

- **FAMILIES ACROSS GENERATIONS**
- **MEN AND WOMEN**
- **BLACK AND WHITE FAMILIES**

Two out of three Americans have higher incomes than their parents, while one third are falling behind.

- The current generation of adults is better off than the previous one, because of real income growth, but their incomes are more unevenly distributed. (*‘Across Generations’ Figure 1*)
- Compared to their parents, they also live in families that are smaller and where there is more often a second earner. Women’s incomes have grown while men’s have stagnated. (*‘Men & Women’ Figures 1, 2 & 3*)
- It is easier to surpass parental income if one’s parents are low on the income ladder, because then one’s income can increase both because of economic growth and because of moving up the ladder relative to one’s parents. (*‘Across Generations’ Figure 2*)
- The higher the parents’ family income, the higher the family income of the adult child. (*‘Across Generations’ Figure 3*)

A child’s economic position on the income ladder in adulthood is heavily influenced by that of his or her parents.

- Children born to parents with income on the bottom rung of the ladder are highly likely (42 percent) to also be in the bottom rung in adulthood, while those born to parents on the top rung are very likely to stay at the top (39 percent). This is known as “stickiness at the ends.” (*‘Across Generations’ Figure 4*)
- The rags to riches story is more often found in Hollywood than in reality – only 6 percent of children born to parents at the bottom make it to the top of the income distribution. (*‘Across Generations’ Figure 4*)

Of the two thirds of Americans who make more than their parents’ family income, one half (or 34 percent of all Americans) are *upwardly mobile*, meaning they also move up at least one rung on the income ladder ahead of their parents.

- One quarter of all Americans (27 percent) are *riding the tide* – making more than their parents’ income but remaining on the same income rung as their parents. A small number (5 percent) are *falling despite the tide*, making more than their parents’ family income, but slipping to a lower rung. The remaining (33 percent) are *downwardly mobile*, making less than their parents and falling down the income ladder. (*‘Across Generations’ Table 1*)

The report calls into question whether the American Dream is a reality for black and white families alike.

- In every income group, blacks are less likely than whites to surpass their parents’ family income and more likely to fall down the economic ladder. (*‘Black & White Families’ Figures 4, 5 & 6*)

These trends are particularly startling for children born to middle income black parents – the analysis suggests that black parents who achieve middle income status are not able to pass their economic advantages onto their children in the same way as white parents.

- Only 31 percent of black children born to middle-income parents make more than their parents’ family income, compared to 68 percent of white children. (*‘Black & White Families’ Figure 4*)
- Almost half (45 percent) of black children whose parents were solidly middle income end up falling to the bottom of the income distribution, compared to only 16 percent of white children. (*‘Black & White Families’ Figure 6*)

Sons and daughters have fairly similar rates of mobility across generations, that is, family incomes of both sons and daughters resemble their parents’ to a similar degree.

- One exception is lower mobility rates for daughters of low-income parents as compared to sons of low income parents – 47 percent of daughters born to parents on the bottom rung stay on the bottom rung, compared to 35 percent of sons. (*‘Men & Women’ Figure 5*)

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.