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New Analysis Sees Men Failing To Reach Income Levels Of Previous Generation

New Project Studying Economic Mobility To Explore Health Of The “American Dream”

(WASHINGTON) – American men have less income than their fathers’ generation did at the same age, according to a new analysis released today by the Economic Mobility Project, an initiative of The Pew Charitable Trusts. Comprised of a Principals’ Group of experts from The American Enterprise Institute, The Brookings Institution, The Heritage Foundation, and The Urban Institute, the project seeks to investigate the health and status of economic mobility in America.

Today’s report, *Economic Mobility: Is the American Dream Alive and Well?*, was co-written by John E. Morton, managing director of Pew’s Economic Policy Initiatives and director of the Economic Mobility Project and Isabel V. Sawhill, Senior Fellow at the Brookings Institution and a Principal of the Economic Mobility Project. It includes analysis led by a research team at Brookings and outlines what economic mobility is, why it matters in today’s economy, and why it is important for policy makers to focus on mobility as part of the ongoing national economic debate.

According to the report, men who were in their thirties in 1974 had median incomes of about \$40,000, while men of the same age in 2004 had median incomes of about \$35,000 (adjusted for inflation). Thus, as a group, income for this generation of men is, on average, 12 percent lower than those of their fathers’ generation. While factors other than cash income also contribute to economic mobility, these data challenge the two-century-old presumption that each successive generation will be better off than the one that came before. The findings rely on new analysis of U.S. Census Bureau data.

In addition to the Principals’ Group, the project is also guided by a nonpartisan Advisory Board of nationally recognized economists, social scientists and policy experts. The initiative was launched in February and comes at a period of intense scrutiny of such issues as executive pay, the minimum wage and the quality of America’s public school system – the latter being of particular concern because education is widely agreed to be a key driver of mobility.

“The expectation that each generation will do better than their parents has become a fundamental part of what we call ‘The American Dream’, but this new analysis suggests this bedrock belief may be shifting under our feet,” said Morton. “Income is not the only factor in overall economic mobility, but it is clearly a key component and today’s data suggest that during a thirty-year period of economic expansion, a rising tide did not lift all boats.”

“In modern America, mobility is increasingly a family enterprise,” said Sawhill. “While male incomes have decreased from that of the generation that came before, family incomes have risen slightly because more women have gone to work, adding a second earner to the family.”

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The broader mobility story is complex with data challenges and many important questions left to be answered. Over the next year and a half, the Economic Mobility Project and its partners will research, analyze and present data to the broader public about the status of economic mobility in the United States. Future releases will include; a comprehensive fact book containing key data and trends about mobility, featuring chapters on race, gender, immigration and cross-national comparisons; a report on the leading factors or indicators behind economic mobility; and an analysis of shifting federal investments in education and other policies that may impact mobility.

The report and information about the project is available at www.economicmobility.org.

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By forging a broad and nonpartisan agreement on the facts, figures and trends related to mobility, the Economic Mobility Project hopes to focus public attention on this critically important issue and generate an active policy debate about how best to ensure that the American Dream is kept alive for generations that follow.

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