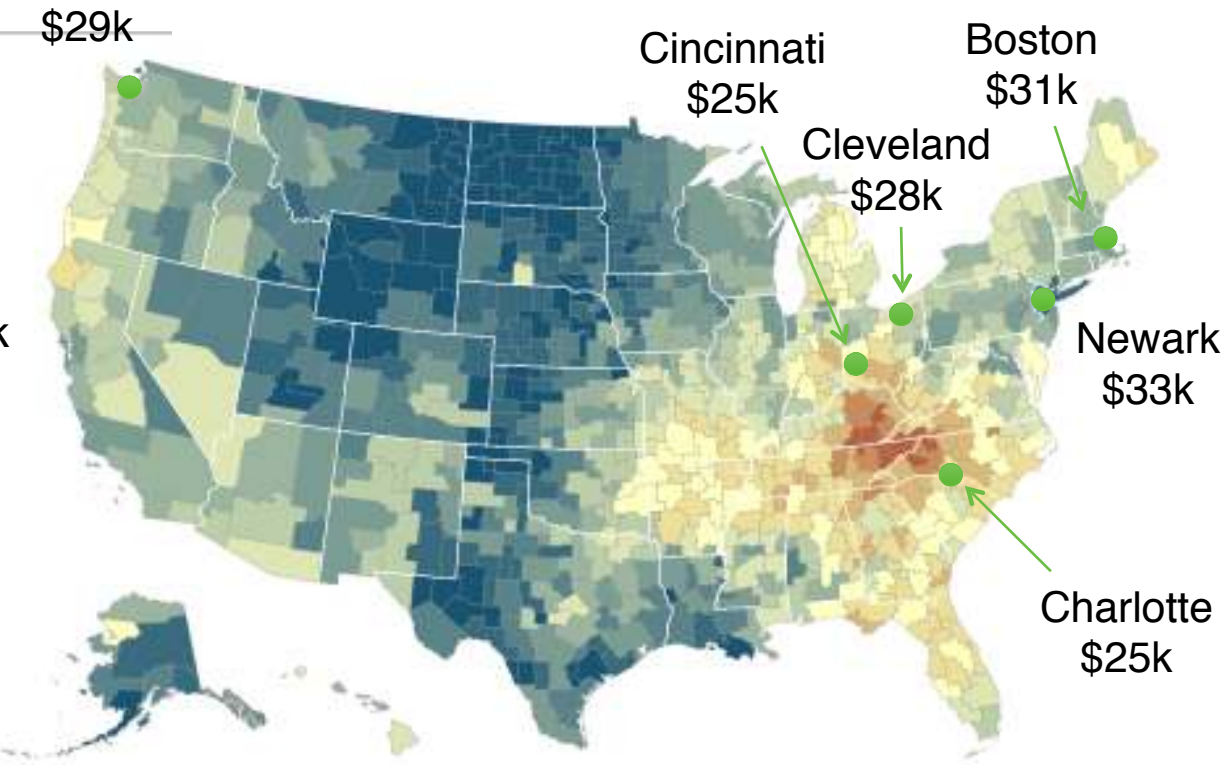
Seattle
\$21k

Black Men



Seattle
\$29k

White Men



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)

Seattle
\$22k

Black Women

Cincinnati
\$21k

Boston
\$27k

Cleveland
\$21k

Newark
\$25k

Charlotte
\$21k

Seattle
\$21k

White Women

Cincinnati
\$19k

Boston
\$26k

Cleveland
\$21k

Newark
\$28k

Charlotte
\$19k



\$16k

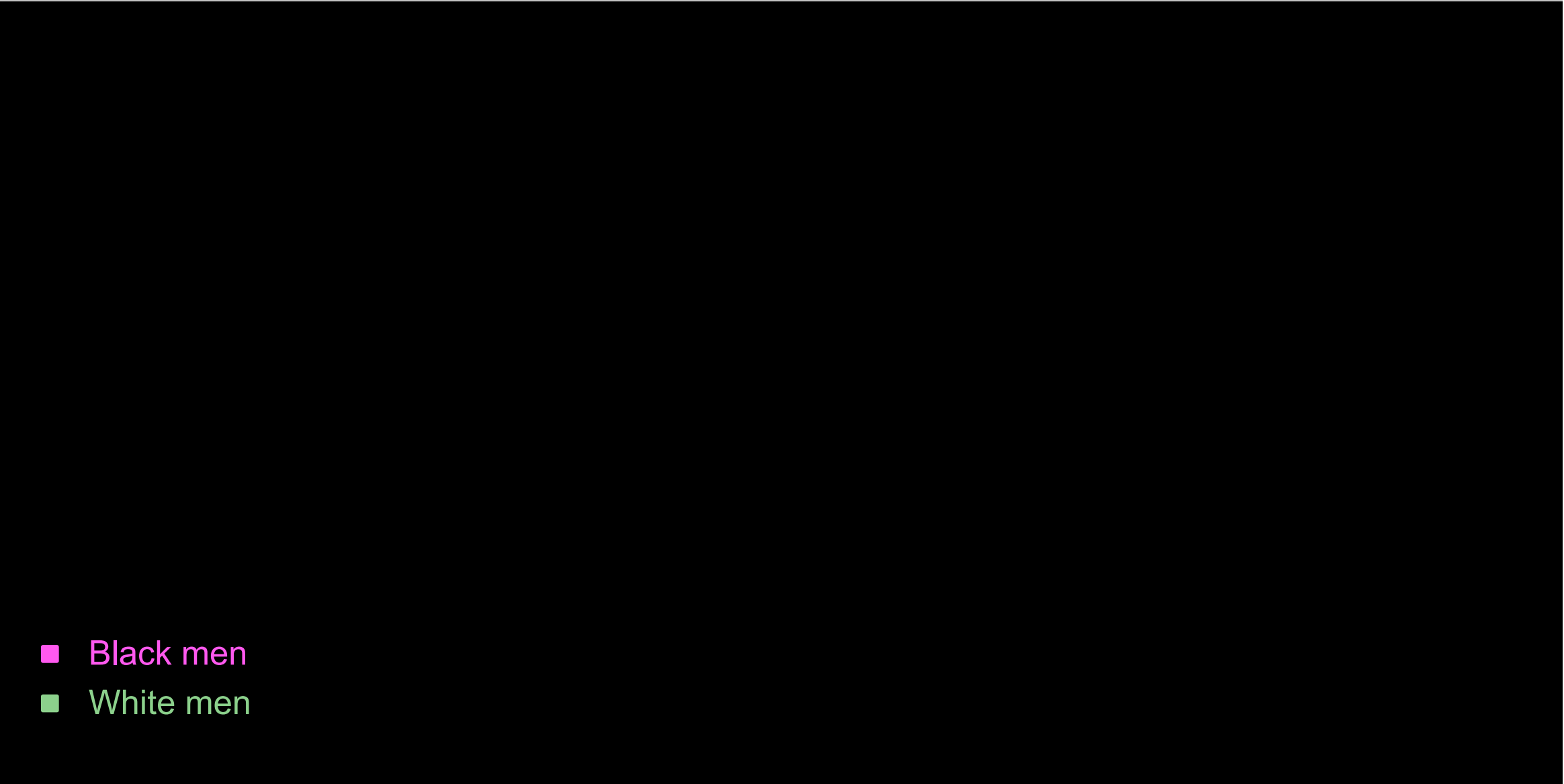
\$20k

\$26k

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 Opportunity Atlas

Which neighborhoods in America offer children the best chance to rise out of poverty?

The Opportunity Atlas answers this question using anonymous data following 20 million Americans from childhood to their mid-30s.

Now you can trace the roots of today's affluence and poverty back to the neighborhoods where people **grew up.**

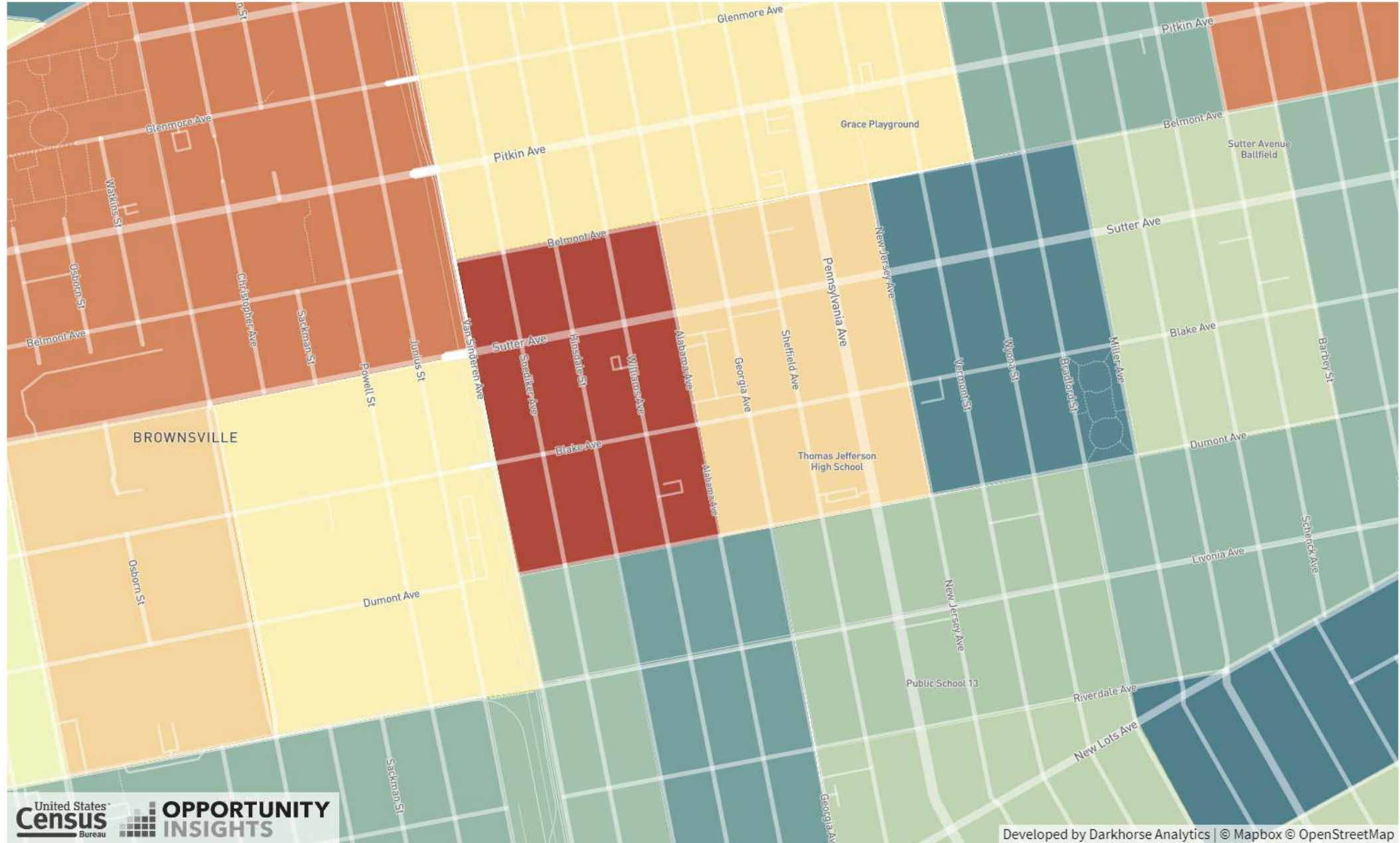
See where and for whom opportunity has been missing, and develop local solutions to help more children rise out of poverty.

BEGIN EXPLORING



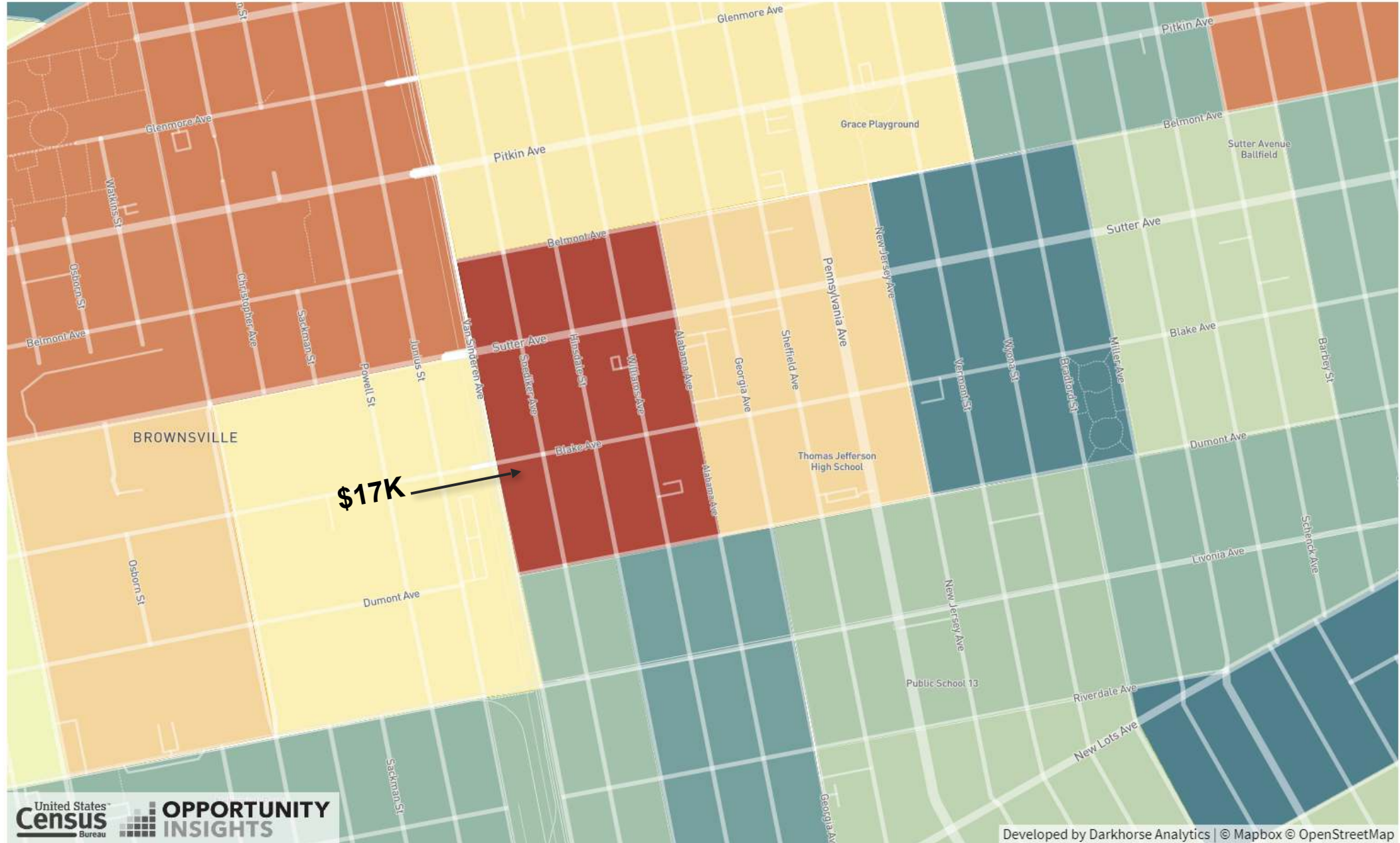
Household Income for Black Children of Low Income Parents

<\$10k 18k 20k 21k 22k 24k 25k 27k 29k 33k >\$45k



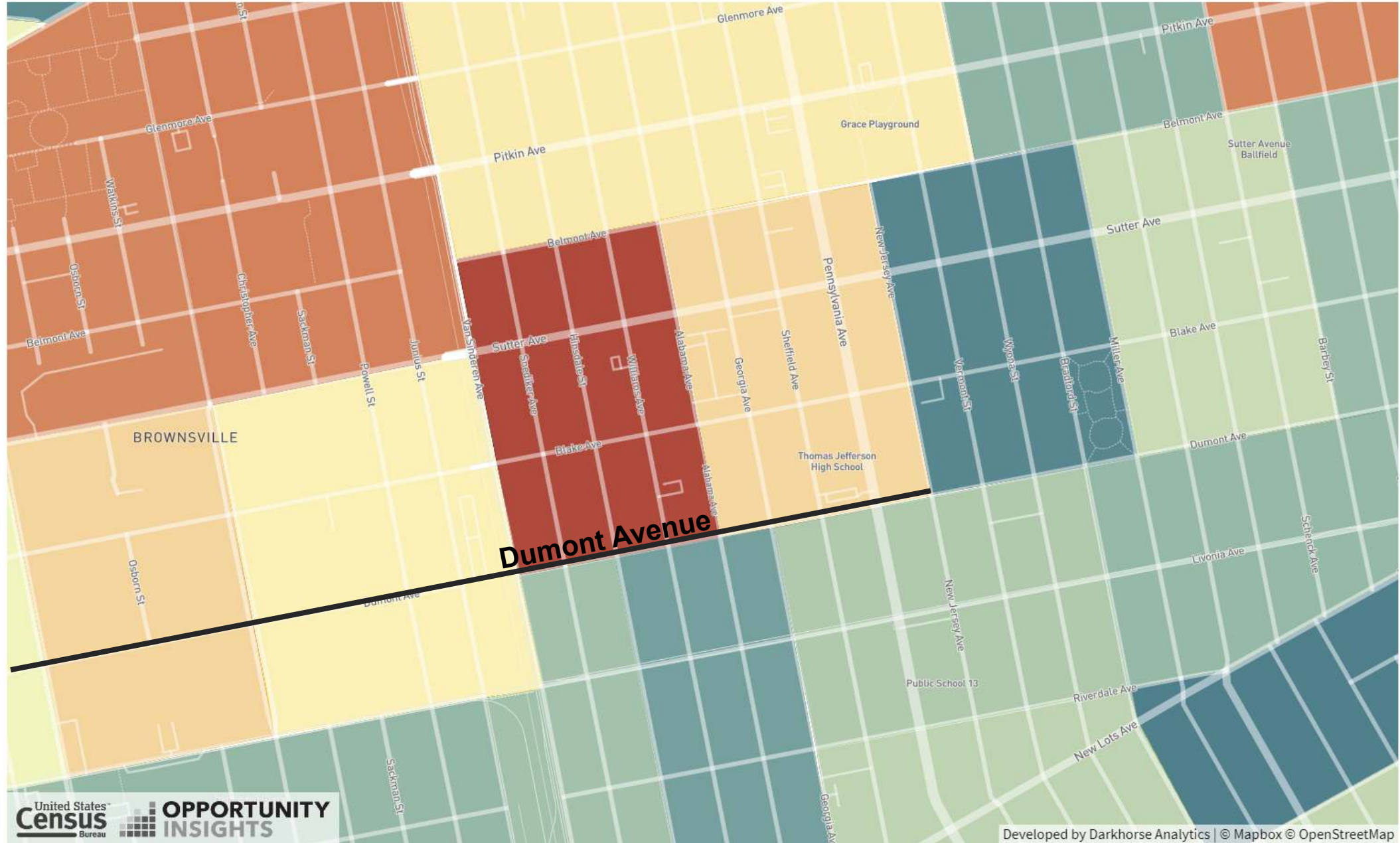
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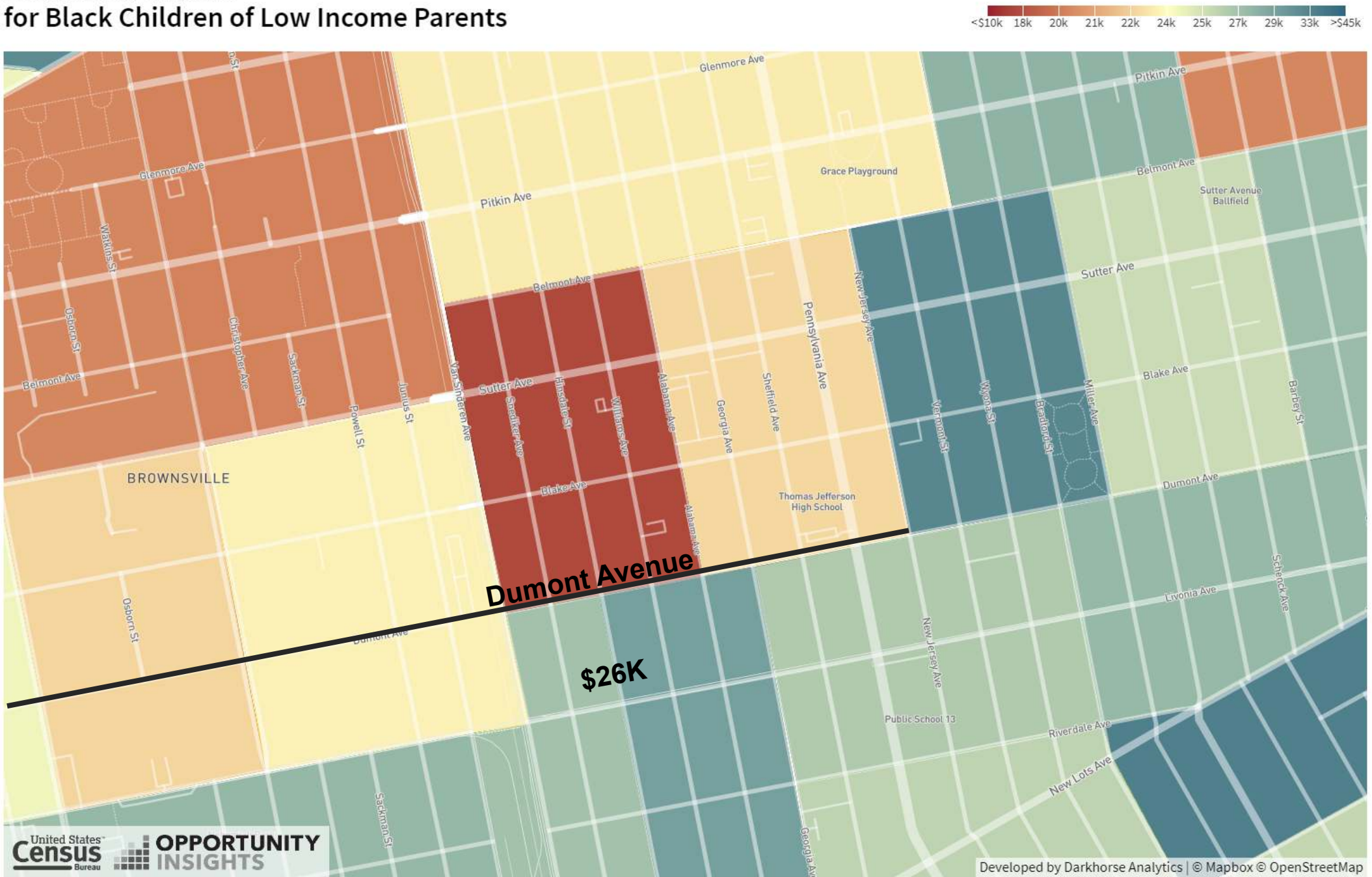


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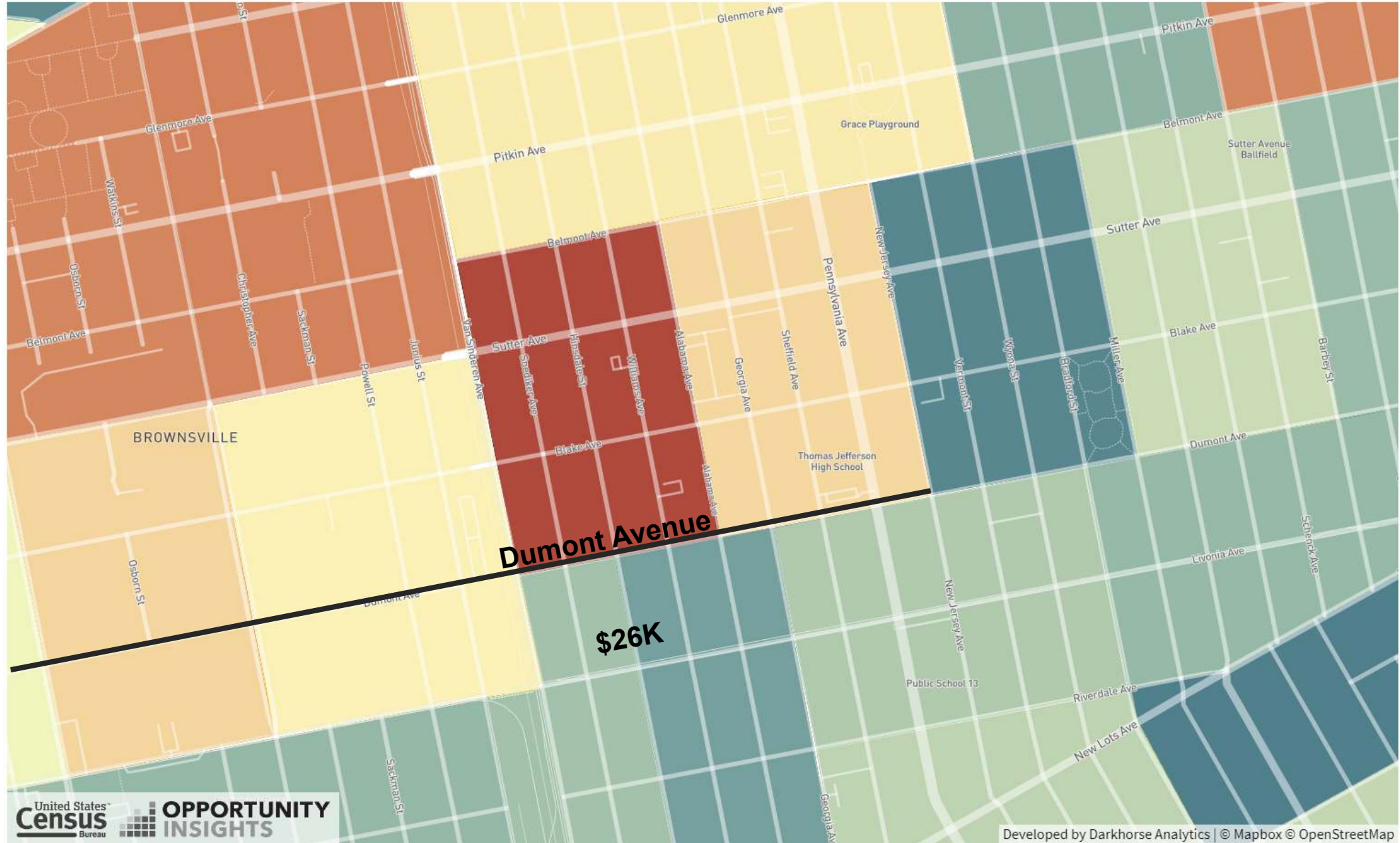


Household Income for Black Children of Low Income Parents



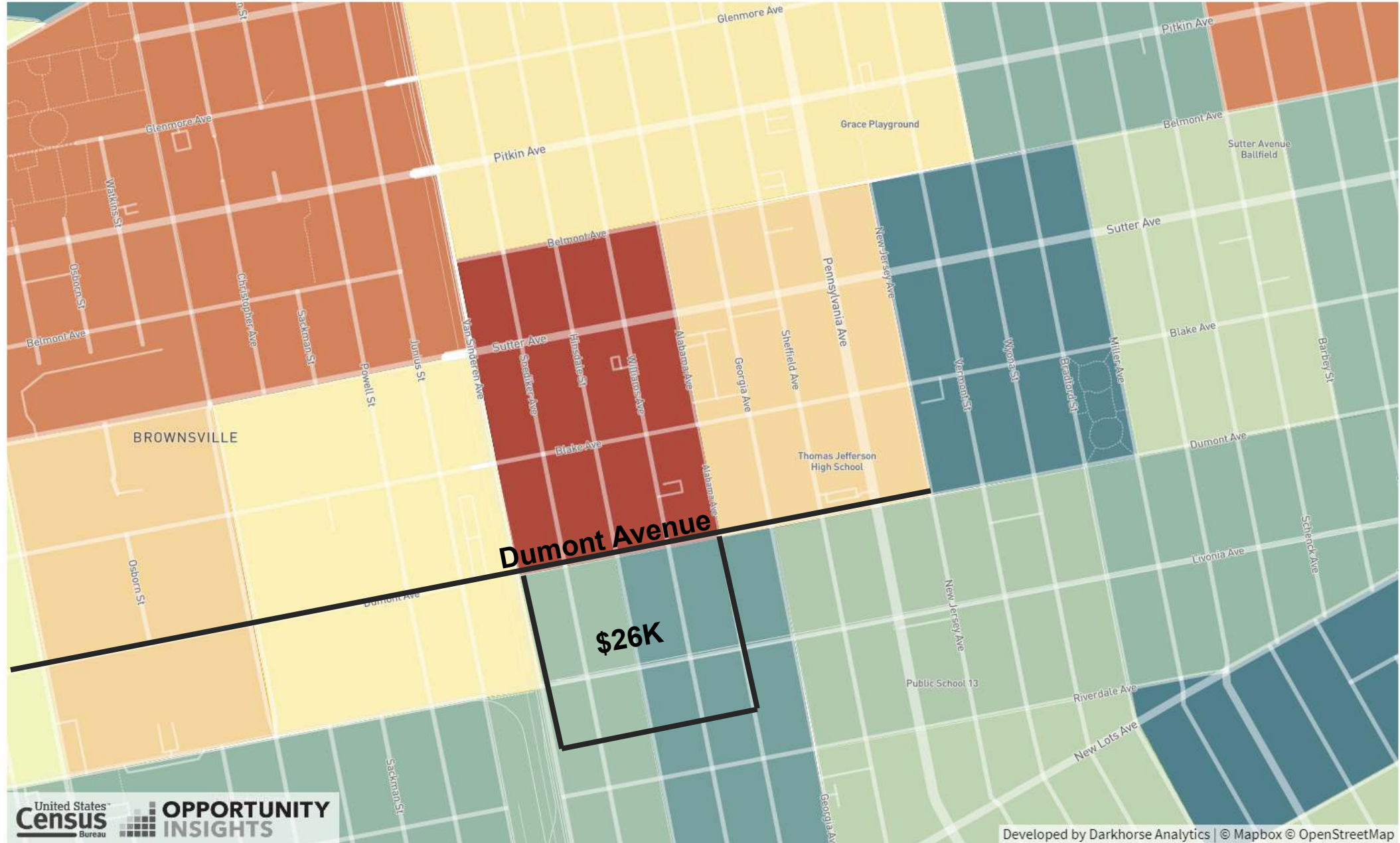
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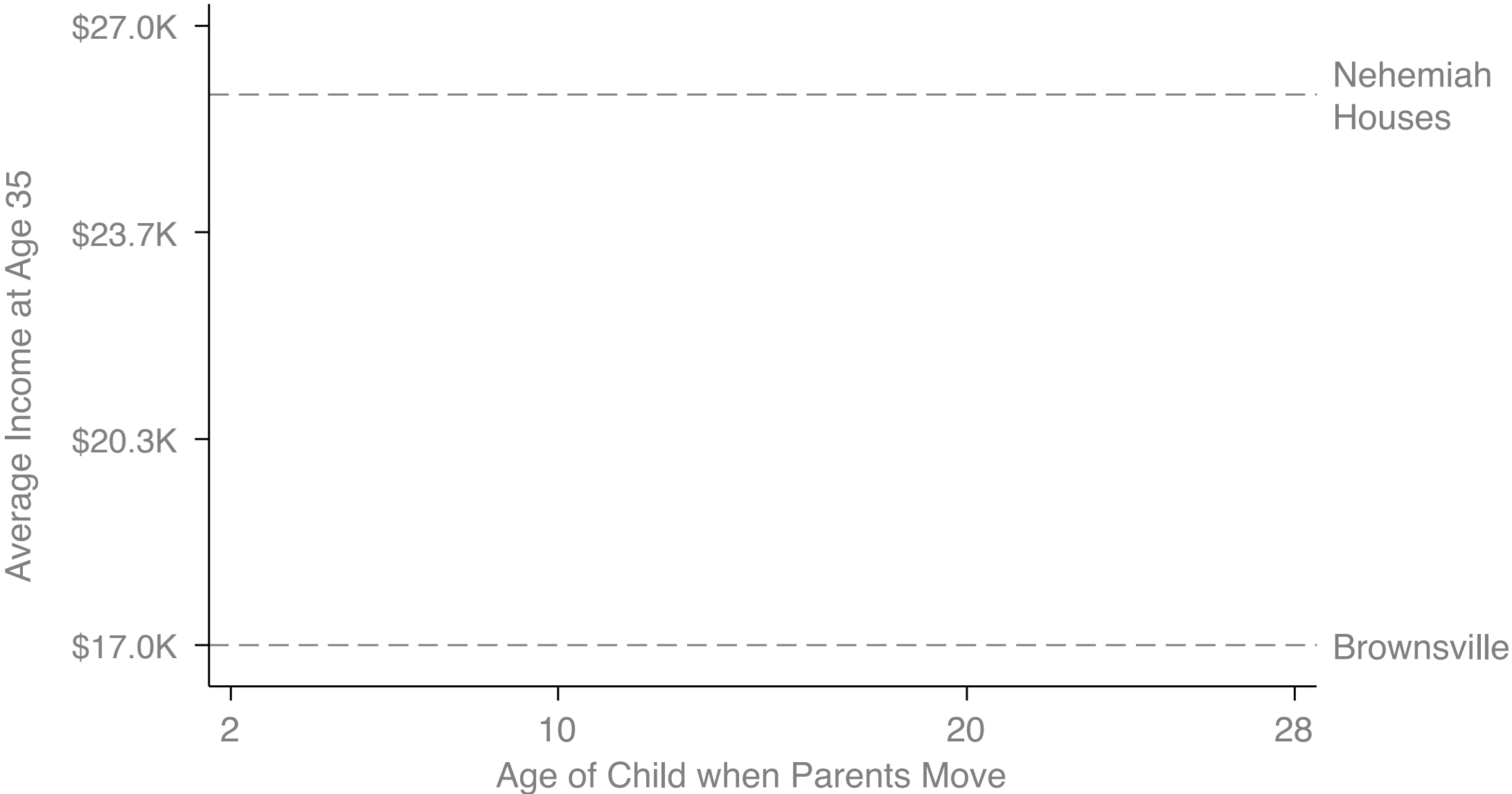






Income Gain from Moving to a Better Neighborhood

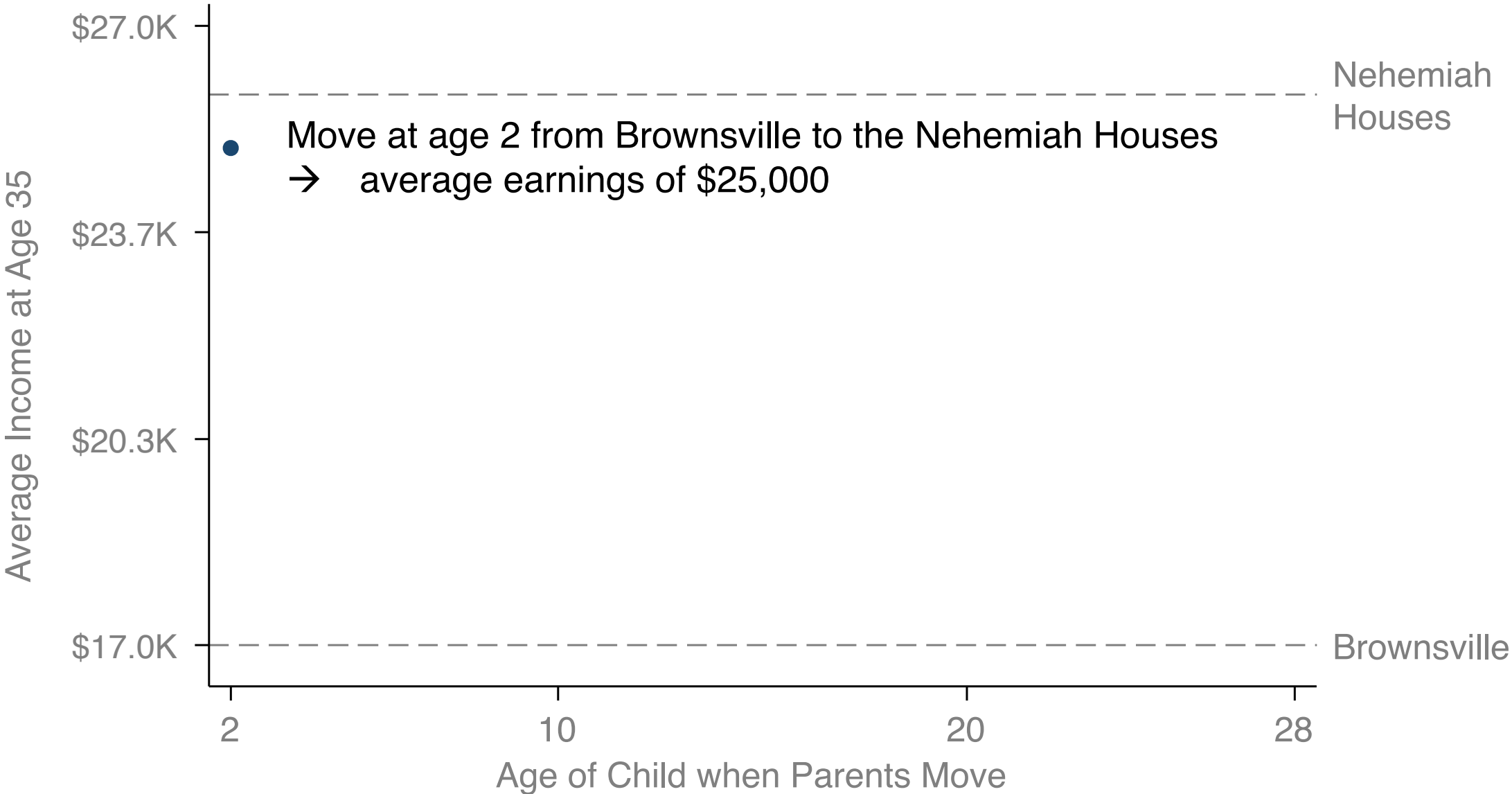
By Child's Age at Move



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

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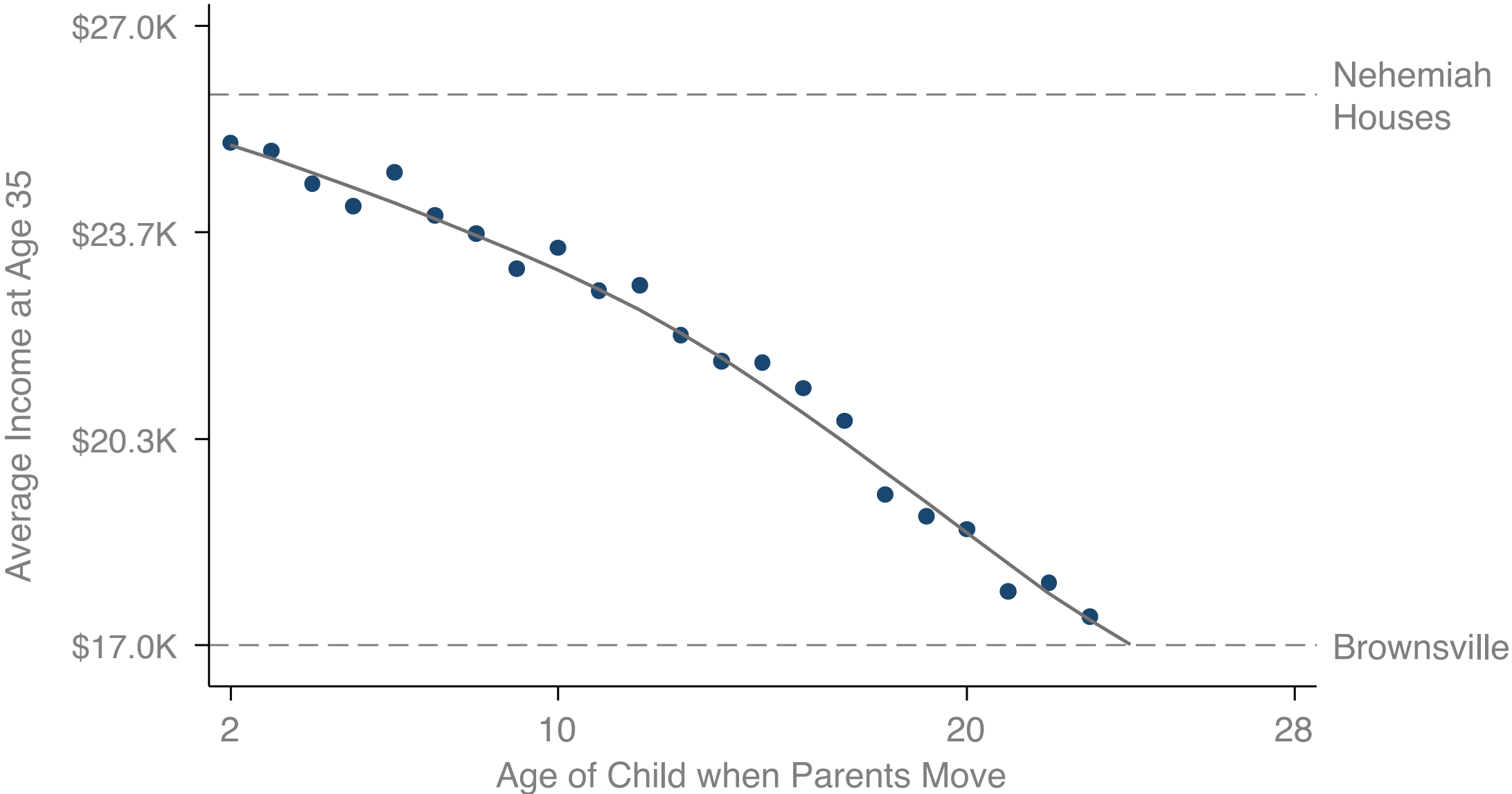
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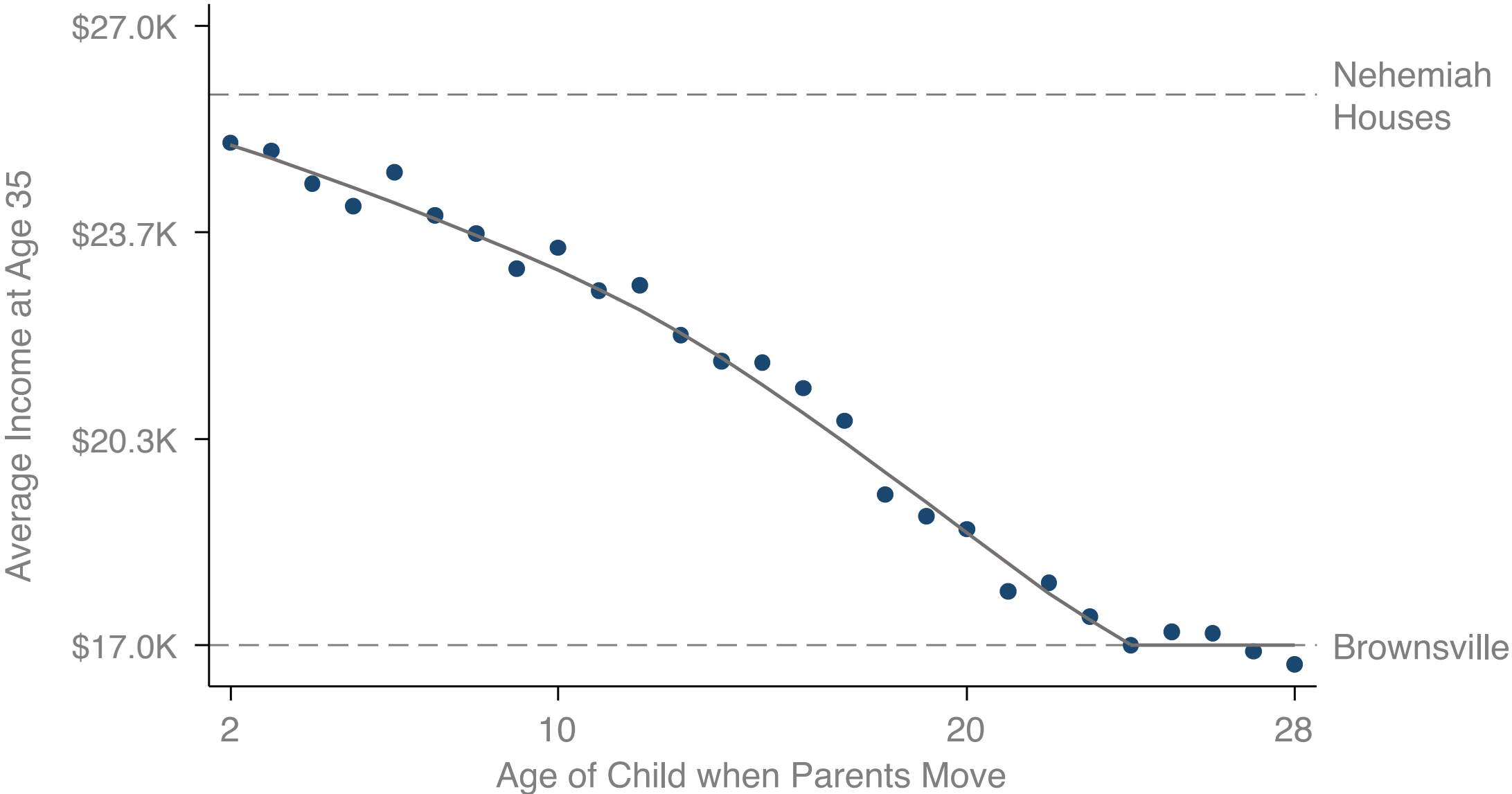
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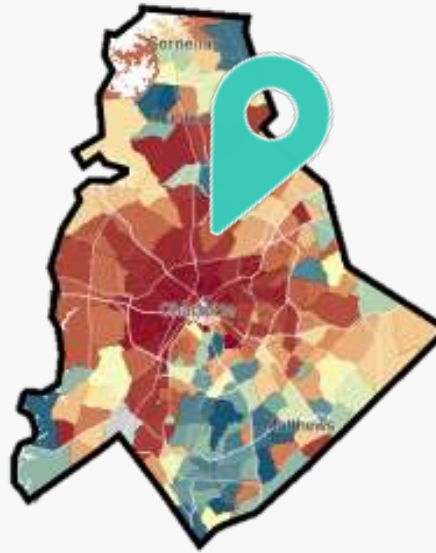
From Research to Policy: Three Pillars

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

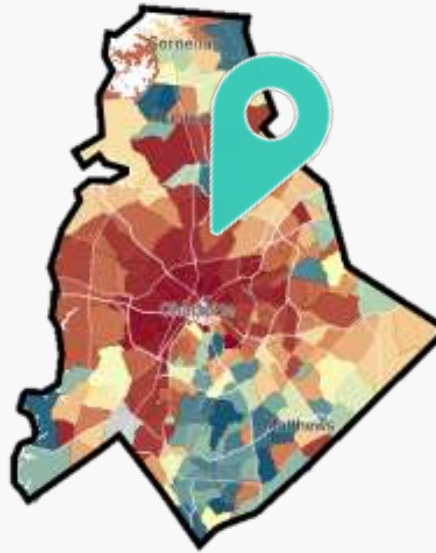
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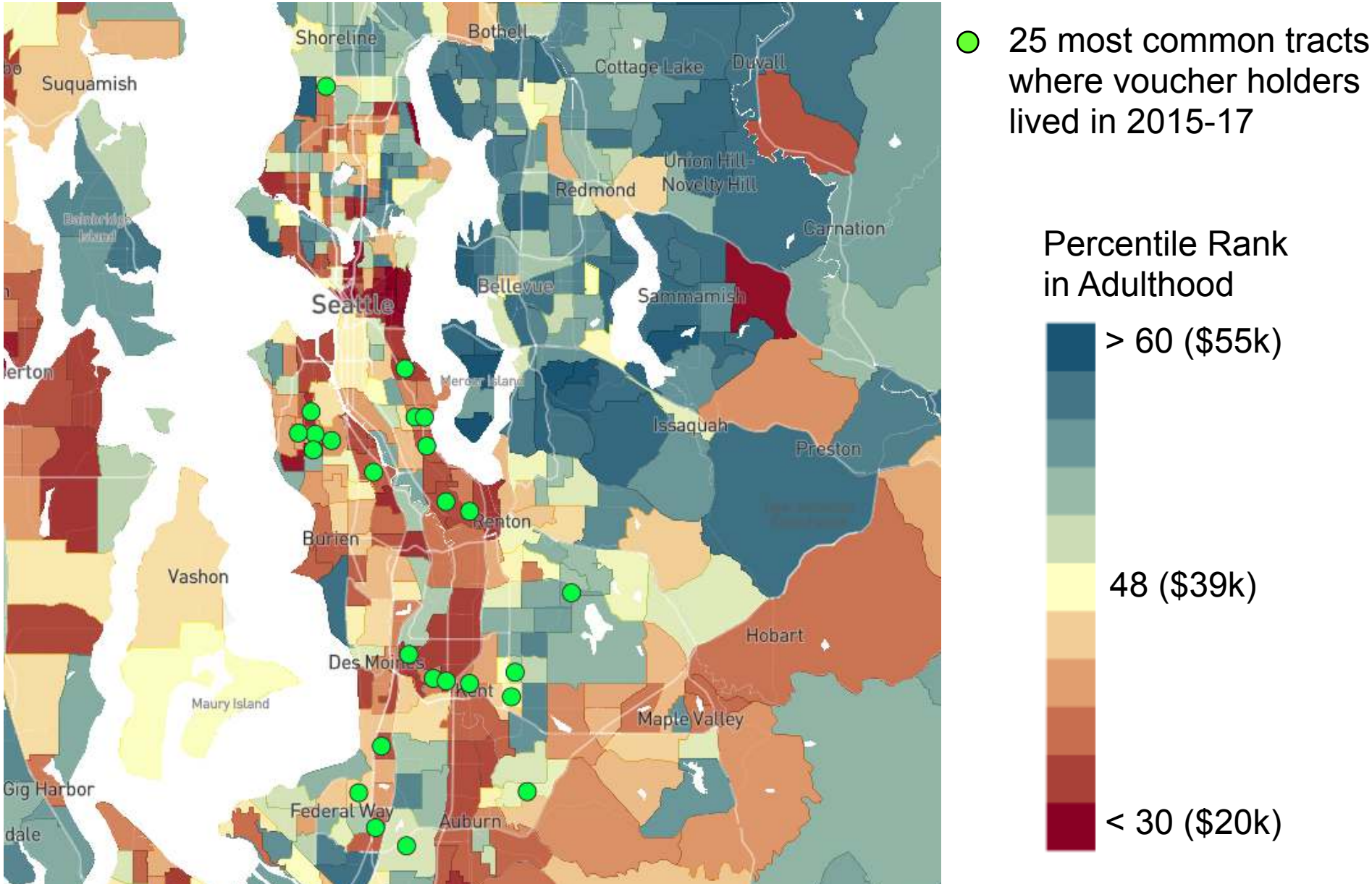
Improving Higher Education



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 in Seattle



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

Creating Moves to Opportunity in Seattle

Randomized trial to help families with housing vouchers move to high-opportunity neighborhoods

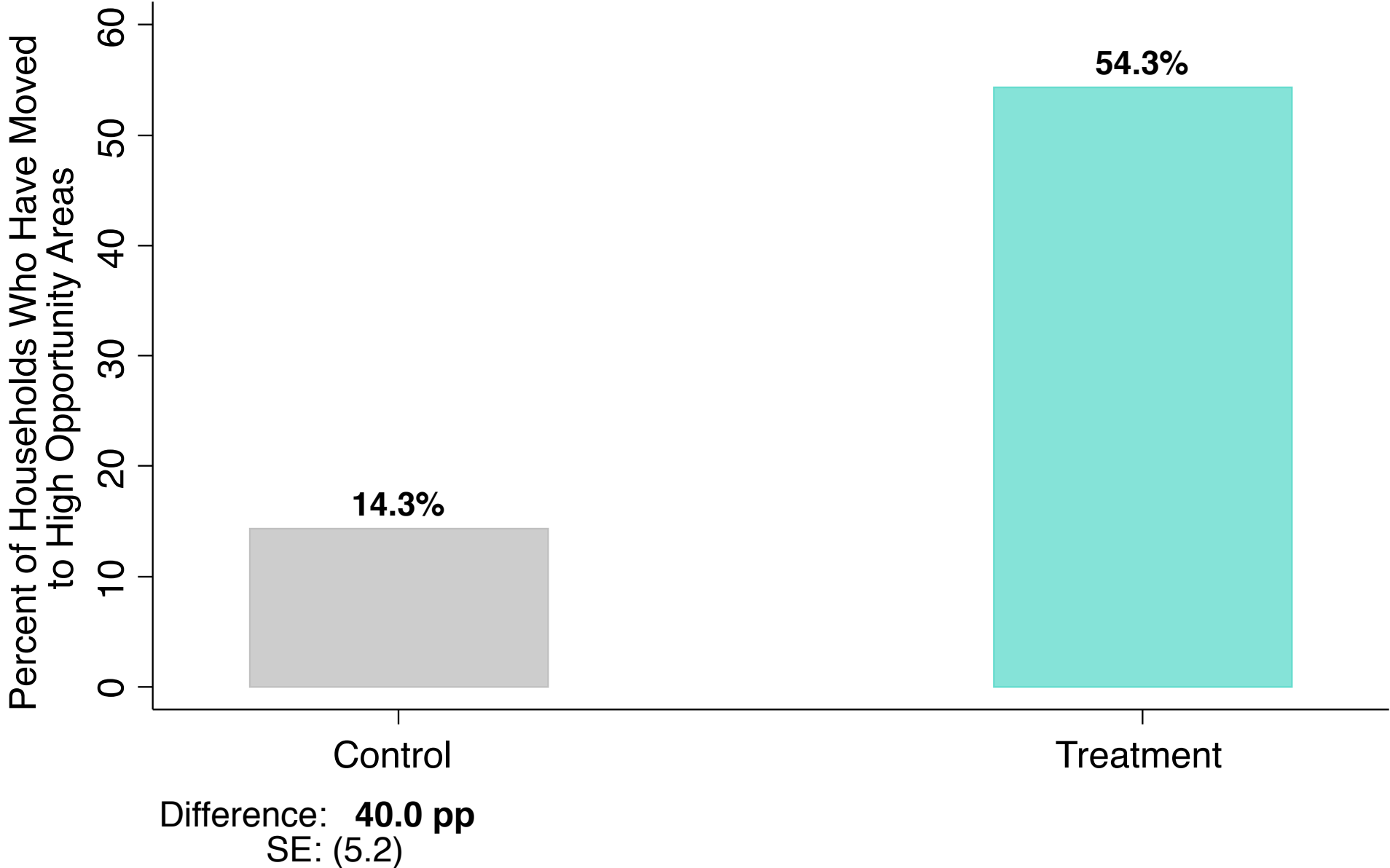
CUSTOMIZED
SEARCH
ASSISTANCE

DIRECT
LANDLORD
ENGAGEMENT

SHORT-TERM
FINANCIAL
ASSISTANCE



Effect of CMTO on Fraction of Families who Moved to High-Opportunity Areas



Source: Bergman, Chetty, DeLuca, Hendren, Katz, Palmer (2019)

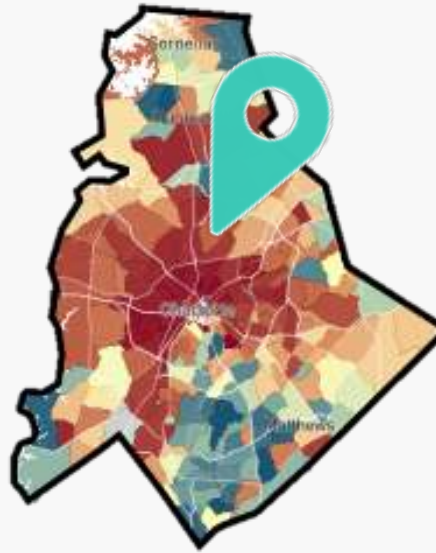
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A Wake-Up Call for Charlotte-Mecklenburg

Land of opportunity? Not by a long shot

Charlotte is nation's worst big city
for climbing out of poverty

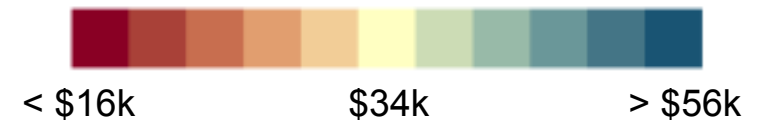
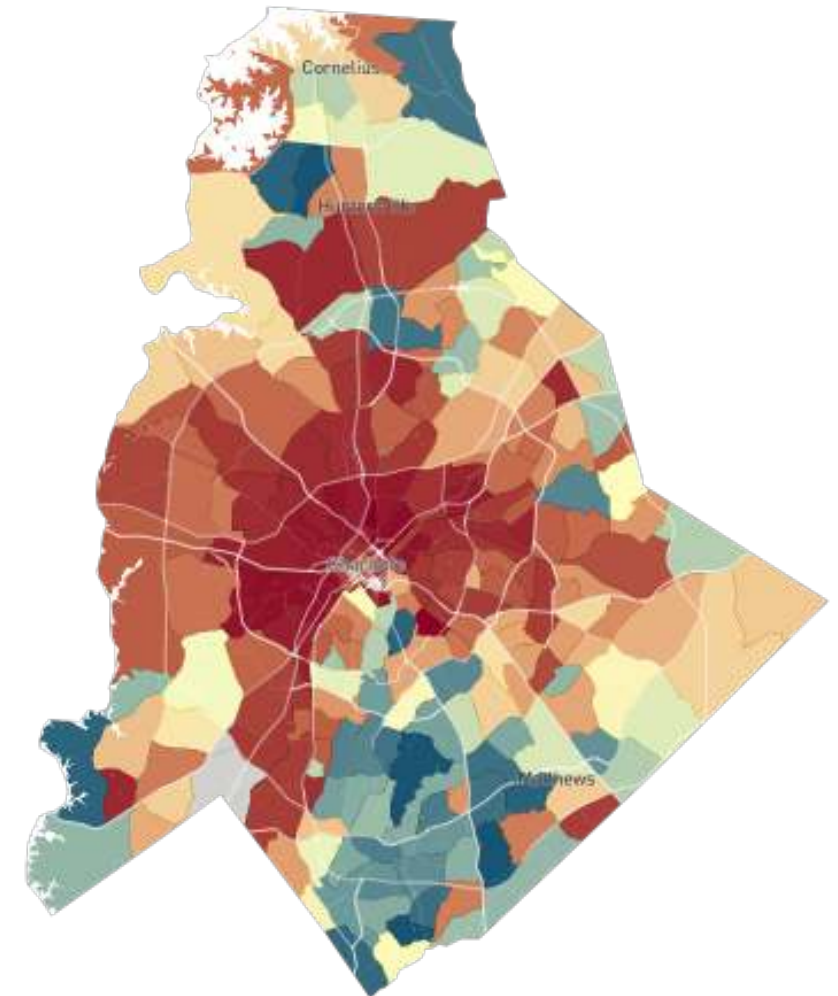
The Charlotte Observer

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.ⁱ

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



A Life-Course Approach to Place-Based Investment



**CARE RING**
THE HEART OF COMMUNITY HEALTH

**ParentChild+**
Equal Possibilities From The Start

**MECK**
Pre-K
MECKLENBURG COUNTY
NORTH CAROLINA

**Read**
CHARLOTTE

**HEART**
MATH TUTORING
Connecting Students & Volunteers
for Results that Count

**HARMONY**
PROJECT
EST. 2001 • LOS ANGELES, CA

**Communities**
In Schools

**the Y**
FOR YOUTH DEVELOPMENT*
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

**BAM**
YOUTH GUIDANCE

**CREDIBLE MESSENGER**
JUSTICE CENTER

**MBK**

**College**
Advising
Corps

**PEER**
FORWARD

**NC**
PROMISE

**Charlotte**
MYEP
Mayor's Youth Empowerment Program

**ONE SUMMER**
CHICAGO

**NCWorks**
NEXTGEN
POWERED BY CHARLOTTE WORKS

**yearup**

Evidence on Place-Based Policies: The American Opportunity Study

- **American Opportunity Study**: New project to analyze impacts of place-based policies (currently in fundraising phase)
- Build a longitudinal dataset covering all Americans from 1950 to present by digitizing and linking tax and Census records
- Use these data to study the impacts of place-based interventions on **prior residents**
 - What types of interventions improve prior residents' outcomes rather than simply displacing them?



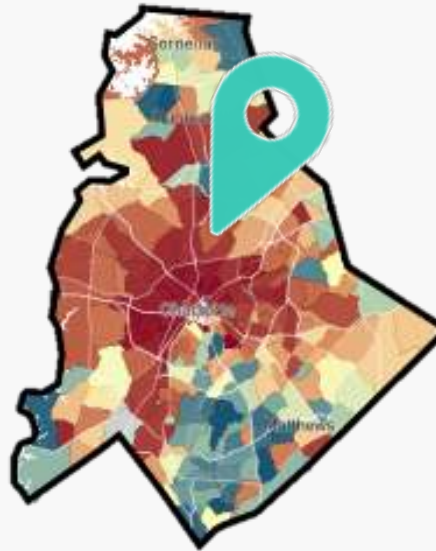
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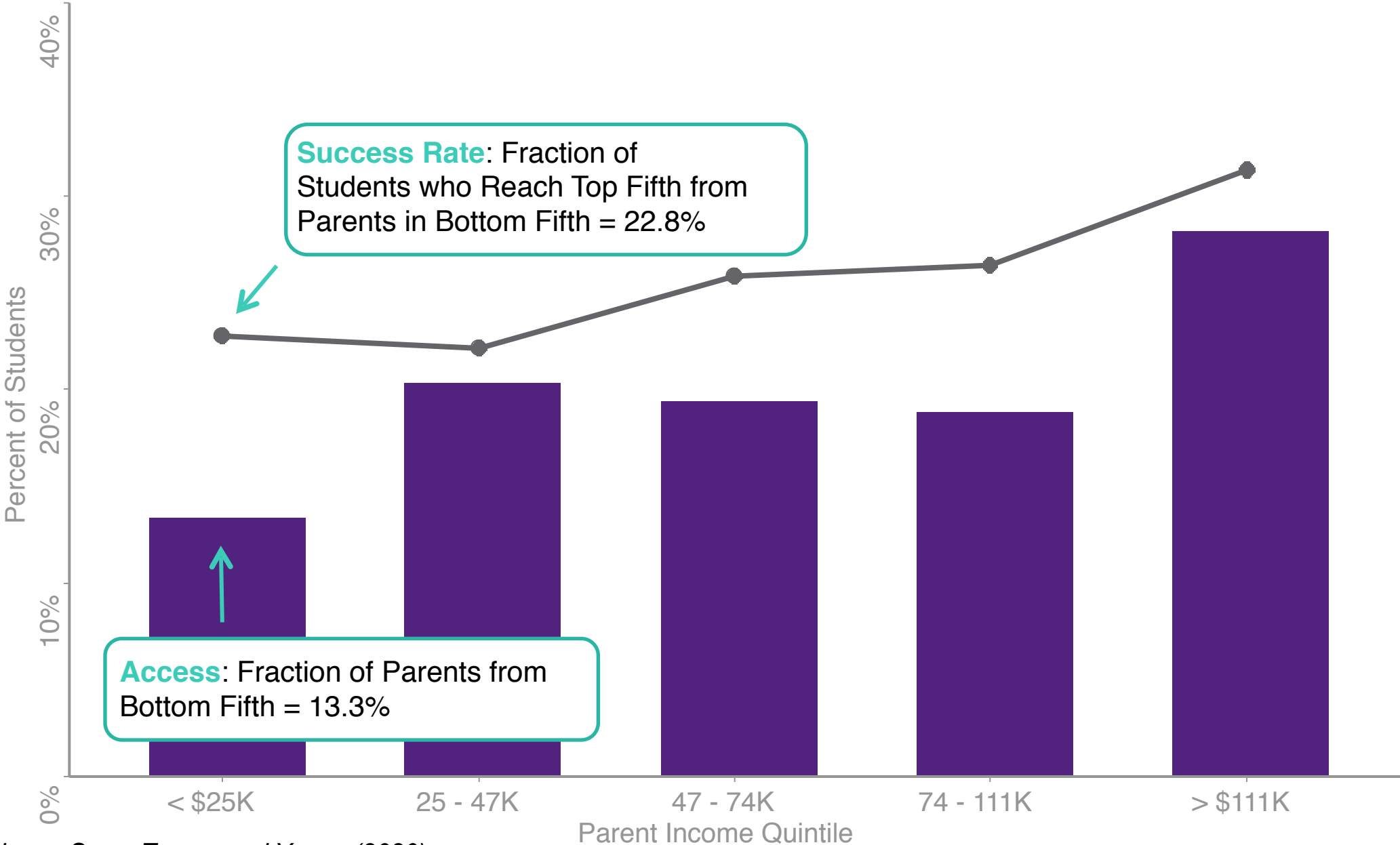
Amplify Impacts of Colleges on Mobility

Which Colleges and Universities Best Promote Upward Mobility?



Source: Bell, Chetty, Jaravel, Petkova, van Reenen (QJE 2018)

Mobility Report Cards: Montgomery College



Source: Chetty, Friedman, Saez, Turner, and Yagan (2020)

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



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



**OPPORTUNITY
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Web: www.opportunityinsights.org



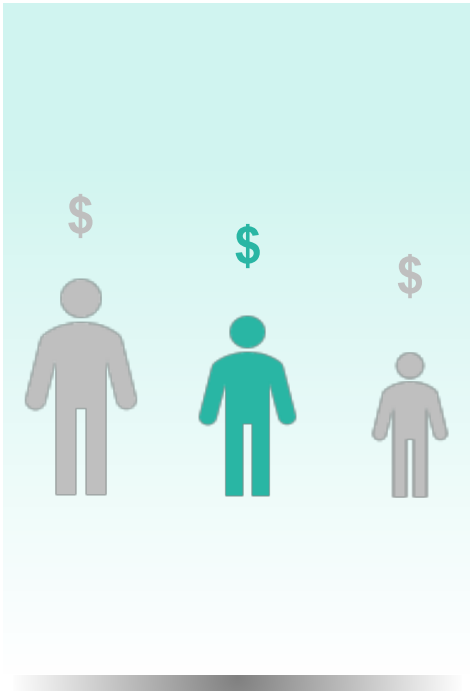
Twitter: @OppInsights



Email: info@opportunityinsights.org

Characteristics of High-Mobility Neighborhoods

Lower Poverty Rates



More stable family structure



Greater social capital

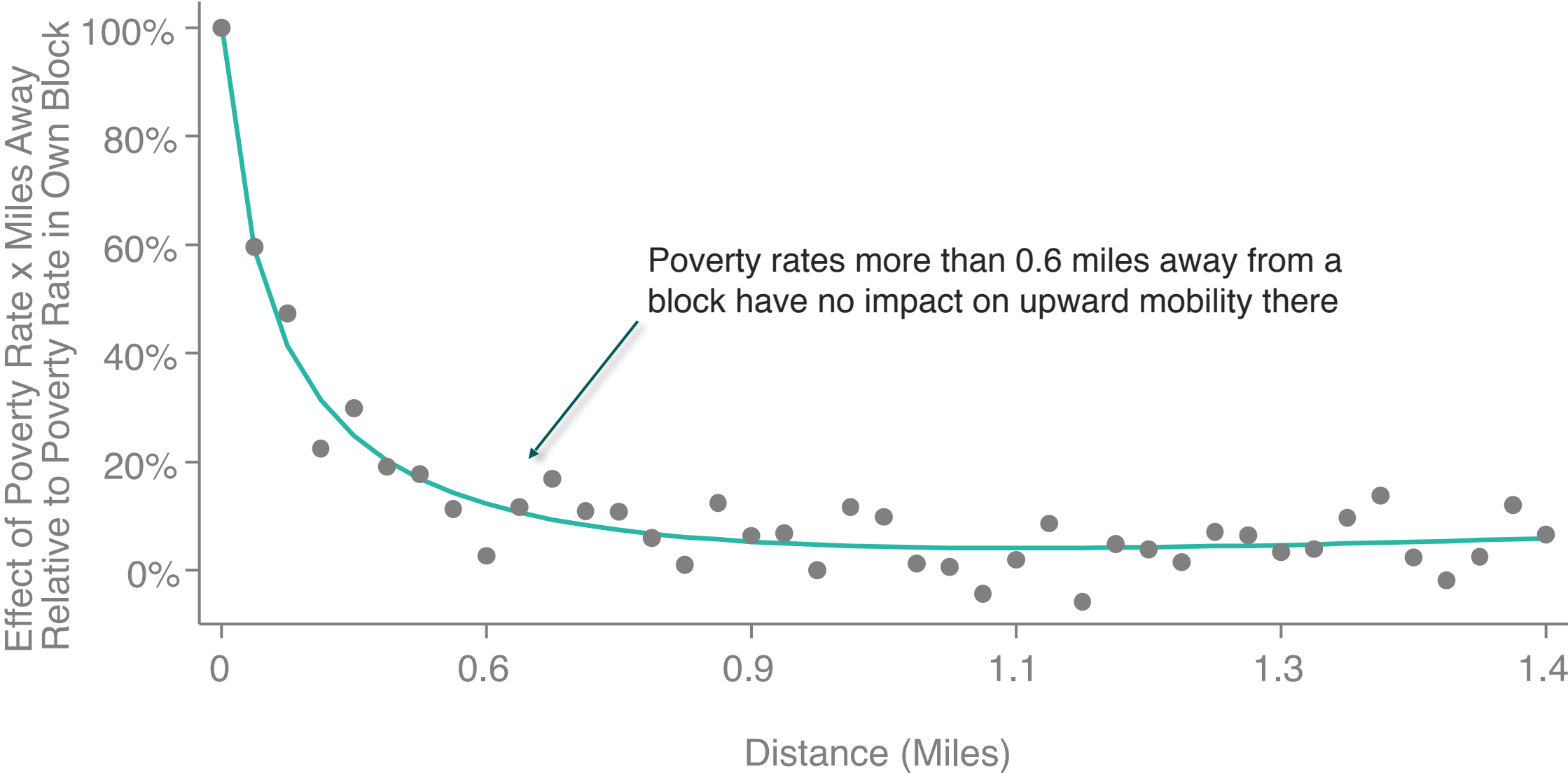


Better school quality



How Big Is a “Neighborhood”?

Spatial Decay in Association Between Poverty Rates and Upward Mobility



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

Mobility Rates

Measure a college's *mobility rate* (MR) as the fraction of its students who both come from bottom fifth and end up in top fifth

Mobility rate equals access times success rate:

Mobility Rate = Access x Success Rate

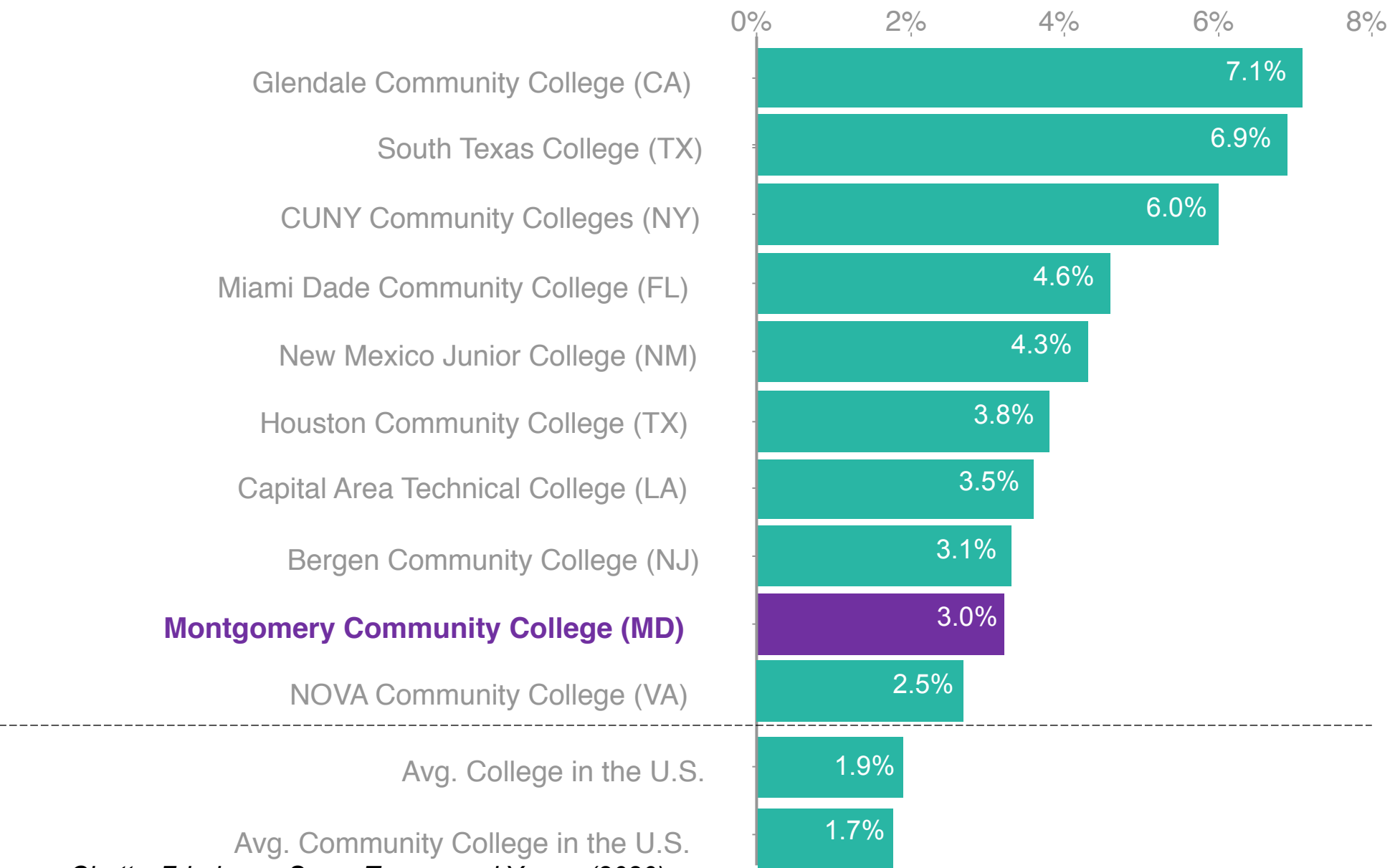
$$3.0 \% = 13.3\% \times 22.8\%$$

At Montgomery CC



Exemplary Community Colleges in America for Upward Mobility

Fraction of Bottom-to-Top Success Stories



Source: Chetty, Friedman, Saez, Turner, and Yagan (2020)