



AMERICA. LAND OF LIBERTY AND BOUNDLESS OPPORTUNITY. A PLACE WHERE PEOPLE CAN ARRIVE WITH NOTHING MORE THAN THE CLOTHES ON THEIR BACKS AND BUILD SOLID AND SECURE LIVES FOR THEIR FAMILIES. A COUNTRY WHERE ENTREPRENEURSHIP IS THE NORM, NOT THE EXCEPTION, AND WHERE RISK-TAKING IS REWARDED. A NATION WHERE A

CHILD CAN EXPECT A MORE PROSPEROUS LIFE THAN THE GENERATION BEFORE AND WHERE THAT CHILD'S OWN ECONOMIC FATE IS NOT TIED SOLELY TO THE FINANCIAL STATUS OF HIS OR HER PARENTS.

BACKGROUND

For more than two centuries, economic opportunity and upward mobility have formed the foundation of the American Dream and remain at the core of our nation's identity. But today, while there is widespread agreement that income inequality is higher than at any time since before World War II, too little attention has been given to the more fundamental and increasingly intriguing issue of economic mobility — the prospects for climbing up (or falling down) the economic ladder within and across generations.

Recent studies suggest that there is less economic mobility in the U.S. than researchers originally believed. And, in sharp contrast to the view of America as the land of opportunity, we may be a less mobile society than many other nations. This suggests that the time is right for a rigorous and nonpartisan initiative designed to spark an informed national discussion of the state of economic mobility in America.

WHY MOBILITY?

Americans have historically shown a unique tolerance to accept high levels of inequality. This springs from an embedded national belief in mobility: a conviction that hard work and honest labor deserve just reward, and a confidence that our society is and should be constructed to provide equality of opportunity, not to guarantee equality of outcomes.

But if the ladder of opportunity truly is — or is perceived to be — inaccessible to a great number of Americans, this value system is at risk of crumbling. A discussion that identifies and quantifies the drivers of and obstacles to economic mobility should be a top priority for those interested in preserving and protecting the spirit and reality of the American Dream.

THE ECONOMIC MOBILITY PROJECT

A project of THE PEW CHARITABLE TRUSTS, in collaboration with a Principals' Group of thought leaders from The American Enterprise Institute, The Brookings Institution, The Heritage Foundation and The Urban Institute. The project is supported by an Advisory Board of economists, advocates and leading scholars from across the country.

THE PROJECT SEEKS TO:

- ★ Broaden the focus of the current economic debate to include both inequality and mobility in America.
- ★ Provide the American public and policymakers with the best available facts, figures and trends related to economic mobility.
- ★ Forge a broad and nonpartisan consensus on the key drivers of mobility in America.

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THE PROJECT

As part of its commitment to enrich civic life and promote democratic ideals, **THE PEW CHARITABLE TRUSTS** has launched **The Economic Mobility Project**. Working with a diverse range of respected thinkers from across the political spectrum, the project will produce information and tools that provide the nation's leaders with an objective and accurate picture of the status and health of the American Dream. Through a series of reports, white papers and public events, the project will engage and inform a national discussion of economic mobility to answer a range of critical and pressing questions.

★ **WHAT DO WE KNOW ABOUT THE STATE OF ECONOMIC MOBILITY IN AMERICA?**

For the first time, data related to economic mobility in the United States will be consolidated and presented in terms the American public and policymakers can understand, debate and discuss. How do my children's opportunities for economic advancement compare to mine, to those of my parents? Is mobility thriving in other countries while waning here in the U.S.? How much economic mobility is there for people in poverty? To what extent is mobility affected by inherited wealth? How is mobility impacted by gender, race, and level of education?

★ **WHAT FACTORS HELP OR HINDER ECONOMIC MOBILITY?** What helps people to realize the American Dream? How much does education matter? What about gender and race? Family background? Do government policies play a role? Does an individual have a better chance of moving up the economic ladder because of his education, the influences of her parents, or where he was born or lives?

By building consensus around what drives economic mobility, the project will create a useful tool for monitoring the status of mobility over time and for understanding how an existing or proposed policy might affect a future generation's ability to achieve the American Dream.

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QUICK FACTS

WHAT AMERICANS BELIEVE

- ★ 80% still believe that it is possible to start out poor in this country, work hard, and become rich... BUT
- ★ At the same time, 54% think that the American Dream has become impossible for most people to achieve.... AND
- ★ In exit polls from November, 2006, only 30% expect life for the next generation to be better than life today...

WHAT WE KNOW

- ★ Historically, the underlying strength of the American economy has enabled each successive generation to enjoy better economic prospects than the one before.
- ★ However, recent research indicates that America is a less mobile society than we once believed.
- ★ For Americans significantly above or below the average national income, it can take five generations or more for these advantages or disadvantages to work their way out of the system.
- ★ That is, it isn't until you get to the great, great, great grandchildren of a rich and a poor man that you would expect to see somewhat equal incomes.
- ★ In Canada, by contrast, those advantages or disadvantages disappear within only three generations.
- ★ Although only 13% of Americans believe it is harder to move from one social class to another in the U.S. than in European countries, recent evidence suggests that America is a less mobile society than other developed nations including Germany, France, and most Scandinavian countries.