Improving Equality of Opportunity in America
Using Big Data to Support Local Policy Change

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The Fading American Dream
Percent of Children Earning More than Their Parents, by Year of Birth

Source: Chetty, Grusky, Hell, Hendren, Manduca, Narang (Science 2017)
How Can We Restore the American Dream?

We use big data to study how to increase upward mobility.

Analyze a broad range of interventions, from childhood to adulthood.

Starting point: sharp local differences in rates of upward mobility.
Upward Mobility vs. Job Growth in the 30 Largest Metro Areas

Average Income at Age 35 of Children who Grew up in Low-Income Families

Job Growth Rate (%) from 1990-2010

- **High mobility, low growth**
  - San Jose
  - San Francisco
  - Minneapolis
  - Chicago
  - Detroit
  - Cleveland
  - Cincinnati

- **Low mobility, low growth**
  - New York
  - Los Angeles
  - Portland
  - Raleigh

- **High mobility, high growth**
  - Boston
  - San Diego
  - Seattle
  - Sacramento

- **Low mobility, high growth**
  - Washington, D.C.
  - Houston
  - Denver
  - Riverside

- **Upward Mobility vs. Job Growth**
  - Minneapolis: High mobility, low growth
  - San Francisco: High mobility, high growth
  - Houston: Low mobility, high growth
  - Riverside: Low mobility, low growth

- **Cities and Income Levels**
  - Minneapolis: $26K
  - San Francisco: $30K
  - San Diego: $34K
  - San Jose: $38K
The Geography of Upward Mobility in the United States
Average Income at Age 35 for Children whose Parents Earned $27,000 (25\textsuperscript{th} percentile)

Note: Blue = More Upward Mobility, Red = Less Upward Mobility
Source: Chetty, Friedman, Hendren, Jones, Porter 2018
Two Americas: The Geography of Upward Mobility For Black vs. White Men
Average Individual Earnings at Age 35 For Men Whose Parents Earned $27,000 (25th percentile)

Note: Blue = More Upward Mobility, Red = Less Upward Mobility
Source: Chetty, Hendren, Jones, Porter 2018
Two Americas: The Geography of Upward Mobility For Black vs. White Women
Average Individual Earnings at Age 35 For Women Whose Parents Earned $27,000 (25th pctile)

Note: Blue = More Upward Mobility, Red = Less Upward Mobility
Source: Chetty, Hendren, Jones, Porter 2018
Income Mobility for Black vs. White Men Raised in High-Income Families

Follow the lives of these 19,940 Americans and see where they end up as adults:

- Rich adult
  - Black men: 852 (26%)
  - White men: 1,411 (43%)

- Upper-middle-class adult
  - Black men: 705 (22%)
  - White men: 741 (23%)

- Middle-class adult
  - Black men: 646 (20%)
  - White men: 488 (15%)

- Lower-middle-class adult
  - Black men: 541 (17%)
  - White men: 298 (9%)

- Poor adult
  - Black men: 554 (17%)
  - White men: 254 (8%)

Source: Chetty, Hendren, Jones, Porter 2018; New York Times 2018
The Geography of Upward Mobility in Seattle
Average Income at Age 35 for Children with Parents Earning $25,000 (25th percentile)
Income Gain from Moving to a Better Neighborhood
By Child’s Age at Move

Average Income at Age 35

$41K
$36K
$31K
$26K

Age of Child when Parents Move

Central District
Normandy Park
Income Gain from Moving to a Better Neighborhood
By Child’s Age at Move

- Move at age 2 from Central District to Normandy Park
  → average earnings of $39,000
Income Gain from Moving to a Better Neighborhood
By Child’s Age at Move
Income Gain from Moving to a Better Neighborhood
By Child’s Age at Move
Characteristics of High-Mobility Neighborhoods

- Lower Poverty Rates
- More stable family structure
- Greater social capital
- Better school quality
From Research to Policy: Three Pillars

1. Reducing Segregation
   - Help Low-Income Families Move to High-Opportunity Areas

2. Place-Based Investments
   - Increase Upward Mobility in Low-Opportunity Areas

3. Improving Higher Education
   - Amplify Impacts of Colleges on Mobility
From Research to Policy: Three Pillars

**Reducing Segregation**
Help Low-Income Families Move to High-Opportunity Areas

**Place-Based Investments**
Increase Upward Mobility in Low-Opportunity Areas

**Improving Higher Education**
Amplify Impacts of Colleges on Mobility
Is Affordable Housing in Seattle Maximizing Opportunities for Upward Mobility?

Most Common Current Locations of Families Receiving Housing Vouchers in Seattle

25 most common tracts where voucher holders lived in 2015-17

Percentile Rank in Adulthood

Source: Chetty, Friedman, Hendren, Jones, Porter (2018)
Creating Moves to Opportunity in Seattle

Randomized trial to help families with housing vouchers move to high-opportunity neighborhoods

Housing search assistance, landlord recruitment, short-term financial assistance

Effect of CMTO on Fraction of Families who Moved to High-Opportunity Areas

Difference: **40.0 pp**
SE: (5.2)
Neighborhoods Chosen by Families in Control vs. Treatment Group
Increase Upward Mobility in Low-Opportunity Areas

Place-Based Investments

Improving Higher Education

Reducing Segregation

Help Low-Income Families Move to High-Opportunity Areas

Amplify Impacts of Colleges on Mobility

From Research to Policy: Three Pillars
A Life-Course Approach to Place-Based Investment
From Research to Policy: Three Pillars

Reducing Segregation
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Improving Higher Education
Amplify Impacts of Colleges on Mobility
Upward Mobility vs. Low-Income Access by College

Source: Chetty, Friedman, Saez, Turner, Yagan 2017
From Jasmine, 7 years old, whose family moved to a high-opportunity area in Seattle in the Creating Moves to Opportunity study.