Improving Equality of Opportunity in America
New Insights from Big Data

John N. Friedman
Brown University

Twitter: @OppInsights
The Fading American Dream

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

Source: Chetty, Grusky, Hell, Hendren, Manduca, Narang 2017
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
The Geography of Upward Mobility in the United States

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

- Charlotte: $26.3k
- Washington DC: $33.9k
- San Francisco Bay Area: $37.2k
- Seattle: $35.2k
- Los Angeles: $34.3k
- Salt Lake City: $37.2k
- Cincinnati: $28.3k
- Cleveland: $29.4k
- Dubuque: $45.5k
- Boston: $36.8k
- New York City: $35.4k
- Cleveland: $29.4k
- Portland: $38.9k
- Charleston: $31.5k
- Raleigh: $34.1k
- Nashville: $33.2k
- Chicago: $35.8k
- Houston: $34.9k
- Miami: $34.7k
- Atlanta: $35.6k
- Denver: $37.1k
- Phoenix: $35.6k
- New Orleans: $34.0k
- Las Vegas: $33.4k
- Minneapolis: $36.6k
- St. Louis: $35.2k
- Kansas City: $34.9k
- Seattle: $35.2k
- San Antonio: $34.9k
- Austin: $35.2k
- Honolulu: $37.2k
- San Diego: $35.7k
- Tampa: $34.9k
- Orlando: $34.6k
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- Cleveland: $29.4k
- Cincinnati: $28.3k
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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
- Low mobility, high growth
- High mobility, high growth
- Low mobility, low growth

Cities: New York, Los Angeles, Chicago, Philadelphia, Dallas, Miami, Washington, Houston, Detroit, Boston, Atlanta, San Francisco, Riverside, Seattle, Minneapolis, San Diego, Baltimore, Pittsburgh, Cincinnati, Portland, Kansas City, Sacramento, Charlotte, San Jose, San Antonio, Phoenix, St. Louis, Cleveland, Detroit, Columbus, Chicago, Kansas City, Dallas, Miami, Atlanta, Charlotte, Tampa, Denver, Cleveland, Cincinnati, Portland.
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Note: Blue = More Upward Mobility, Red = Less Upward Mobility
Source: Chetty, Friedman, Hendren, Jones, Porter 2018
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

- Black men
- White men

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

www.opportunityatlas.org
Household Income for Black Children of Low Income Parents
Household Income for Black Children of Low Income Parents
Household Income for Black Children of Low Income Parents

Dumont Avenue

$26K
Household Income
for Black Children of Low Income Parents

Dumont Avenue

$26K
Household Income for Black Children of Low Income Parents

$26K Dumont Avenue
Income Gain from Moving to a Better Neighborhood

By Child’s Age at Move

- $17.0K
- $20.3K
- $23.7K
- $27.0K

Source: Chetty, Friedman, Hendren, Jones, Porter 2018
**Income Gain from Moving to a Better Neighborhood**

By Child’s Age at Move

- Move at age 2 from Brownsville to the Nehemiah Houses → average earnings of $25,000

Source: Chetty, Friedman, Hendren, Jones, Porter 2018
Income Gain from Moving to a Better Neighborhood
By Child’s Age at Move

Average Income at Age 35

Source: Chetty, Friedman, Hendren, Jones, Porter 2018
Income Gain from Moving to a Better Neighborhood

By Child’s Age at Move

Average Income at Age 35

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

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

Percent of Households Who Have Moved to High Opportunity Areas

Control: 14.3%

Treatment: 54.3%

Difference: 40.0 pp
SE: 5.2

From Research to Policy: Three Pillars

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The Geography of Opportunity in Charlotte

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

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?
A Life-Course Approach to Place-Based Investment
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?
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 and Universities Best Promote Upward Mobility?

Source: Bell, Chetty, Jaravel, Petkova, van Reenen (QJE 2018)
Mobility Report Cards: Montgomery College

Success Rate: Fraction of Students who Reach Top Fifth from Parents in Bottom Fifth = 22.8%

Access: Fraction of Parents from Bottom Fifth = 13.3%

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.
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.

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:

\[
\text{Mobility Rate} = \text{Access} \times \text{Success Rate}
\]

\[
3.0\% = 13.3\% \times 22.8\%
\]

At Montgomery CC
Exemplary Community Colleges in America for Upward Mobility
Fraction of Bottom-to-Top Success Stories

- Glendale Community College (CA) - 7.1%
- South Texas College (TX) - 6.9%
- CUNY Community Colleges (NY) - 6.0%
- Miami Dade Community College (FL) - 4.6%
- New Mexico Junior College (NM) - 4.3%
- Houston Community College (TX) - 3.8%
- Capital Area Technical College (LA) - 3.5%
- Bergen Community College (NJ) - 3.1%
- Montgomery Community College (MD) - 3.0%
- NOVA Community College (VA) - 2.5%
- Avg. College in the U.S. - 1.9%
- Avg. Community College in the U.S. - 1.7%

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