

AMERICA: THE LAND OF OPPORTUNITY?

For more than two centuries, economic opportunity and upward mobility have formed the foundation of the American story. From the hopes of the earliest settlers to the aspirations of today’s diverse population, the American Dream unites us in a common quest for individual and national success. While this dream remains at the core of our nation’s identity, new data suggest that this once solid ground may be shifting.

Americans have historically believed that hard work and talent bring just rewards and that our society is, and should be, constructed to provide equality of opportunity, not to guarantee equality of outcomes. However, there are emerging signs that confidence in this system may be weakening. Increasingly, Americans believe that the “rich just get richer and the poor just get poorer,” and more than half think the American Dream is no longer attainable for the majority of their fellow citizens. These concerns appear to be justified: the best available evidence indicates that, compared with other developed nations, the United States stands out as having less, not more, relative economic mobility from one generation to the next.

“A bedrock American principle is the idea that all individuals should have the opportunity to succeed on the basis of their own effort, skill and ingenuity. Equality of economic opportunity appeals to our sense of fairness, certainly; but it also strengthens our economy.”

Ben Bernanke,
Chairman of the
Federal Reserve

THE ECONOMIC MOBILITY PROJECT

With continuing commitment to enriching civic life and promoting democratic ideals, Pew’s Economic Mobility Project is a collaborative effort that seeks to spark an informed and rigorous nonpartisan discussion about the health and status of the American Dream.

Comprised of respected thinkers from across the political spectrum, the project informs the current economic debate and shifts the discussion to include the underlying factors influencing economic mobility.

- Through a series of reports, white papers and events, the project **presents the best available facts, figures and trends in mobility**, and tackles difficult questions such as how education, race and gender influence an individual’s economic trajectory.
- To fully capture and understand current attitudes and perceptions about economic mobility, the project is **commissioning a public opinion survey** to be released in early 2009.
- To ensure that policy makers are equipped with a set of policy solutions to address obstacles to economic mobility in America, the project is **exploring and developing a bipartisan policy road map agreed upon by the project’s broad coalition**.

ECONOMIC MOBILITY FACTS

- **TWO-THIRDS OF AMERICANS HAVE HIGHER INCOMES THAN THEIR PARENTS.**

Because of real income growth, the current generation of adults is better off than the previous one.

- **AMERICANS' POSITIONS ON THE ECONOMIC LADDER ARE LARGELY INFLUENCED BY THEIR FAMILY INCOME.**

Forty-two percent of those born to parents at the bottom of the income distribution and 39 percent born to parents at the top remain in their respective positions as adults.

- **THE UNITED STATES HAS LOW RELATIVE ECONOMIC MOBILITY** compared with countries like Canada, Finland, Norway and Denmark which have higher levels of mobility.

- **AFRICAN AMERICANS EXPERIENCE SIGNIFICANTLY MORE DOWNWARD MOBILITY THAN WHITES.** Almost half (45 percent) of black children born to middle-income parents fall to the bottom of the income distribution; only 16 percent of white children do so.

- **MEN EXPERIENCE GREATER UPWARD MOBILITY THAN WOMEN.** Forty-one percent of women born into the bottom income quintile remain there as adults, while just 27 percent of men do.

- **EDUCATION IS ONE OF THE LARGEST DRIVERS OF UPWARD ECONOMIC MOBILITY.** Nineteen percent of Americans born at the bottom of the income distribution are able to reach the top with a college degree, compared to only 5 percent of those without.

- **FEDERAL SPENDING ON ECONOMIC MOBILITY IS HEAVILY WEIGHTED TOWARD MIDDLE- AND UPPER-INCOME FAMILIES.** Spending that reaches lower-income households, and those least likely to experience upward mobility, accounts for less than one-third (28 percent) of all mobility-enhancing spending by the federal government.

“Inequality is inseparable from liberty in a society that rewards striving—but inequality becomes morally unjustifiable in the absence of economic mobility: America cannot accept the existence of a permanent underclass without altering its defining ideals.”

Michael Gerson,
Former Speechwriter for
President George W. Bush

“We need to restore a sense of economic fairness to this country, because that’s what this country has always been about, is providing upward economic mobility and ladders to opportunity, for all Americans.”

Barack Obama,
Forty-Fourth President of the United States

www.economicmobility.org

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