



# ECONOMIC MOBILITY OF MEN AND WOMEN

## EXECUTIVE SUMMARY

ECONOMIC MOBILITY  
DESCRIBES THE ABILITY  
OF PEOPLE TO MOVE  
UP OR DOWN THE  
ECONOMIC LADDER  
WITHIN A LIFETIME  
OR FROM ONE  
GENERATION TO  
THE NEXT.

Over the past generation, women's participation in the workforce has risen dramatically. Women are earning more and contributing more to family income. As with men, women's success in the labor market and ability to achieve the American Dream is linked to their family background.

This report, written by Julia Isaacs of the Brookings Institution, reviews overall income trends based on Census Bureau data and provides an intergenerational analysis based on a longitudinal data set that allows a direct match of the family income of parents in the late 1960s to their children's family income in the late 1990s to early 2000s.<sup>1</sup> It considers how men and women have fared economically over the past few decades and whether the transmission of economic advantage from parents to children differs for sons and daughters. The findings are summarized below.

### **Women's incomes have grown while men's incomes have stagnated.**

- ★ Women in their 30s today have substantially higher personal income than comparably aged women in their mothers' generation, but still make less than their male counterparts. Between 1974 and 2004, median personal income for women in their 30s increased from about \$5,700 to \$20,000 (in 2004 dollars).
- ★ By comparison, men in their 30s today have not had the same experience of upward economic mobility. Inflation-adjusted median income for men ages 30-39 actually fell by 12 percent between 1974 and 2004, from \$40,000 a year to about \$35,000 a year, as previously reported by the project.
- ★ Men's employment rates, hours worked, and wages have been flat or declining over this period, while all three components of annual earnings have increased substantially for women.

<sup>1</sup> The data sources for this report are the Current Population Survey (for the overall income trends) and the Panel Study for Income Dynamics (for the intergenerational analysis). All income data presented here are in real dollars, using the CPI-U-RS to adjust for inflation.

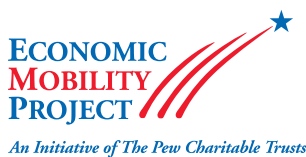
**MEN AND WOMEN HAVE SIMILAR RATES OF MOBILITY, EXCEPT THAT DAUGHTERS BORN TO PARENTS IN THE BOTTOM ARE MORE LIKELY TO STAY IN THE BOTTOM THAN SONS**

- ★ Family incomes have grown slightly because the increase in women's earnings has more than offset stagnant male earnings. Between 1974 and 2004, median family income for men in their 30s and their families increased by 9 percent (0.3 percent per year).

**Although they may take different routes, sons and daughters have fairly similar rates of mobility across generations.**

- ★ Once they reach adulthood, both sons' and daughters' family incomes resemble that of their own parents to a similar degree.
- ★ One exception is lower mobility rates for the daughters of low-income parents as compared with sons of low-income parents. Partly because they are more likely to be single parents, close to half (47 percent) of daughters born to parents in the bottom quintile end up in the bottom fifth in adulthood, compared to 35 percent of sons.
- ★ For men, the intergenerational transmission is primarily driven by a relatively strong relationship between the earnings of fathers and sons. For both sexes, but especially for women, intergenerational transmission also is affected by the tendency to marry those whose income prospects are similar to one's parents.
- ★ More generally, the report highlights the importance of recognizing that economic mobility generally occurs within the context of families, and is not solely a result of individuals operating as lone economic agents.

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All Economic Mobility Project materials are guided by input from the Principals' Group and the project's Advisory Board. However, the views expressed in this report represent those of the author and not necessarily of any affiliated individuals or institutions.

## ABOUT THE PROJECT

The Economic Mobility Project is a unique nonpartisan collaborative effort of The Pew Charitable Trusts that seeks to focus attention and debate on the question of economic mobility and the health of the American Dream. It is led by Pew staff and a Principals' Group of individuals from four leading policy institutes—The American Enterprise Institute, The Brookings Institution, The Heritage Foundation and The Urban Institute. As individuals, each principal may or may not agree with potential policy solutions or prescriptions for action but all believe that economic mobility plays a central role in defining the American experience and that more attention must be paid to understanding the status of U.S. economic mobility today.

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