



Creating Equality of Opportunity

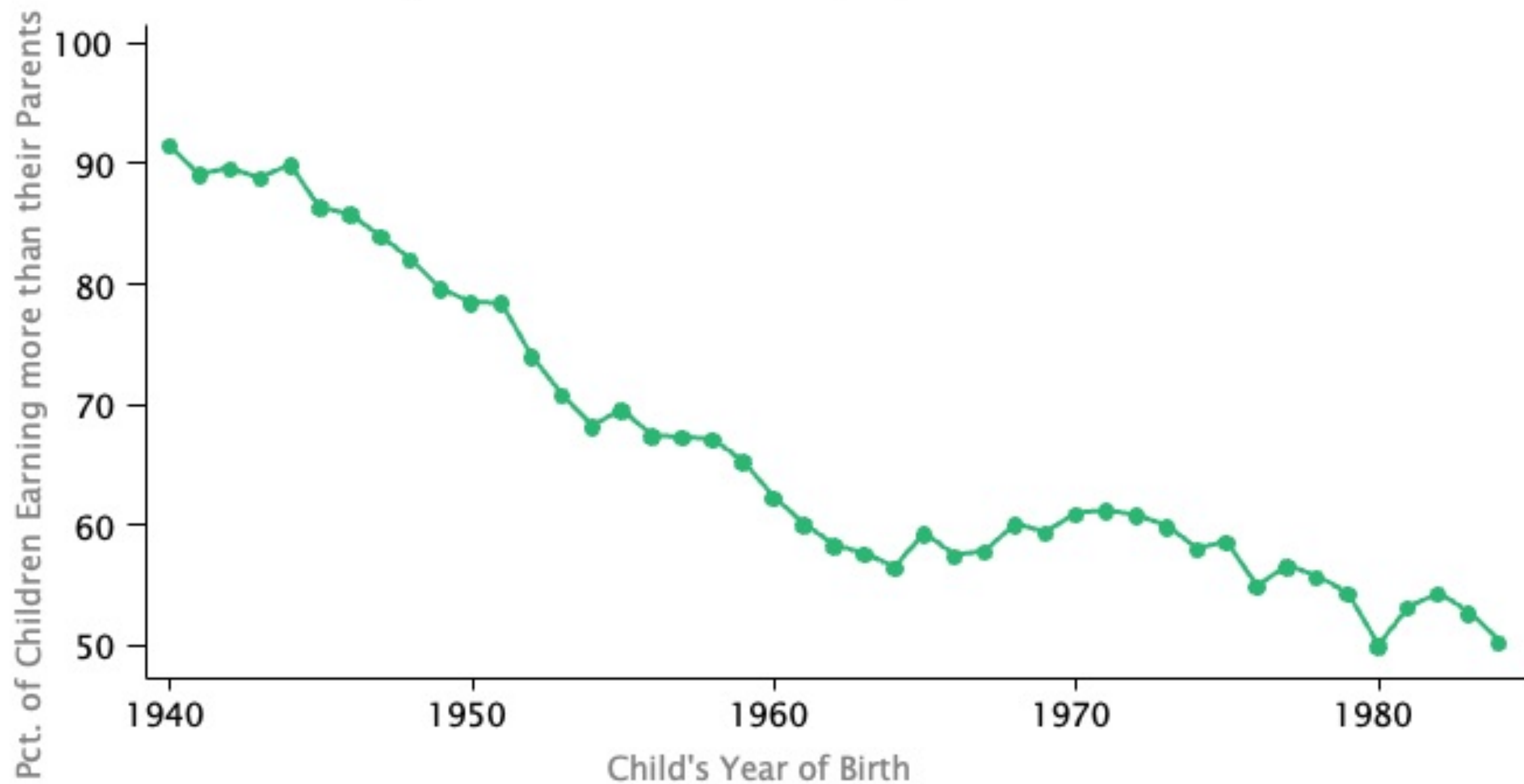
New Insights from Big Data

 OPPORTUNITY
INSIGHTS

Raj Chetty
Harvard University

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)

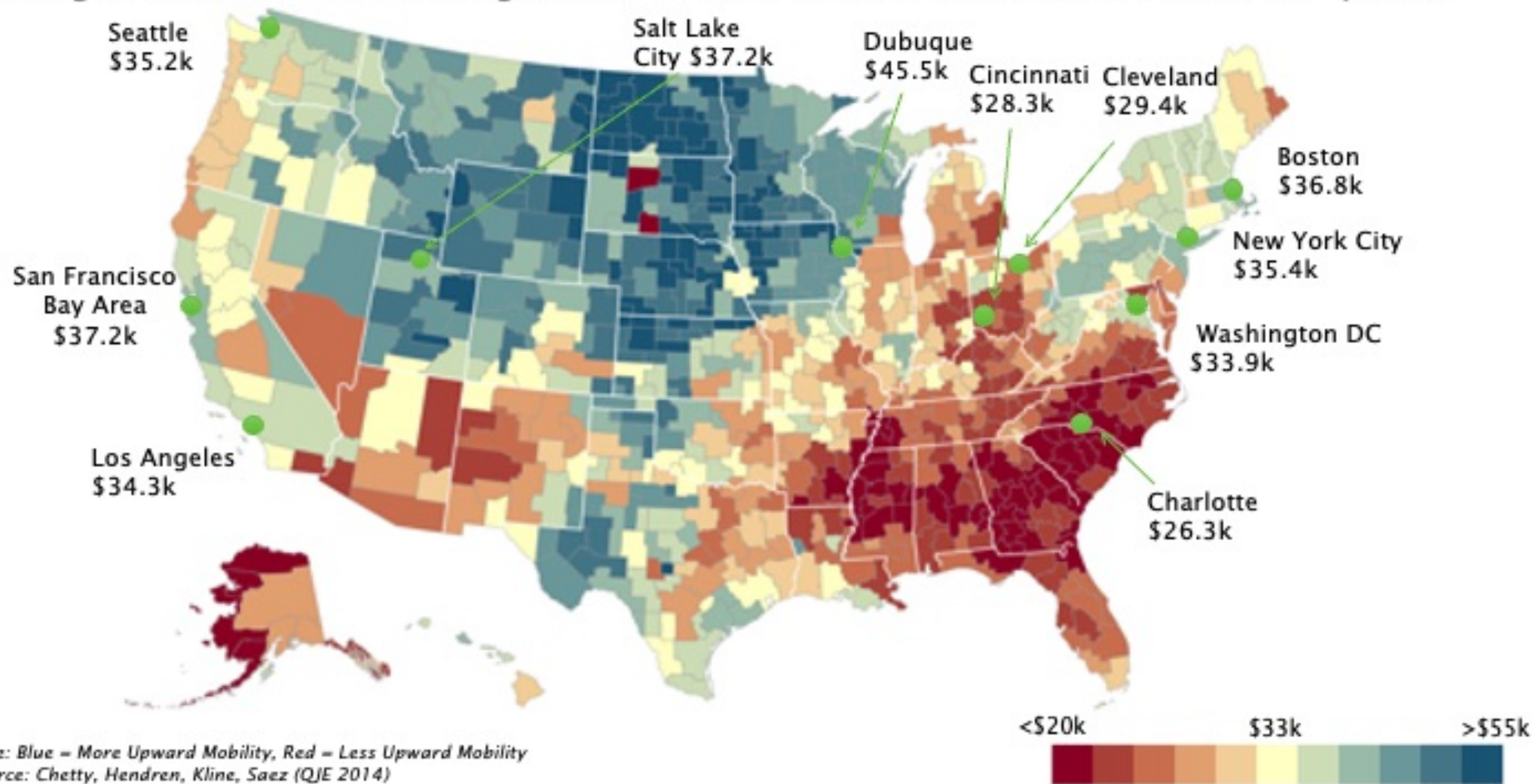
How Can We Restore the American Dream?

Understanding the Science of Economic Opportunity

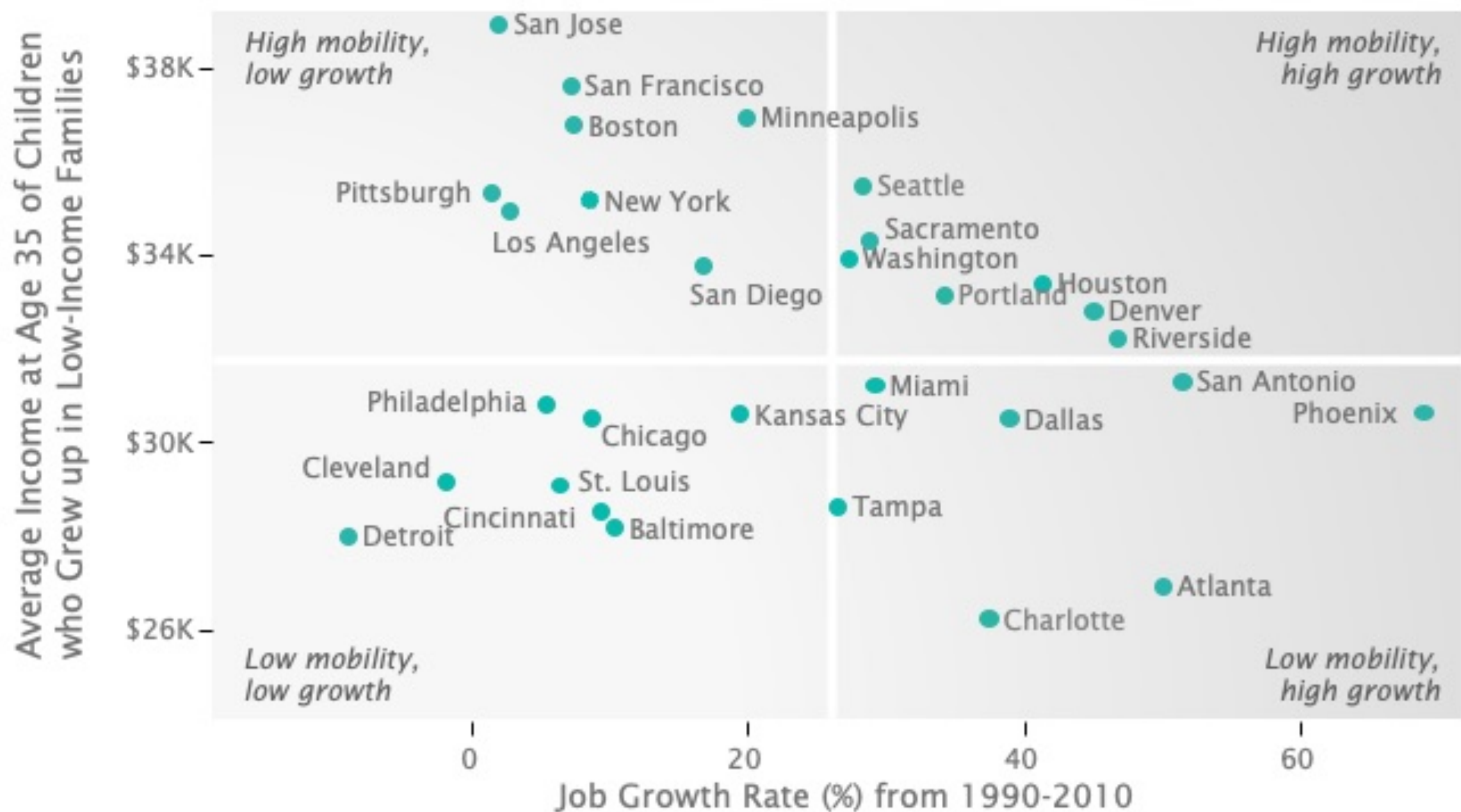
- Large literature in social sciences analyzing determinants of economic mobility [e.g., Blau and Duncan 1967, Becker and Tomes 1979, Solon 1992, Mazumder 2005, Heckman and Mosso 2014]
- Recent studies make use of large-scale longitudinal administrative data (“big data”) to make further progress
 - Study determinants of economic opportunity by **disaggregating** data across subgroups and using quasi-experimental methods to analyze mechanisms
 - Here, present an overview of a series of papers with John Friedman, Nathan Hendren, Matthew Jackson, Larry Katz, Johannes Stroebe, Theresa Kuchler, and many others

The Geography of Upward Mobility in the United States

Average Household Income at Age 35 for Children whose Parents Earned \$27k (25th pctile)

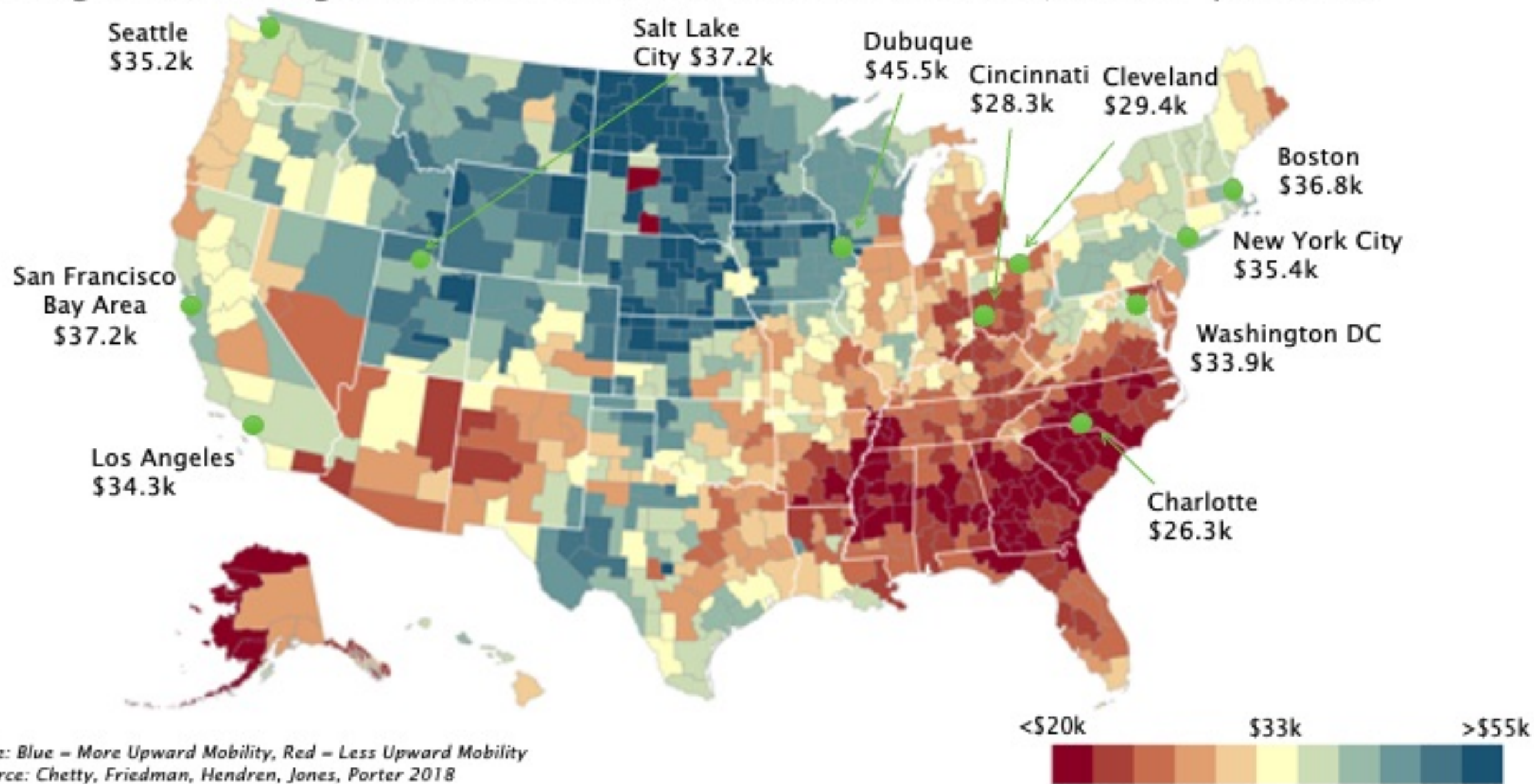


Upward Mobility vs. Job Growth in the 30 Largest Metro Areas



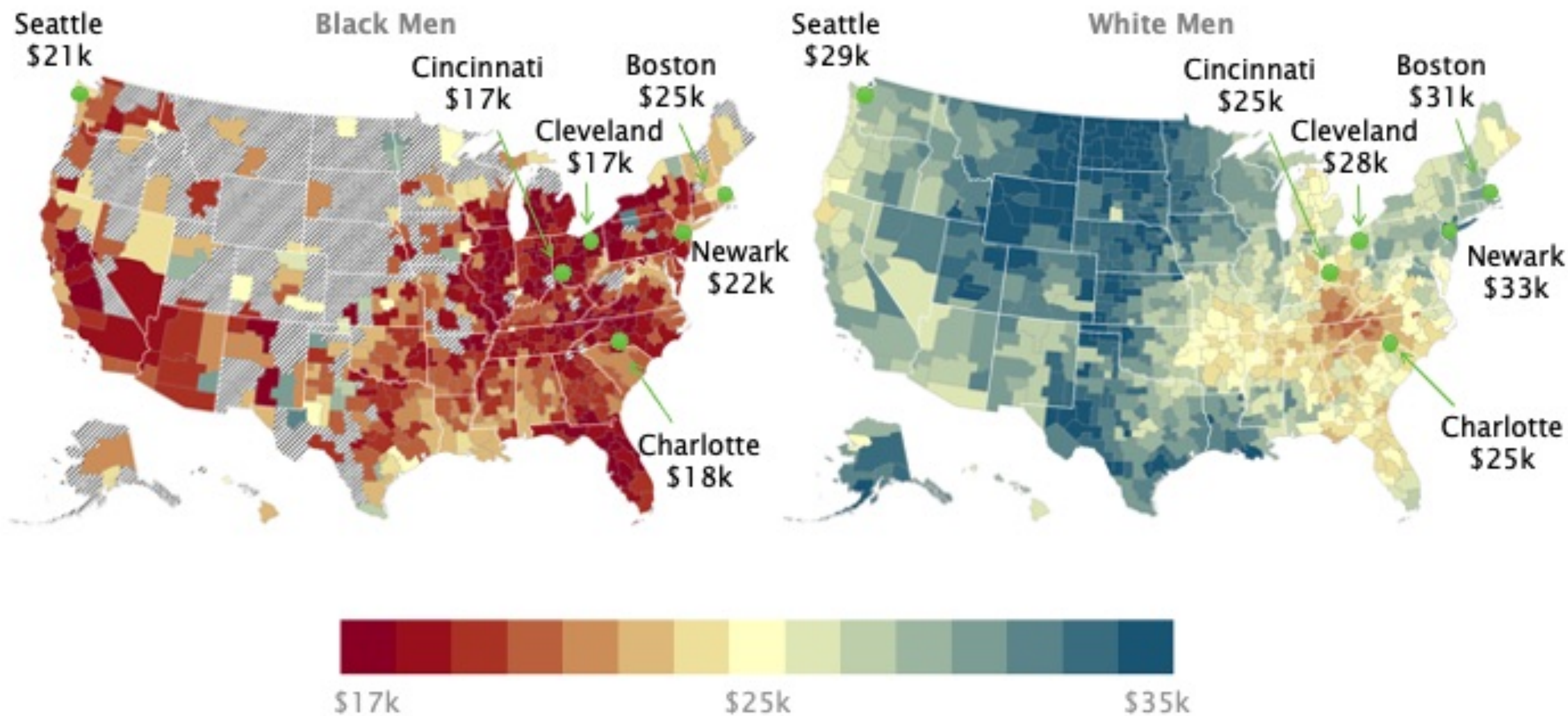
The Geography of Upward Mobility in the United States

Average Income at Age 35 for Children whose Parents Earned \$27,000 (25th percentile)



Two Americas: The Geography of Upward Mobility For Black vs. White Men

Average Income at Age 35 For Men Whose Parents Earned \$27,000 (25th percentile)



\$17k

\$25k

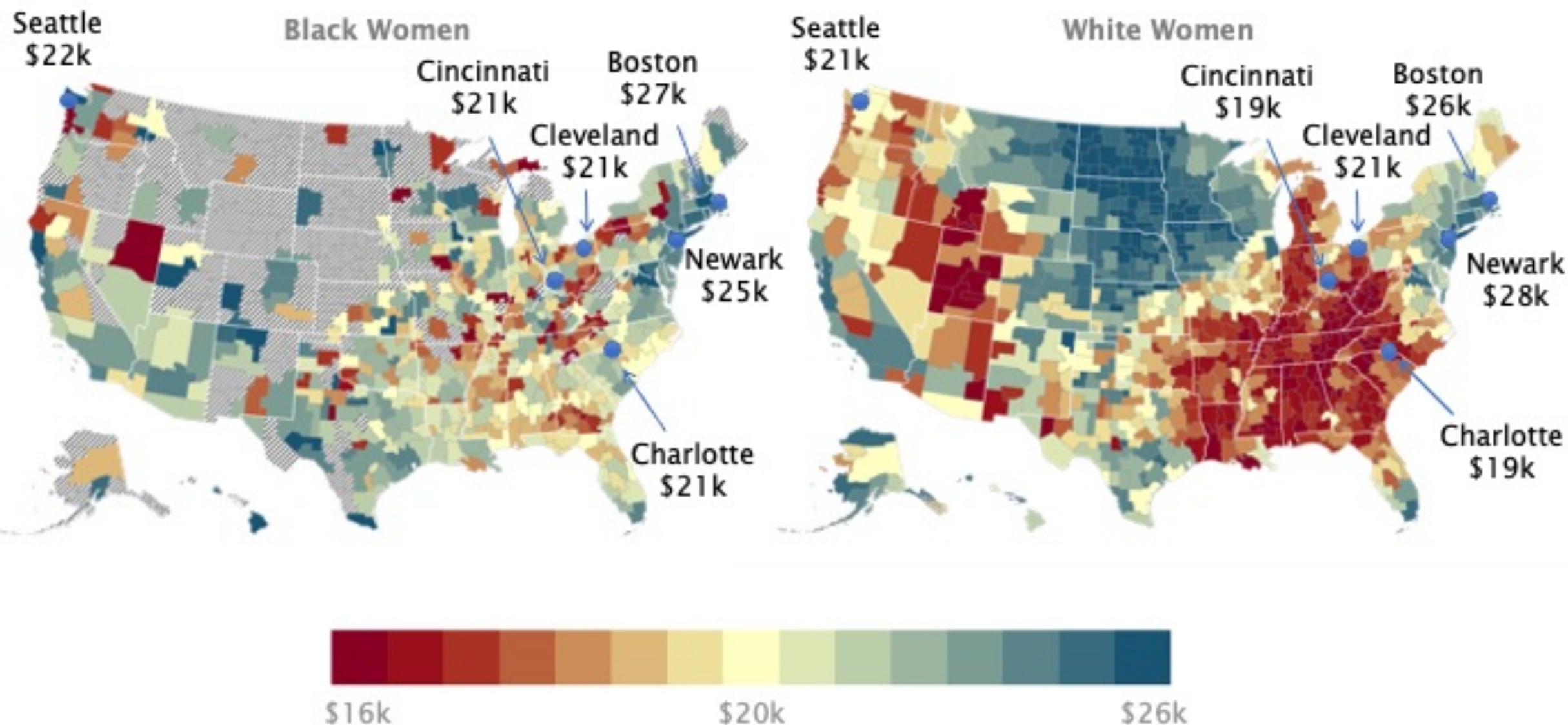
\$35k

Note: Blue = More Upward Mobility, Red = Less Upward Mobility

Source: Chetty, Hendren, Jones, Porter (QJE 2020)

The Geography of Upward Mobility For Black vs. White Women

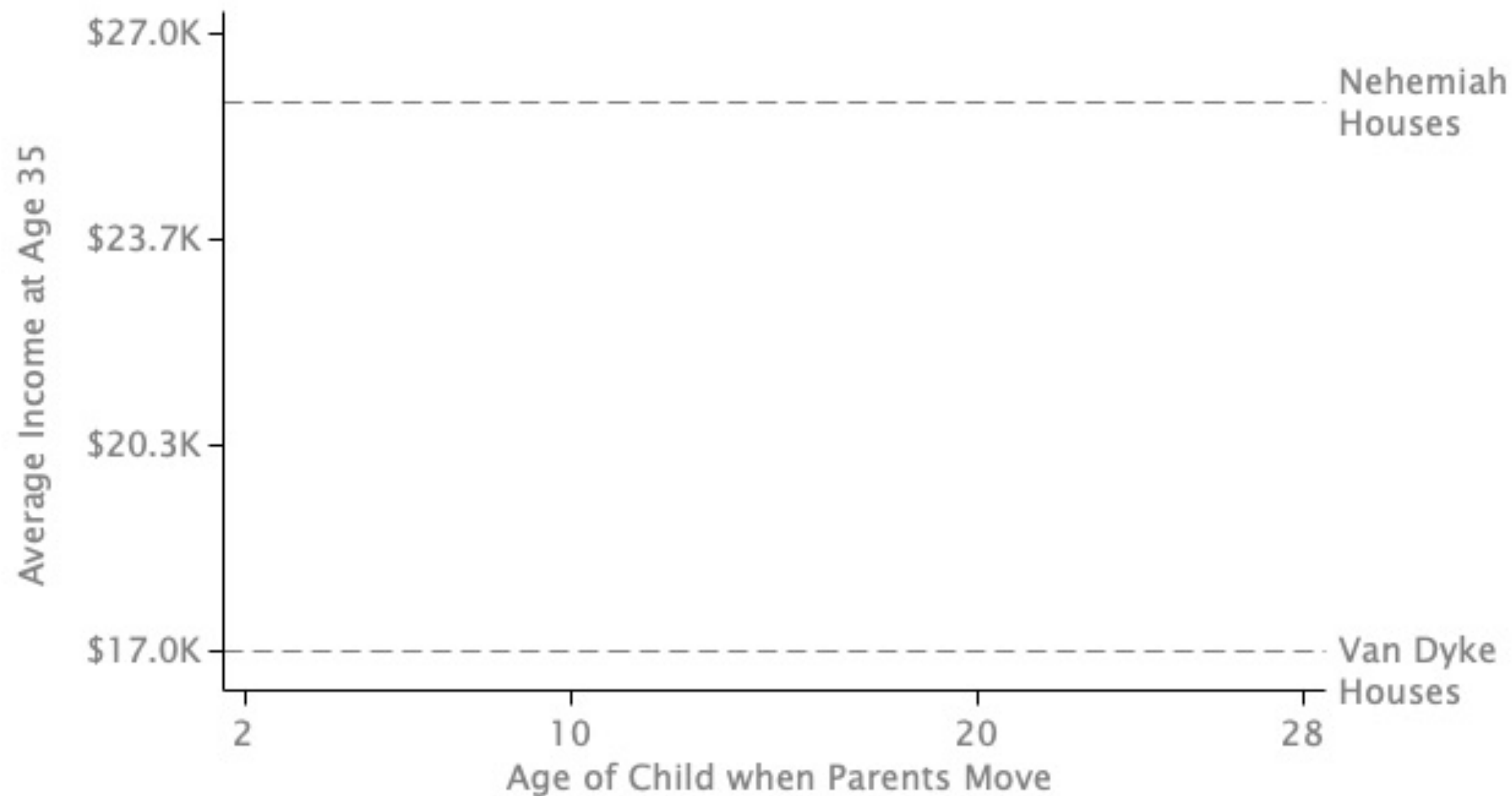
Average Income at Age 35 For Women Whose Parents Earned \$27,000 (25th percentile)



Note: Blue = More Upward Mobility, Red = Less Upward Mobility
Source: Chetty, Hendren, Jones, Porter (QJE 2020)

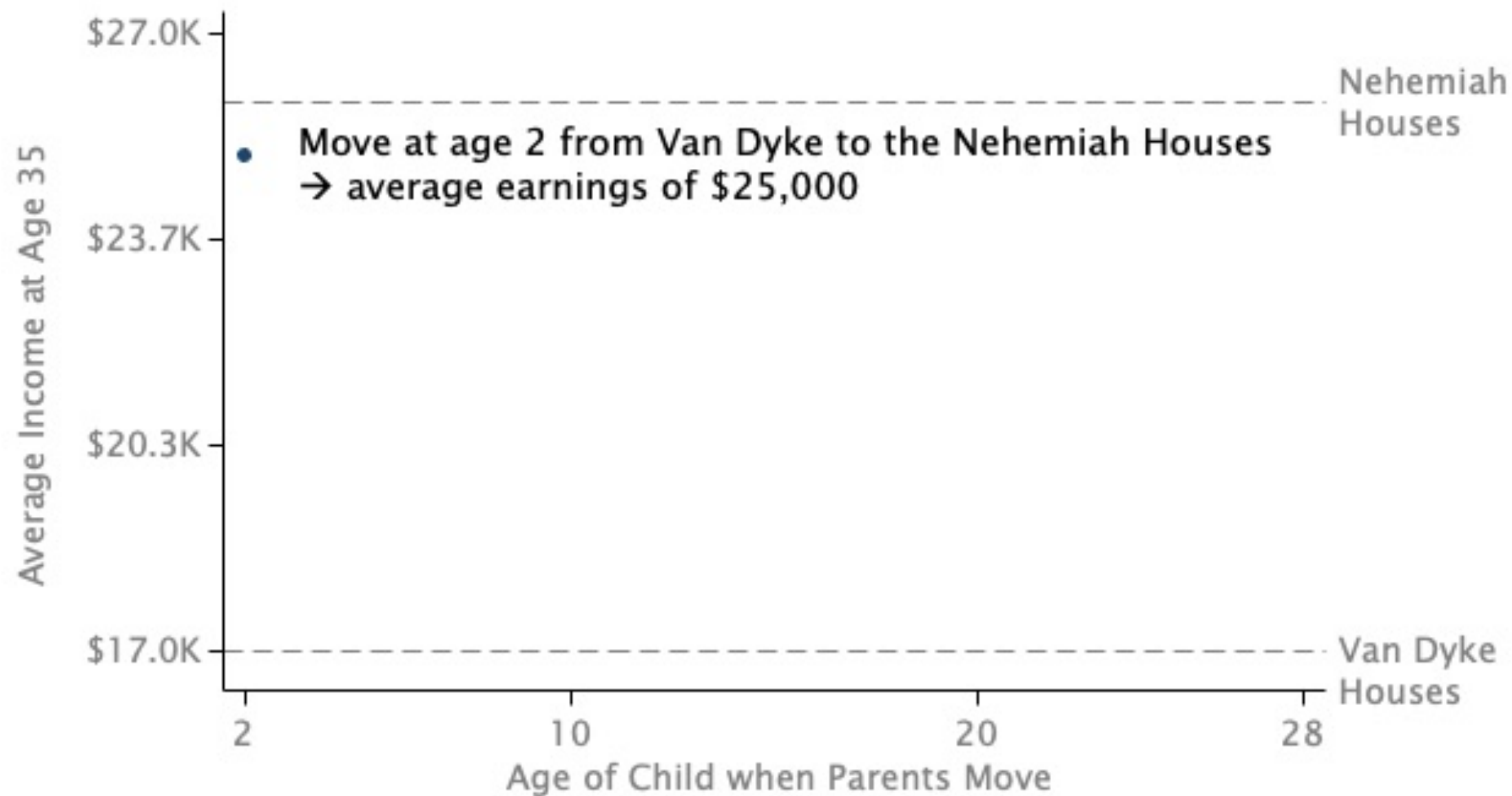
Income Gain from Moving to a Better Neighborhood

By Child's Age at Move



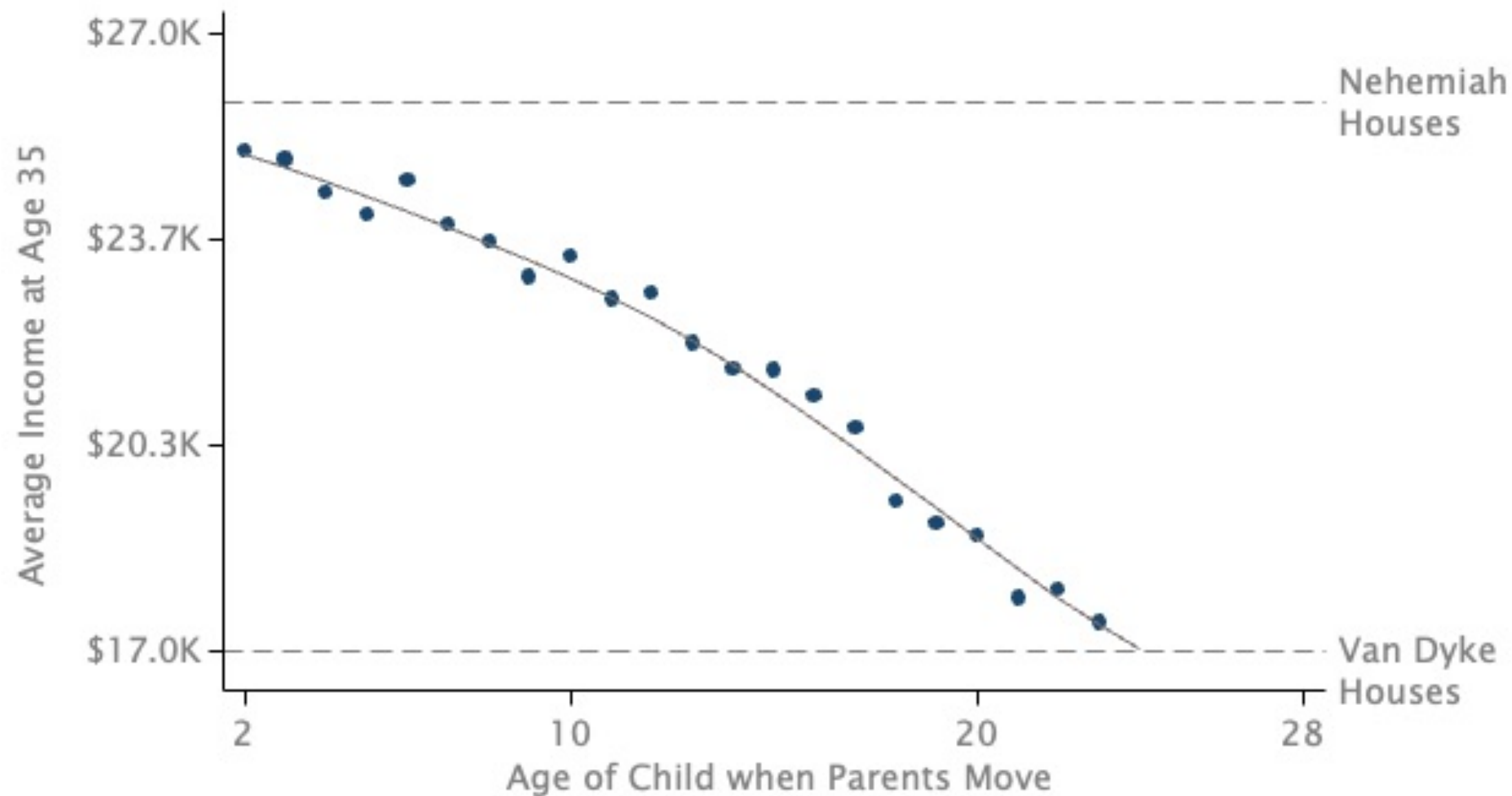
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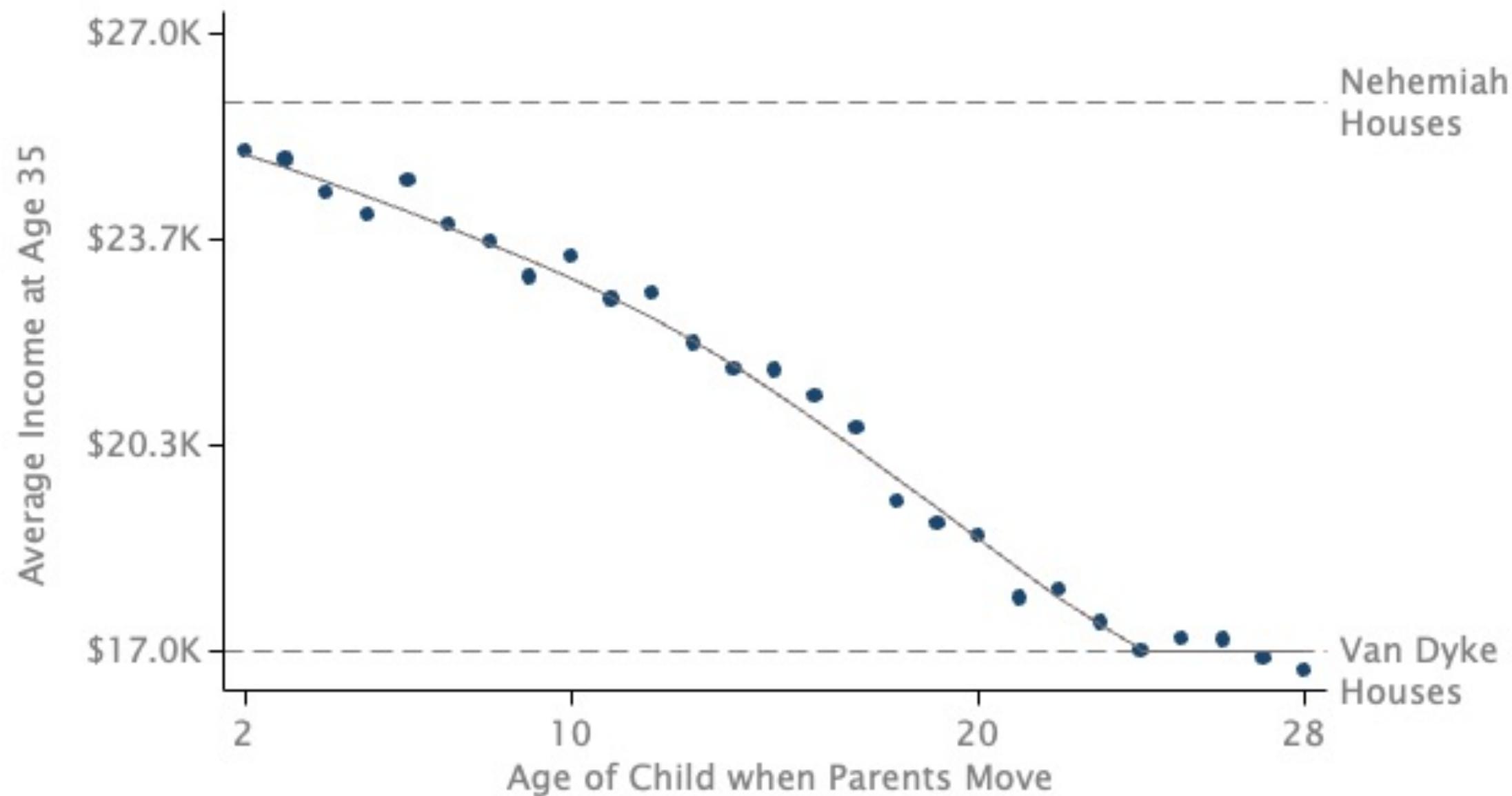
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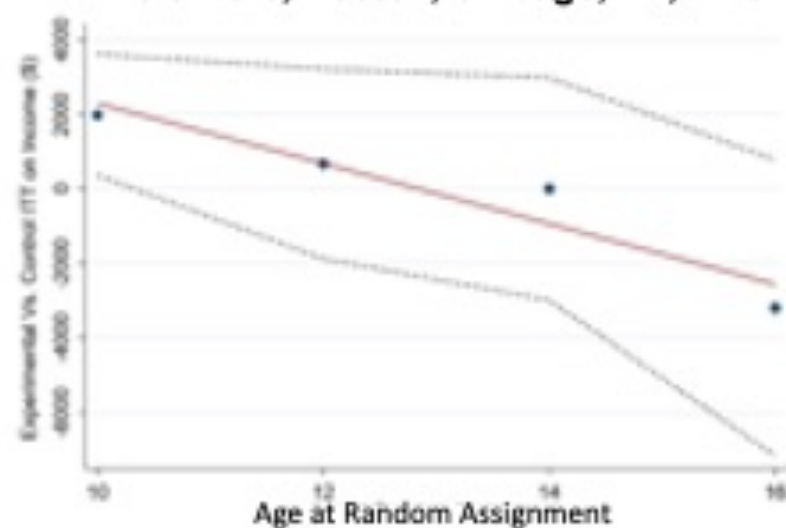
Income Gain from Moving to a Better Neighborhood

By Child's Age at Move



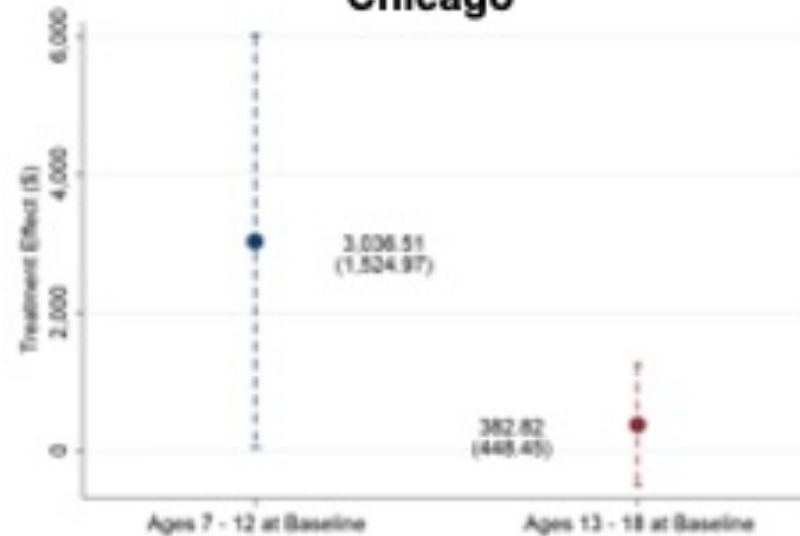
Childhood Exposure Effects Around the World

MTO Experiment Baltimore, Boston, Chicago, LA, NYC



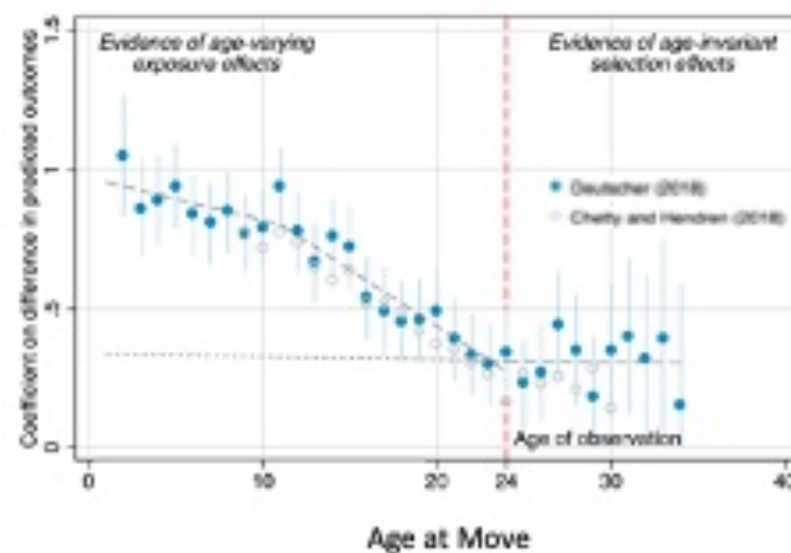
Source: Chetty, Hendren, Katz (AER 2016)

Public Housing Demolitions Chicago



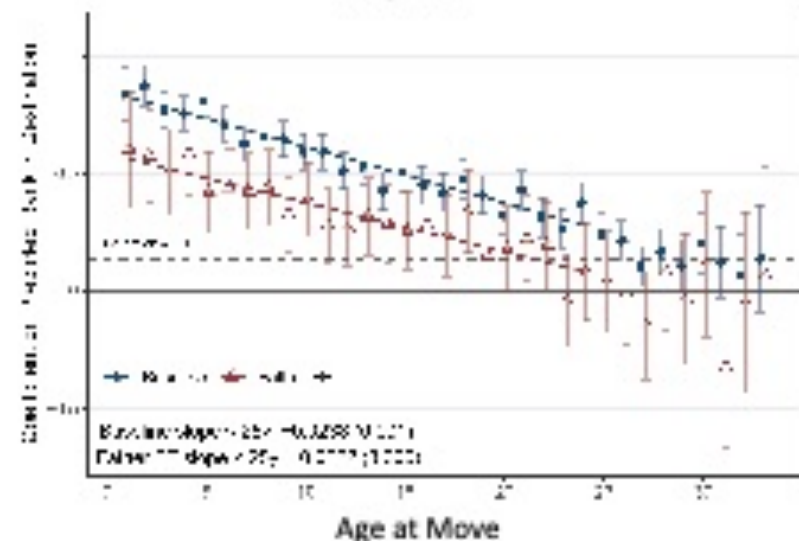
Source: Chyn (AER 2018)

Australia



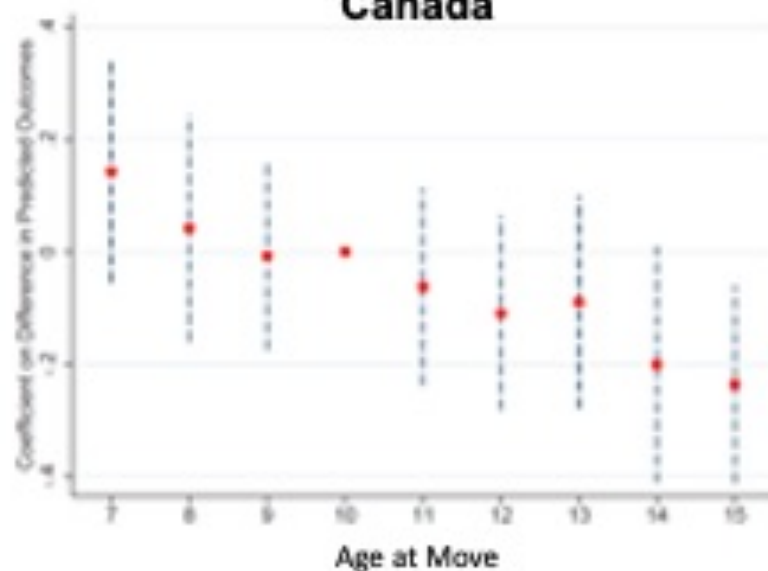
Source: Deutscher (AEJ Applied 2019)

Brazil



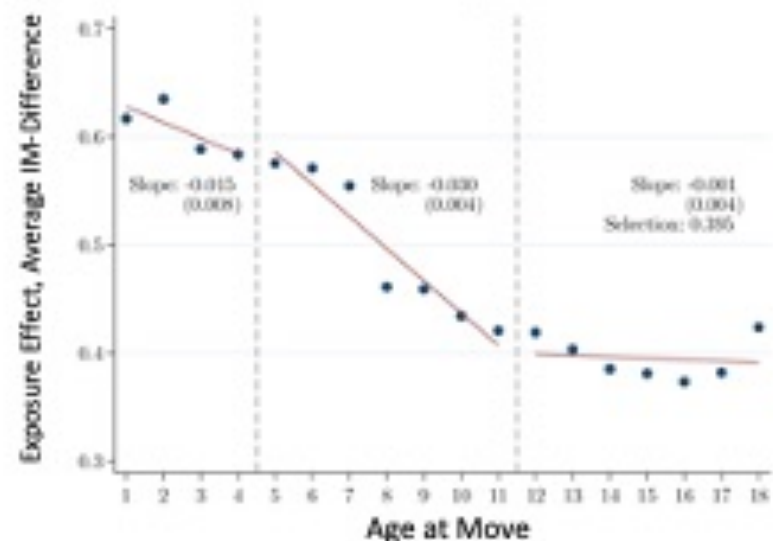
Source: Brito, Fonseca, Pinotti, Sampaio, Wiswar (2022)

Canada



Source: Lalberté (AEJ: Econ Policy 2021)

Africa



Source: Alesina, Hofmann, Michalopoulos, Papaioannou (Econometrica 2020)

Characteristics of High-Mobility Neighborhoods

Lower Poverty Rates



More stable family structure



Better school quality

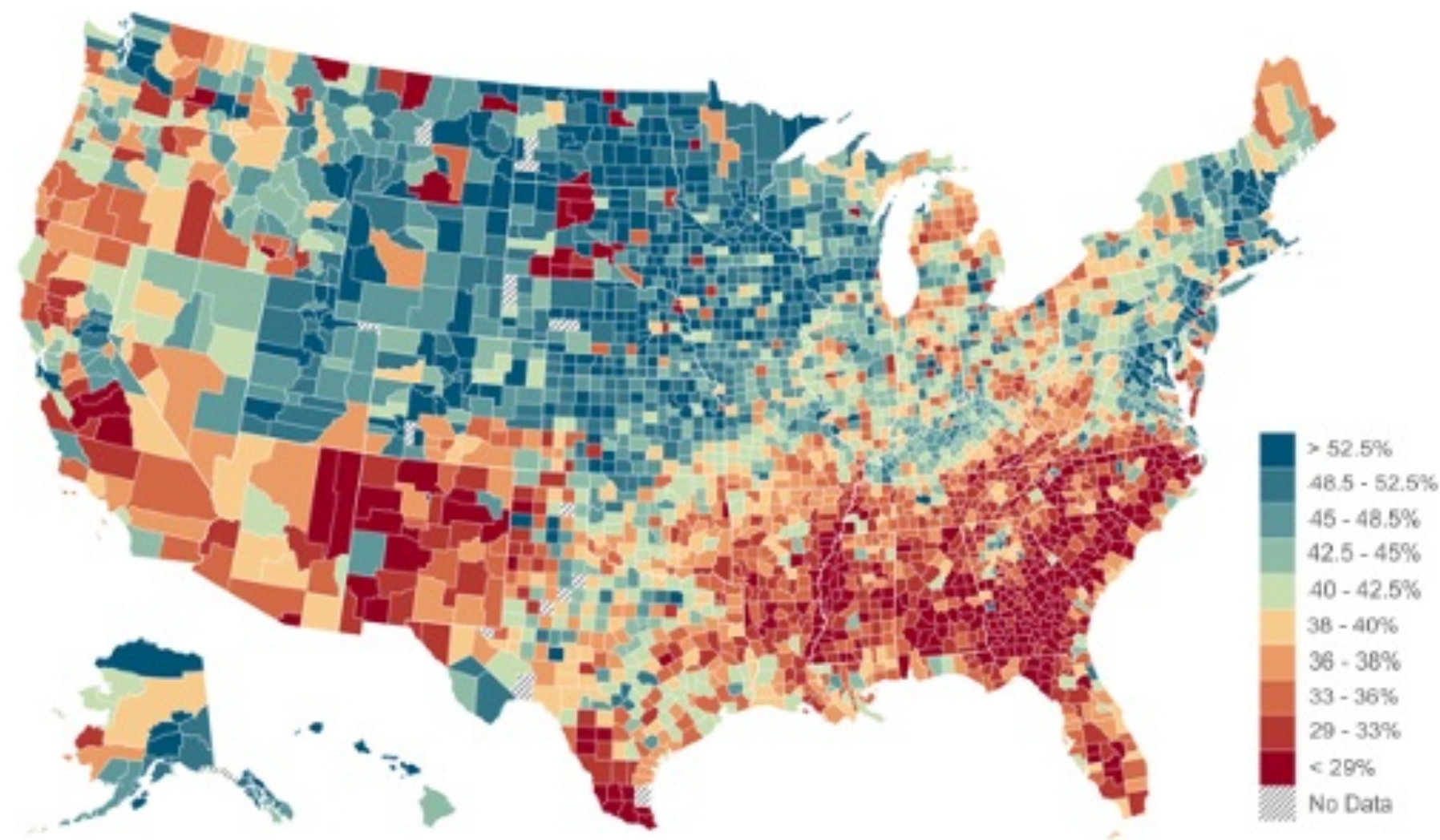


Greater social capital



Economic Connectedness of Low-SES Individuals, by County

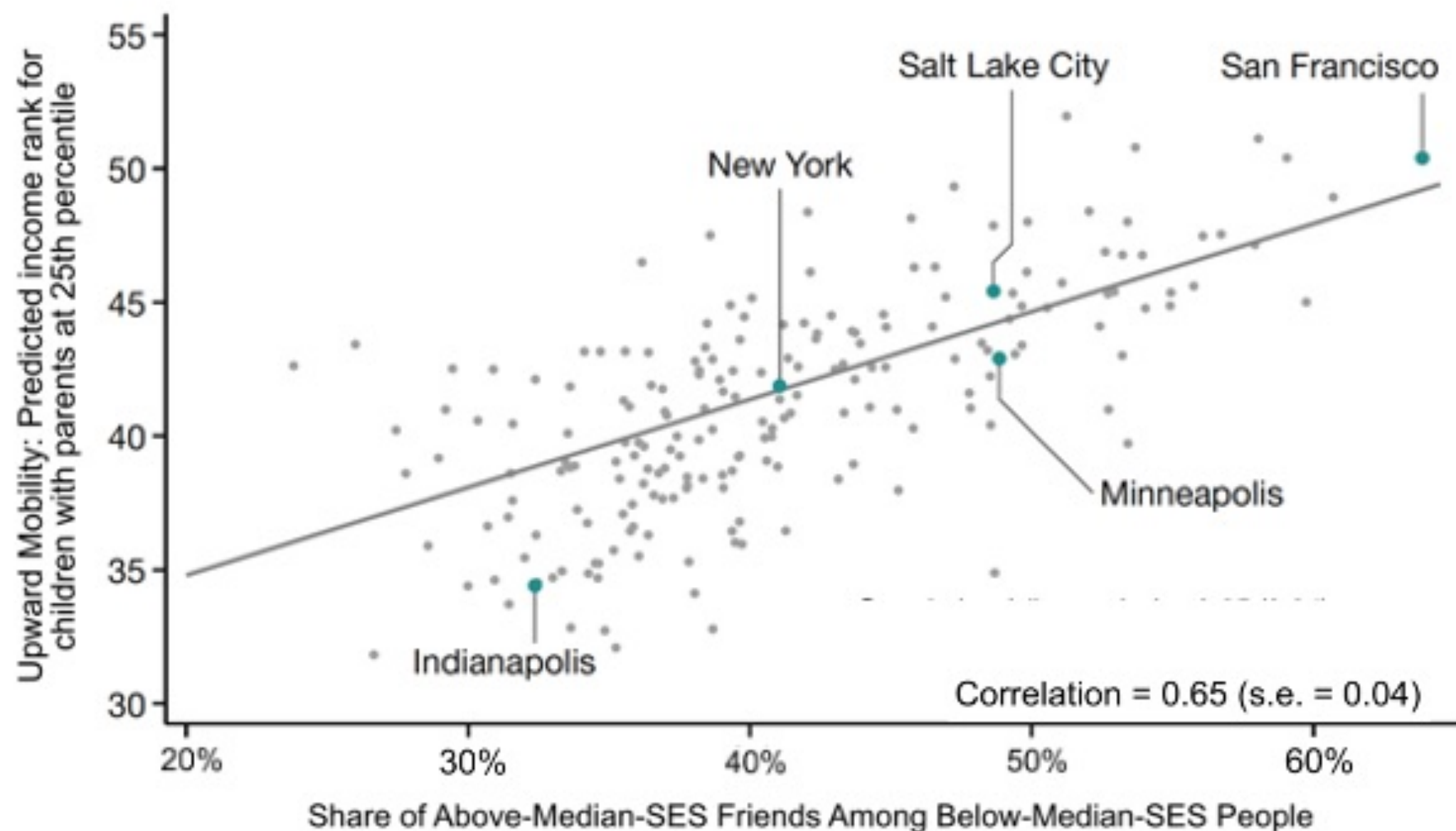
Share of Above-Median-SES Friends Among Below-Median-SES People in Facebook Data



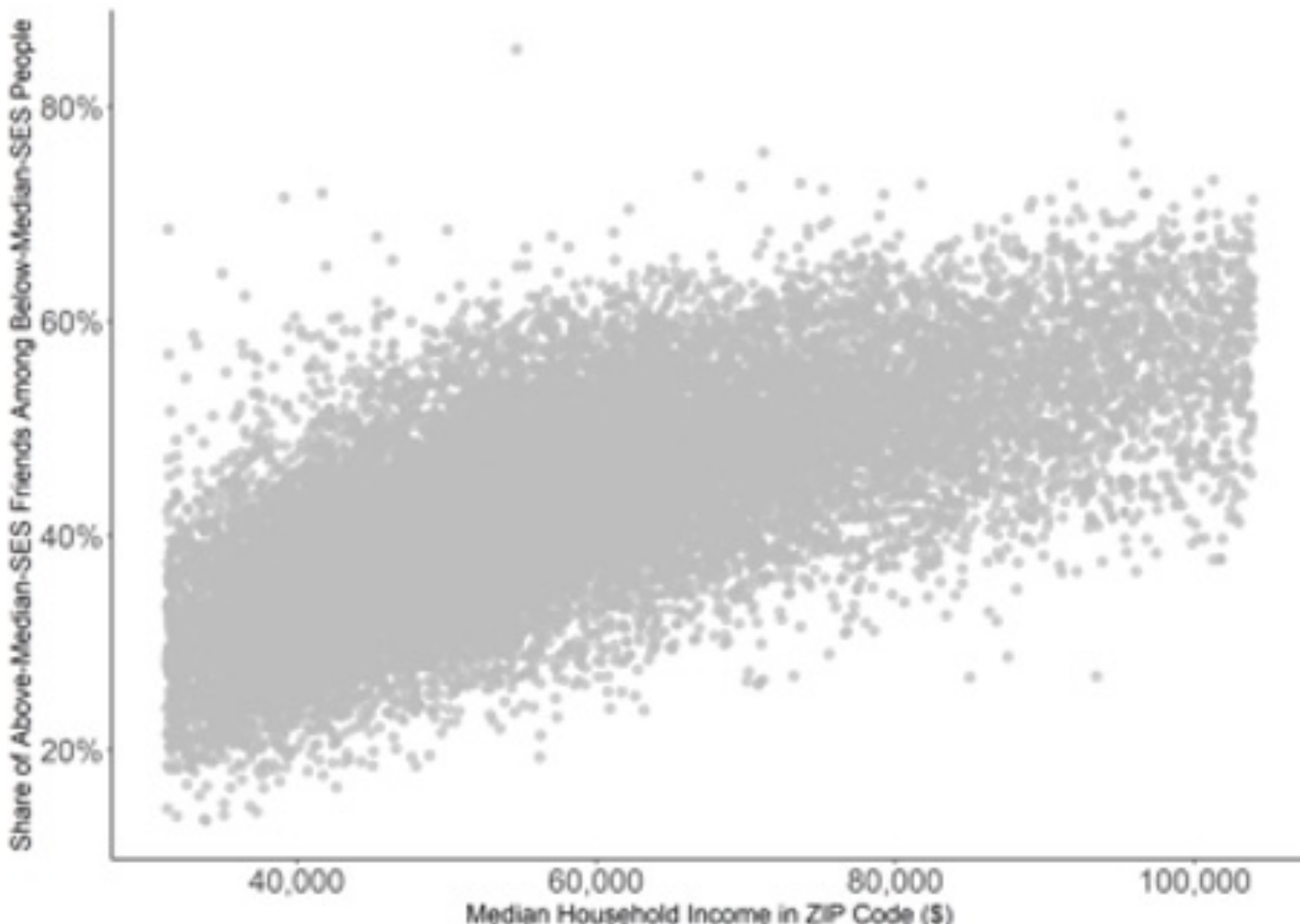
Source: Chetty, Jackson, Kuchler, Stroebel et al. (Nature 2022a,b)

Upward Mobility vs. Economic Connectedness, by County

200 Largest Counties



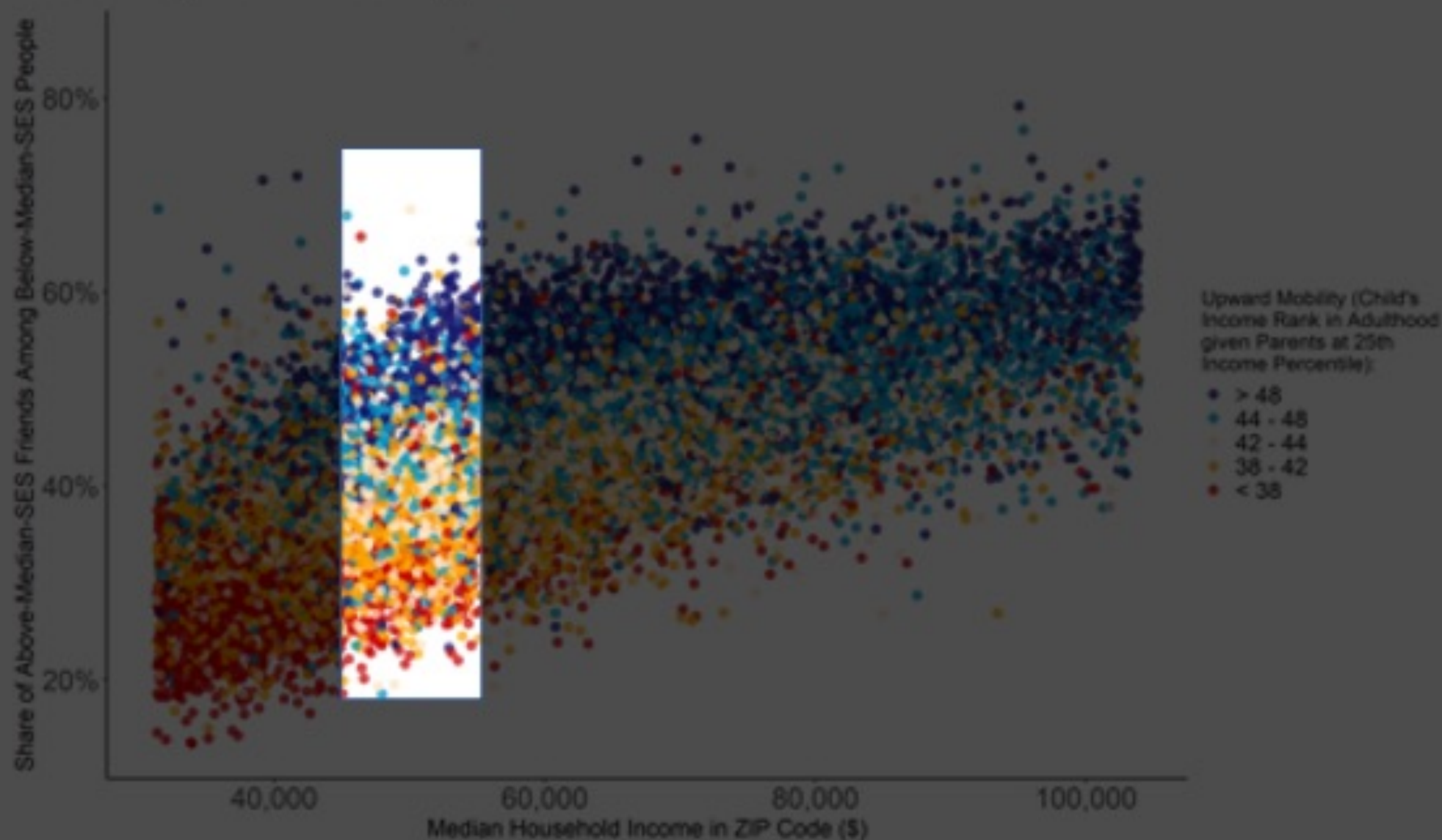
Economic Connectedness vs. Household Median Income, by ZIP Code



Source: Chetty, Jackson, Kuchler, Stroebel et al. (Nature 2022a,b)

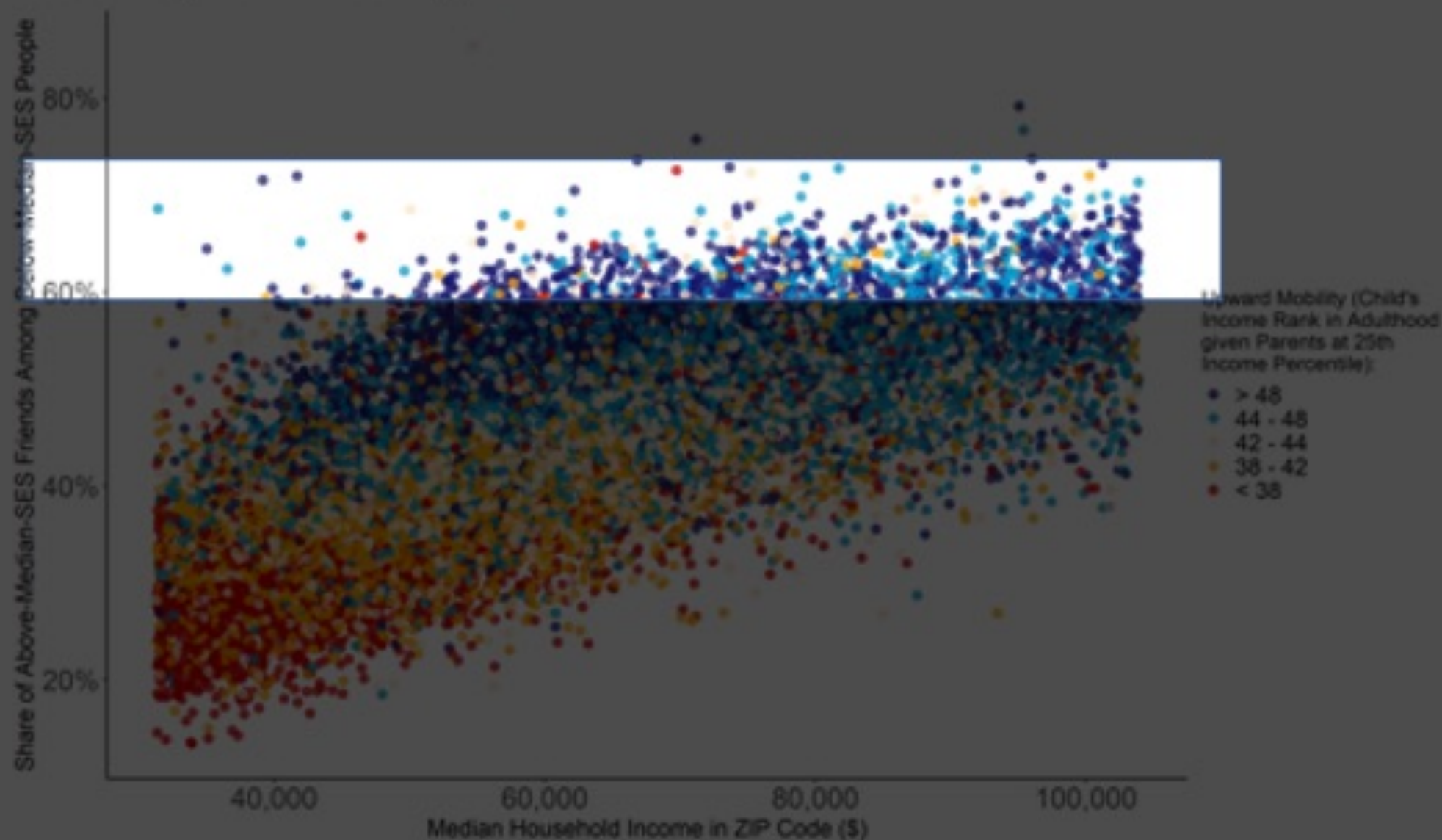
Economic Connectedness vs. Household Median Income, by ZIP Code

Colored by Rate of Upward Mobility



Economic Connectedness vs. Household Median Income, by ZIP Code

Colored by Rate of Upward Mobility

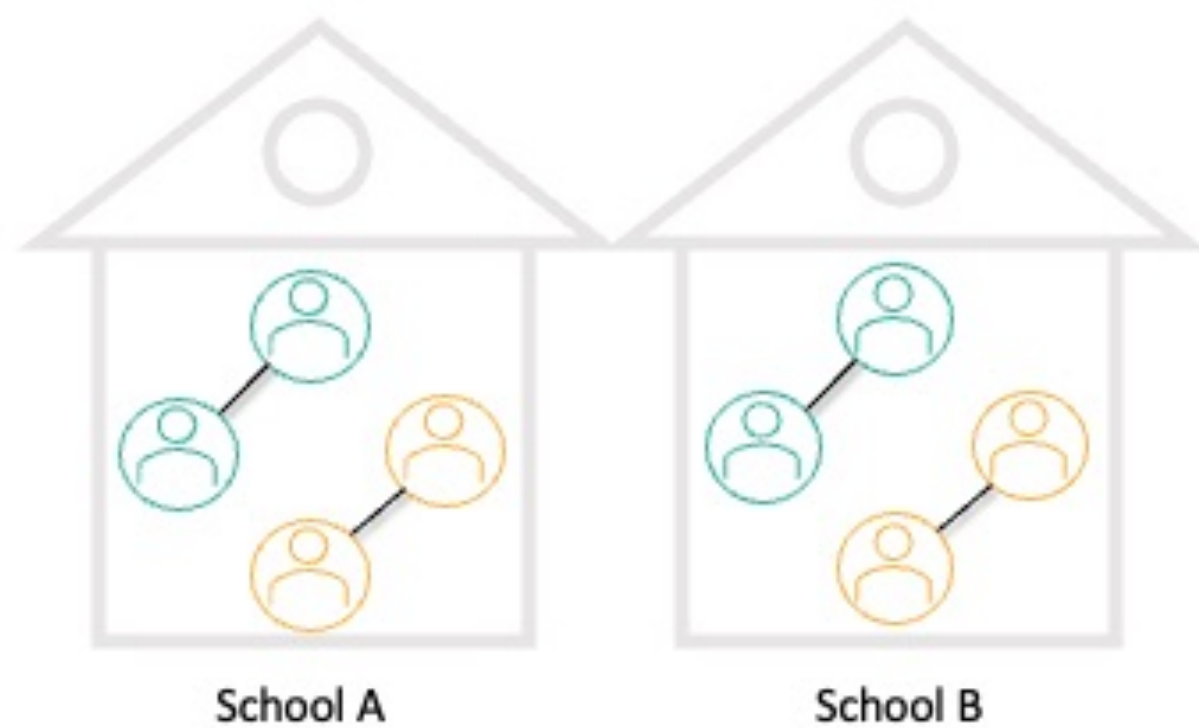
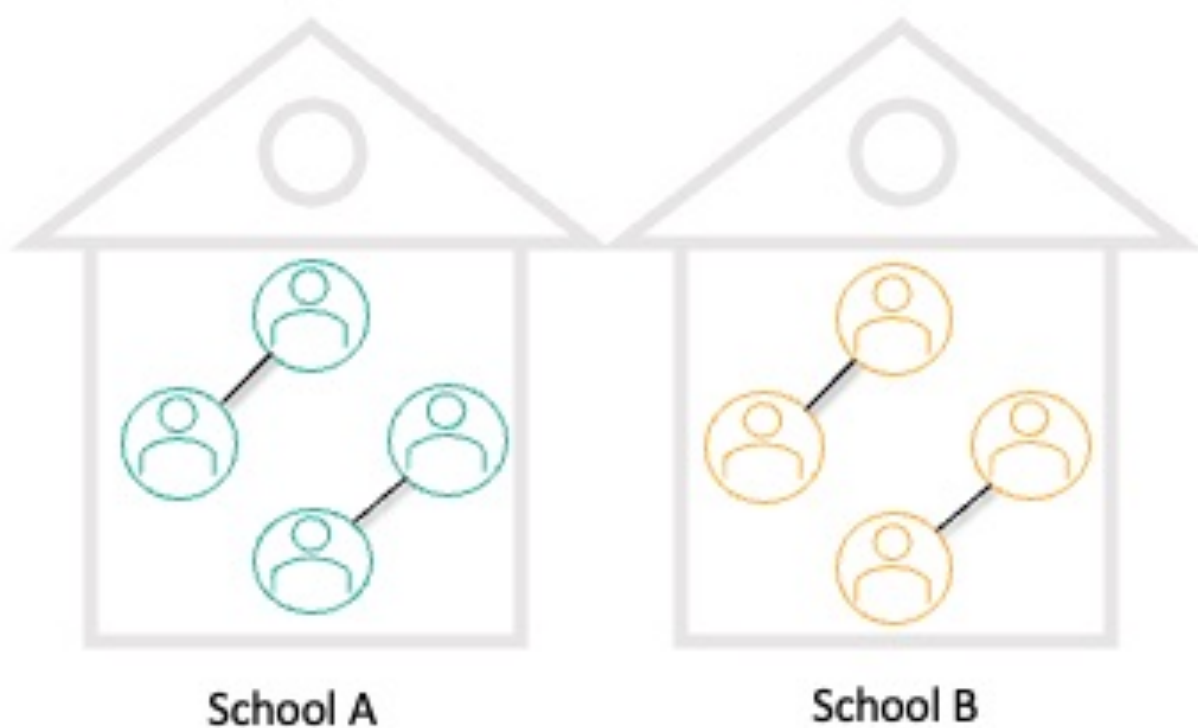


Determinants of Economic Connectedness

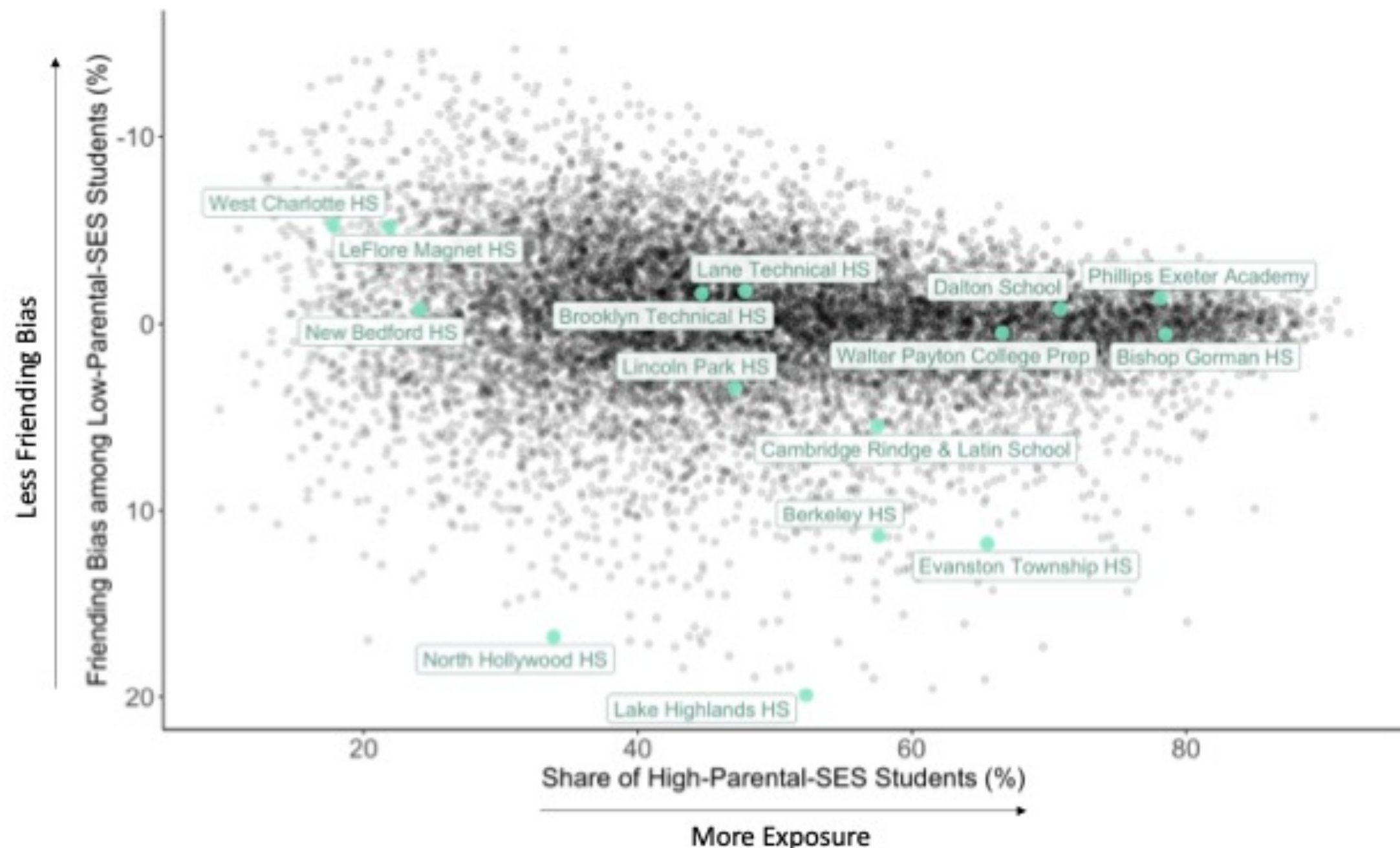
Exposure
*Segregation by
Income*

vs.

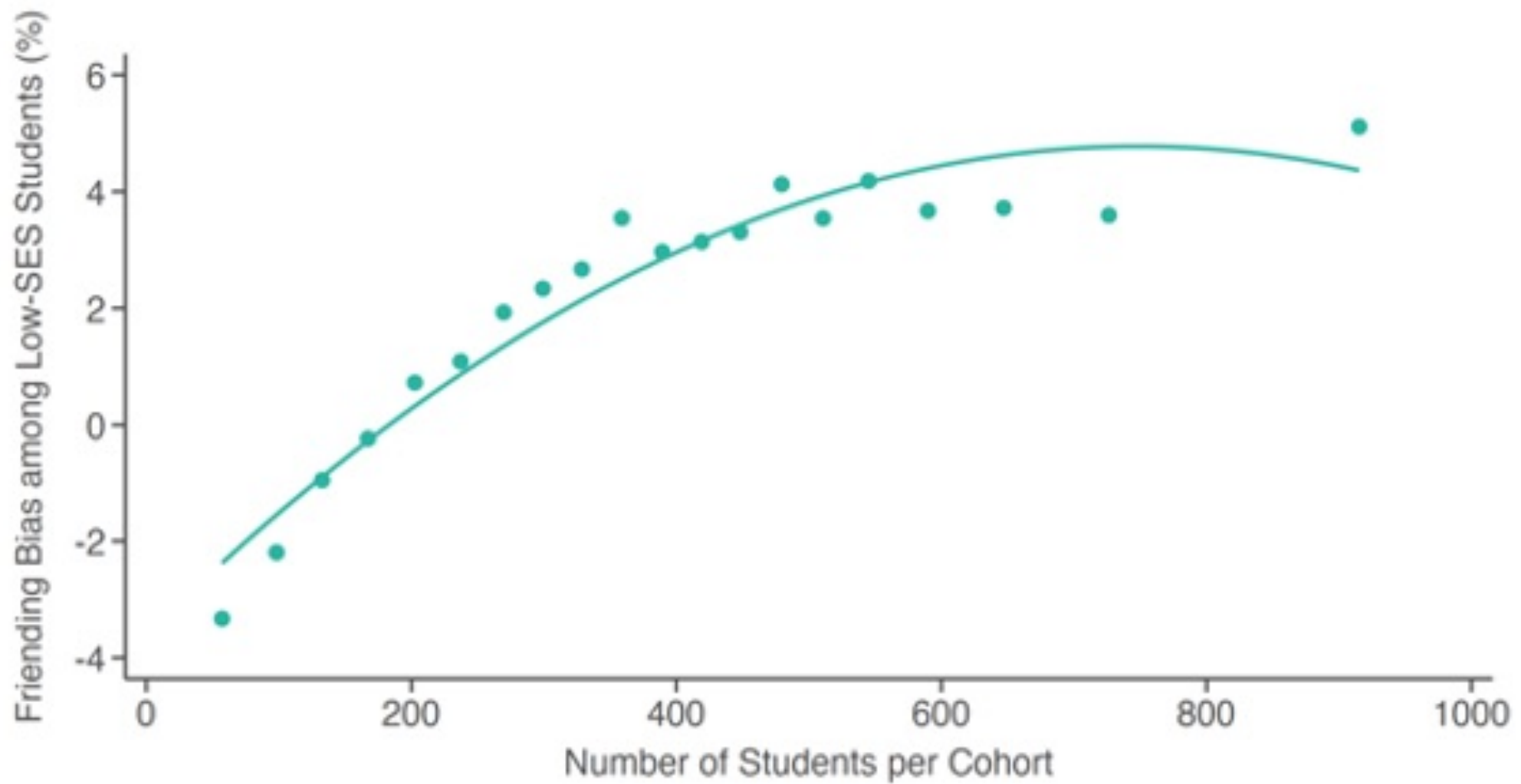
Friending Bias
*Interaction Conditional
on Exposure*



Friending Bias vs. Exposure to High-SES Students, by High School



Friending Bias in High Schools vs. School Size



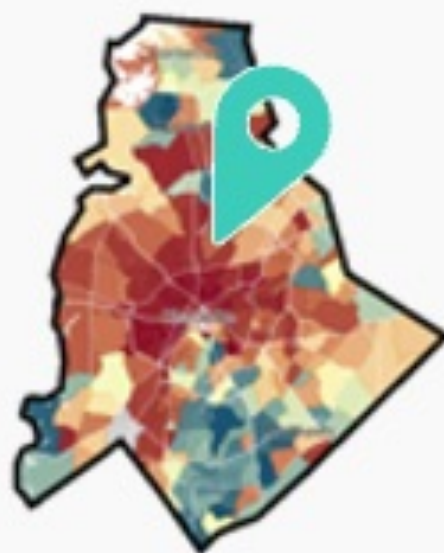
Three Policy Approaches to Increasing Upward Mobility

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

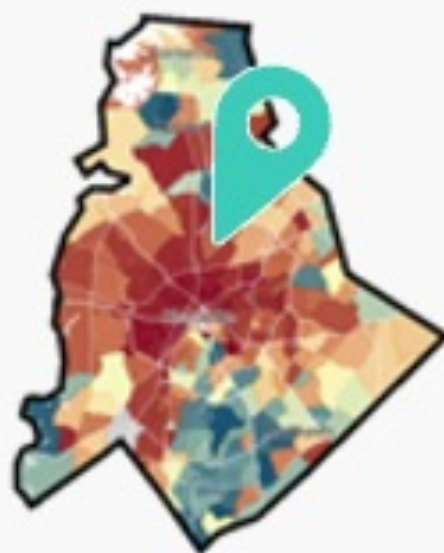
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Increase Upward Mobility in Low-Opportunity Areas

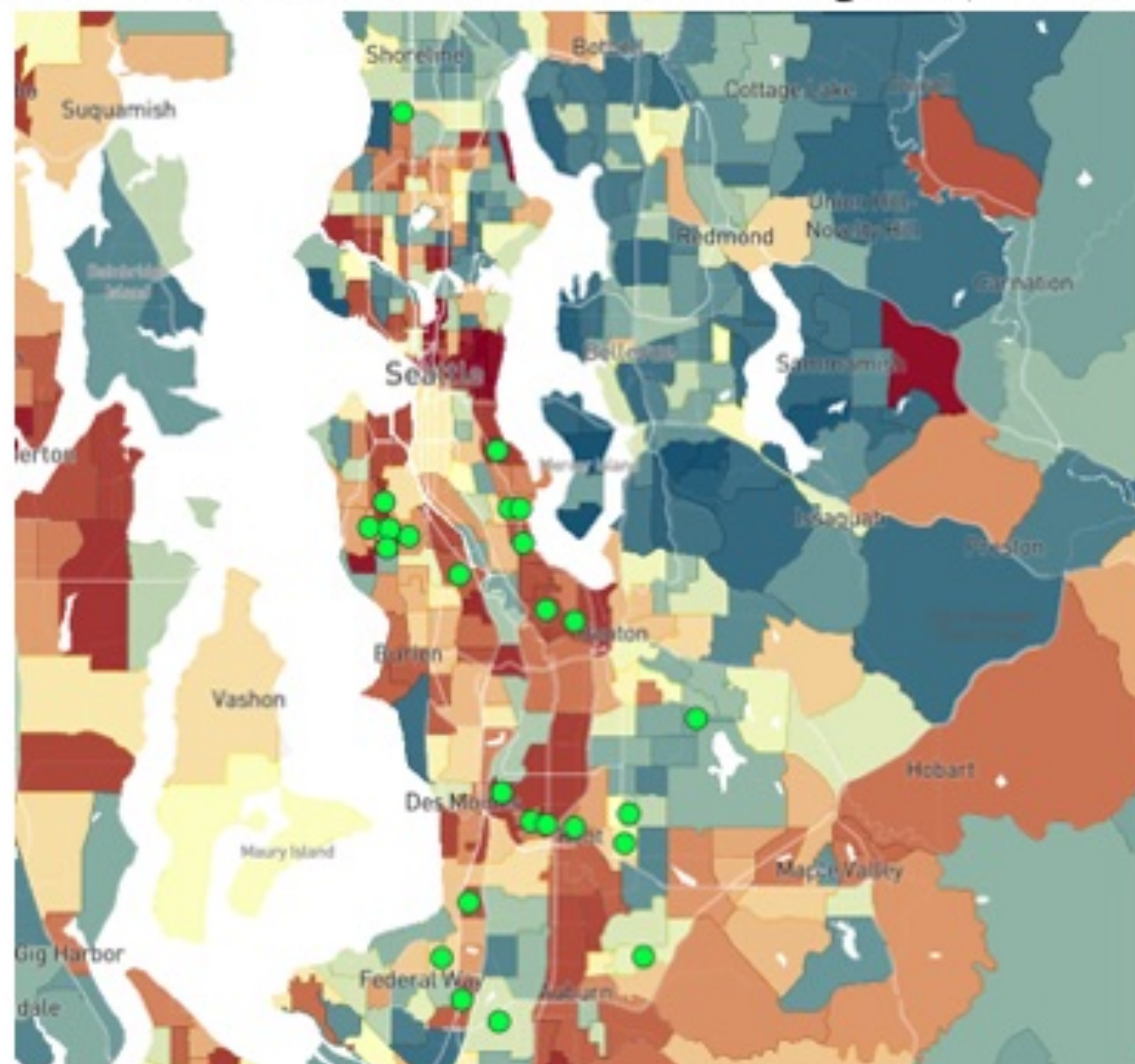
Improving Higher Education



Amplify Impacts of Colleges on Mobility

The Geography of Upward Mobility in Seattle

Average Income at Age 35 for Children with Parents Earning \$27,000 (25th percentile)



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

Percentile Rank in Adulthood

> 60 (\$55k)

48 (\$39k)

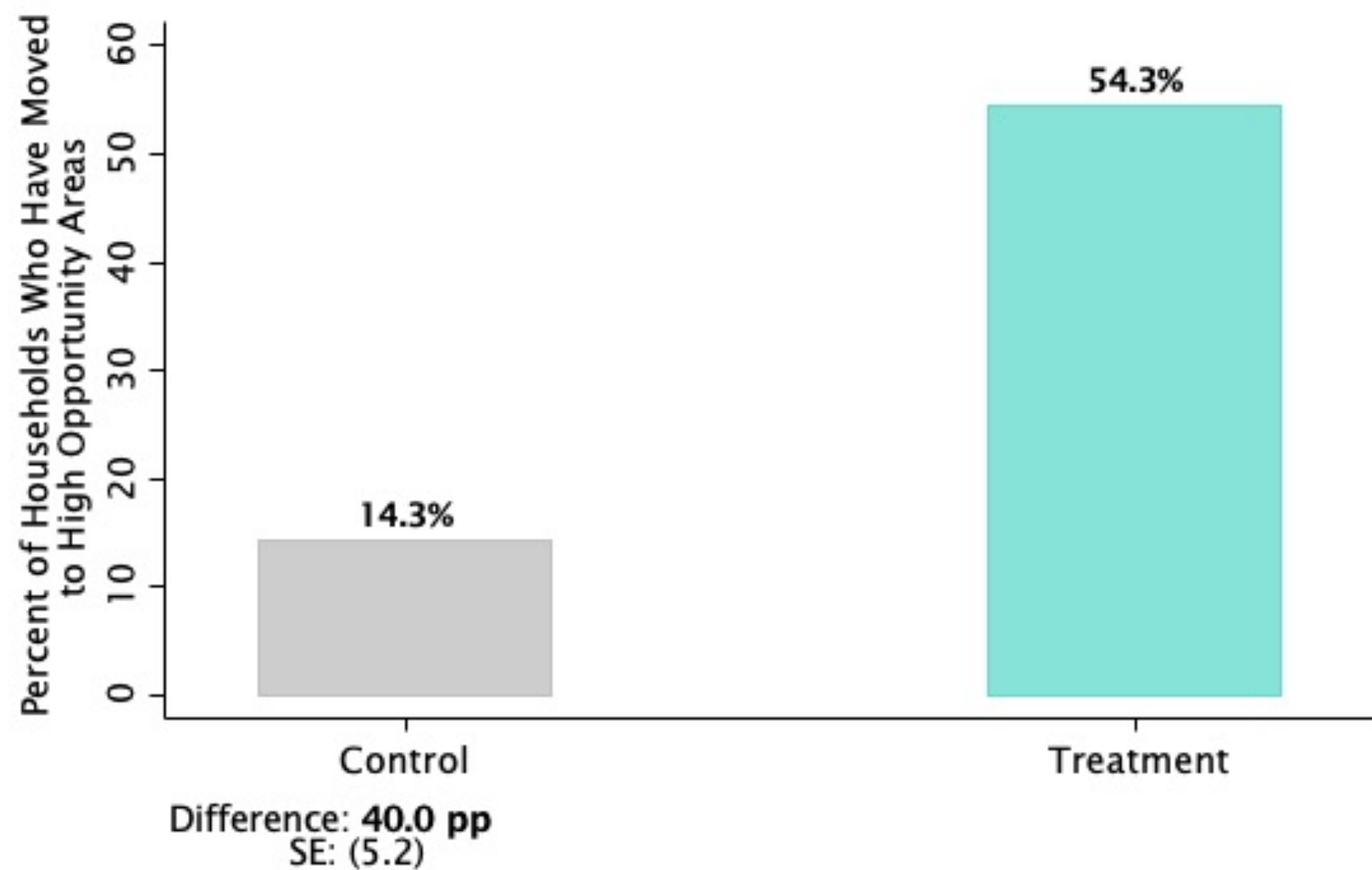
< 30 (\$20k)

Creating Moves to Opportunity in Seattle

Randomized trial to help families with housing vouchers move to high-opportunity neighborhoods by providing customized counseling, connections to landlords, and liquidity

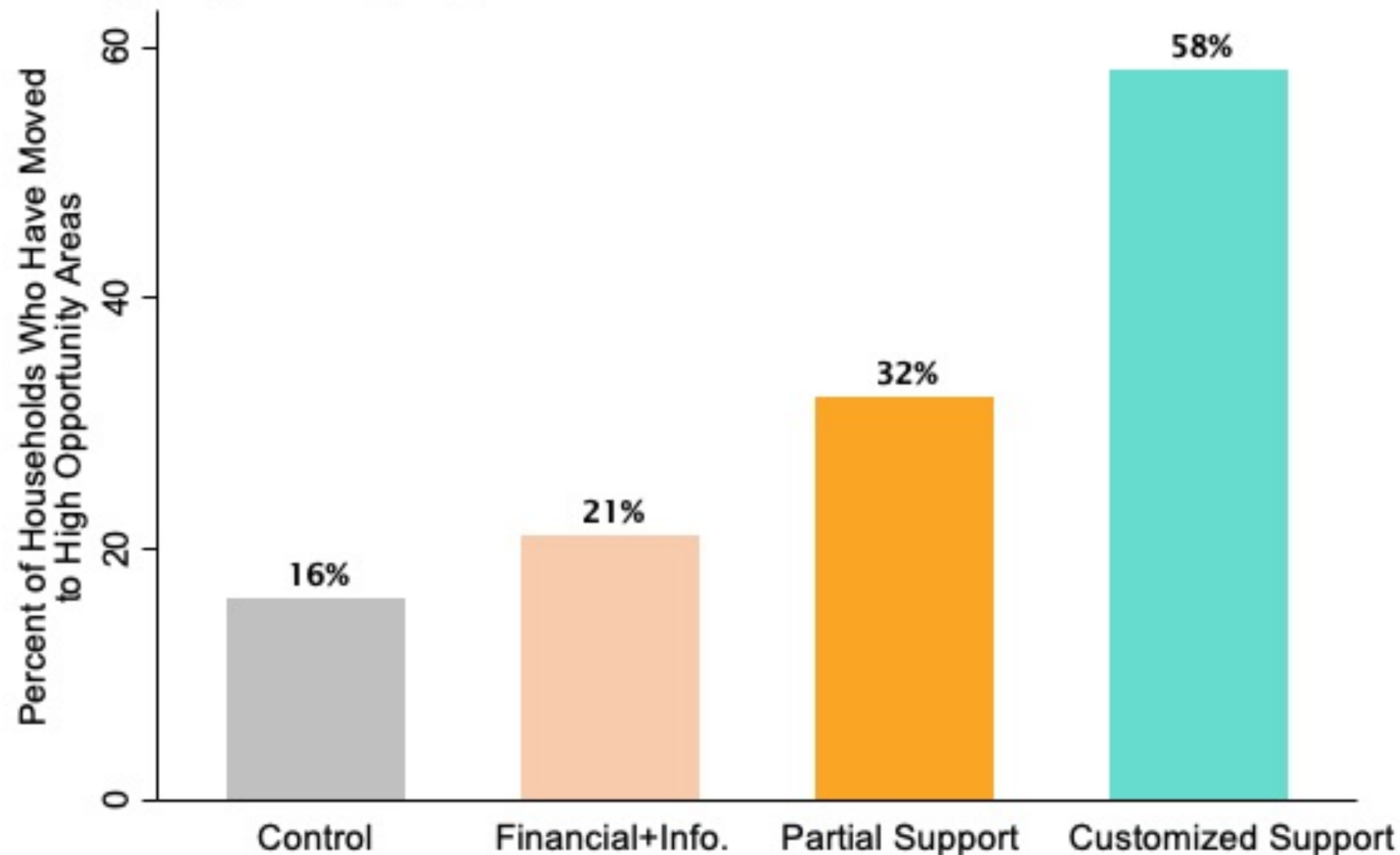


Fraction of Families Who Leased Units in High-Opportunity Areas



Fraction of Families Who Leased Units in High Opportunity Areas

Phase 2: Disaggregated by Type of Treatment



Housing Choice Voucher Mobility Demonstration Act

Shown Here:
Referred in Senate (07/11/2018)

115TH CONGRESS
2^D SESSION

H. R. 5793

IN THE SENATE OF THE UNITED STATES

JULY 11, 2018

Received; read twice and referred to the Committee on Banking, Housing, and Urban Affairs

AN ACT

To authorize the Secretary of Housing and Urban Development to carry out a housing choice voucher mobility demonstration to encourage families receiving such voucher assistance to move to lower-poverty areas and expand access to opportunity areas.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Housing Choice Voucher Mobility Demonstration Act of 2018".

SEC. 2. HOUSING CHOICE VOUCHER MOBILITY DEMONSTRATION.

(a) **AUTHORITY.**—The Secretary of Housing and Urban Development (in this section referred to as the "Secretary") may carry out a mobility demonstration program to enable public housing agencies to administer housing choice voucher assistance under section 8(o) of the United States Housing Act of 1937 ([42 U.S.C. 1437f\(o\)](#)) in a manner designed to encourage families receiving such voucher assistance to move to lower-poverty areas and expand access to opportunity areas.

(b) SELECTION OF PHAS.—

(1) **REQUIREMENTS.**—The Secretary shall establish requirements for public housing agencies to participate in the demonstration program under this section, which provide that the following public housing agencies may participate:

Family Stability and Opportunity Vouchers Act

The *Family Stability and Opportunity Vouchers Act* puts a significant down payment on evidence-based housing mobility vouchers for the nation's most vulnerable families with young children. The bill couples mobility vouchers with customized support services to help families escape the cycle of poverty and move to high opportunity areas.

Specifically the bill:

- Creates an **additional 500,000 housing vouchers** over five years for low-income, high-need families with young children. Pregnant women and families with a **child under age 6** would qualify for these new vouchers if they have a history of homelessness or housing instability, live in an area of concentrated poverty, or are at risk of being pushed out of an opportunity area.
- Provides voucher recipients with **access to counseling and case management services** that have a proven track record of helping families move out of poverty.
- The bill's resources would enable housing agencies to **engage new landlords in the voucher program** and connect families with information about housing in high-opportunity neighborhoods, and community-based supports for families as they move.

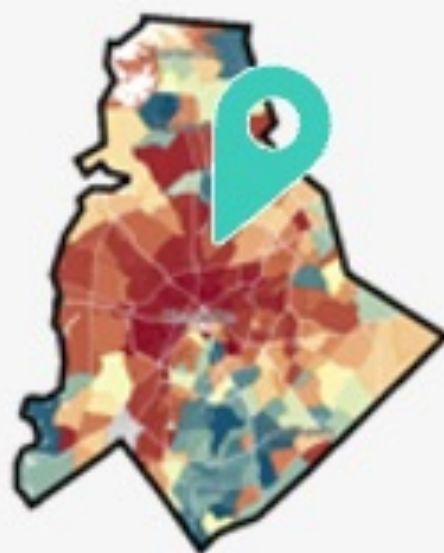
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Colleges on Mobility

A Wake-Up Call for Charlotte-Mecklenburg

January 25, 2014

Land of opportunity? Not by a long shot

Charlotte is nation's worst big city
for climbing out of poverty

The Charlotte Observer

Over the last several decades, Charlotte-Mecklenburg has transformed from a small southern town to one of the country's largest and most dynamic communities. We continue to attract people—nearly 50 a day— who move here to take advantage of our strong business climate, favorable weather and

geographic location, and our reputation as a great place to live and raise a family.

Accolades from the outside regularly tell us how tall we stand among other communities. As recently as February 7, 2013, U.S. News and World Report ranked us as the 14th best place to live in the country.¹

Yet, in 2013 when the headline broke about the Harvard University/UC Berkeley study that ranked Charlotte-Mecklenburg 50th out of 50 in upward mobility² for children born into our lowest income quintile, many in our community responded with disbelief. **How, on the one hand, can we be such a vital and opportunity-rich community, and on the other, be ranked dead last in the odds that our lowest income children and youth will be able to move up the economic ladder as they become adults?**

The Charlotte Observer

Local News Sports Arts/Culture Business Personal Finance Detour Obituaries

HOME PAGE

Here's how Bank of America is trying to improve economic opportunity in Charlotte

BANK OF AMERICA 

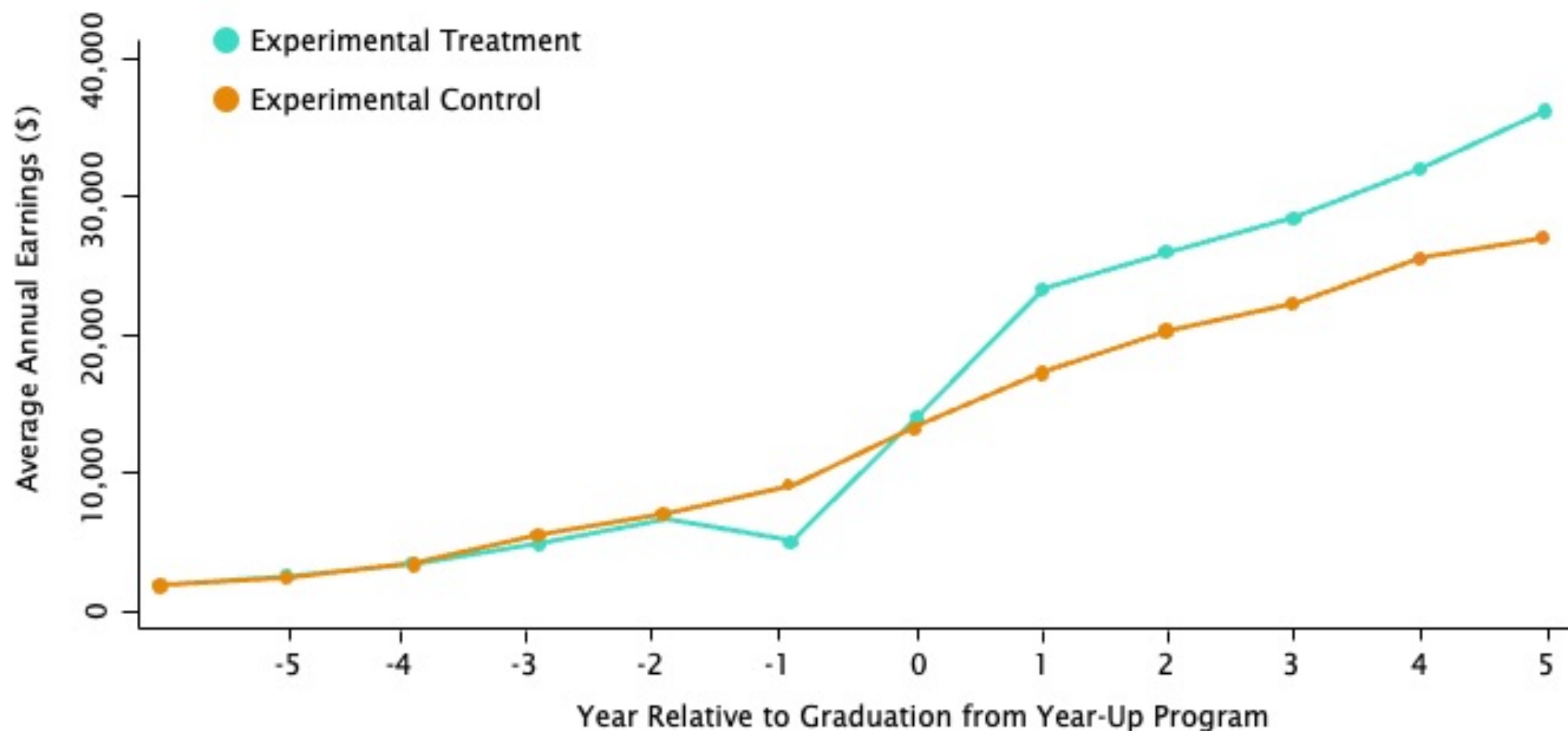
Our commitment to support &
strengthen Charlotte

Bank of America is committed to advancing racial equality and economic opportunity, and helping...

A new path to high-paying careers in
tech

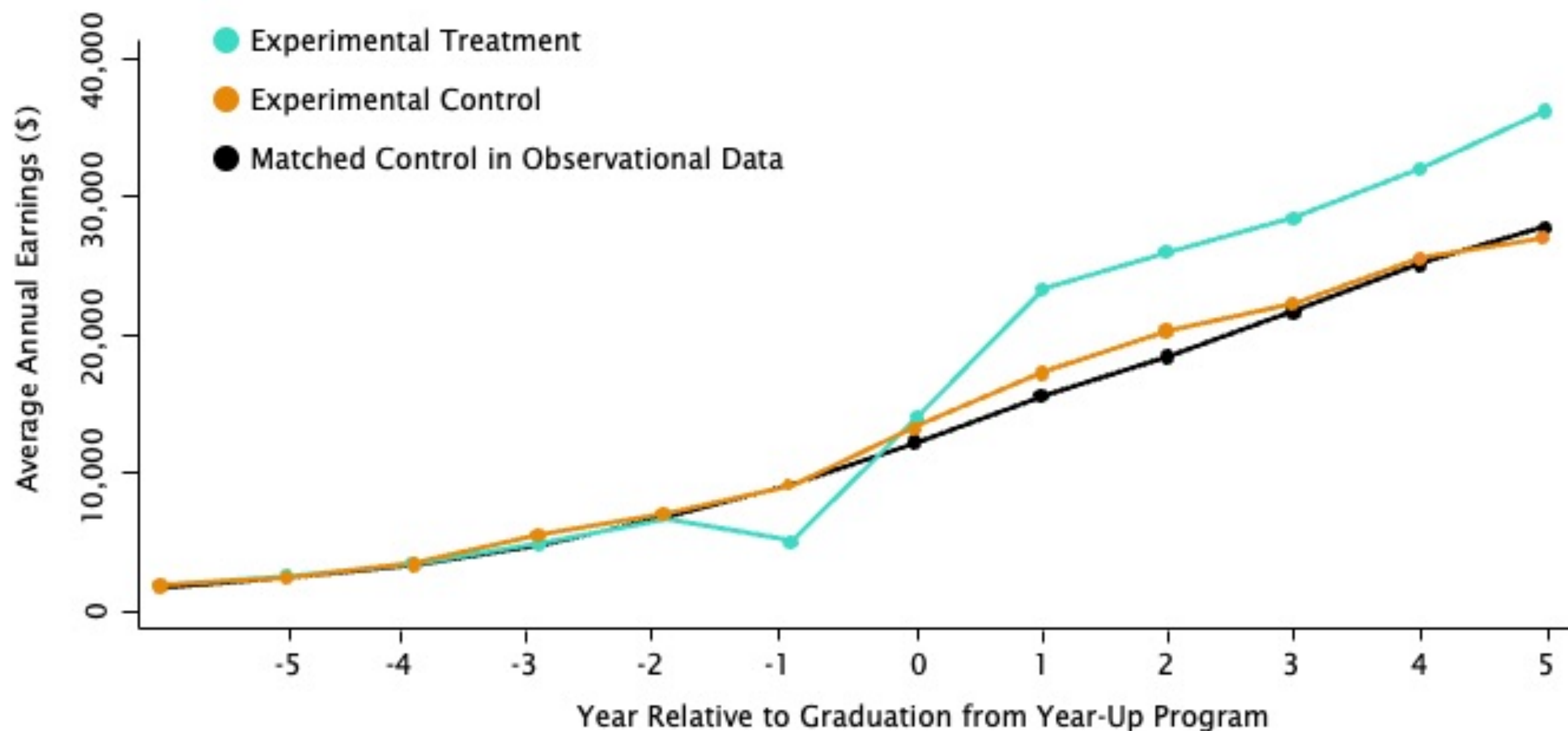
In a city addressing unequal access to good jobs, the nonprofit Road to Hire provides a pathway...

Impact of Year-Up Sectoral Job Training Program on Earnings



Note: Observational Sample matched on race, gender, age, and Census tract

Impact of Year-Up Sectoral Job Training Program on Earnings



Note: Observational Sample matched on race, gender, age, and Census tract

Source: Chetty, Noray, Katz, et al. (in progress); see also Chetty, Athey, Imbens (2022); Andrews, Chetty, Sanders, van Dijk (in progress)

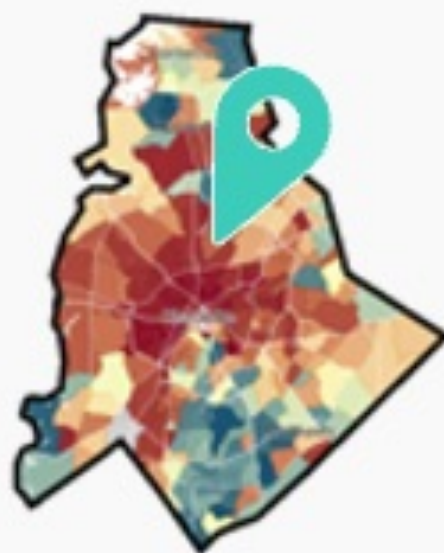
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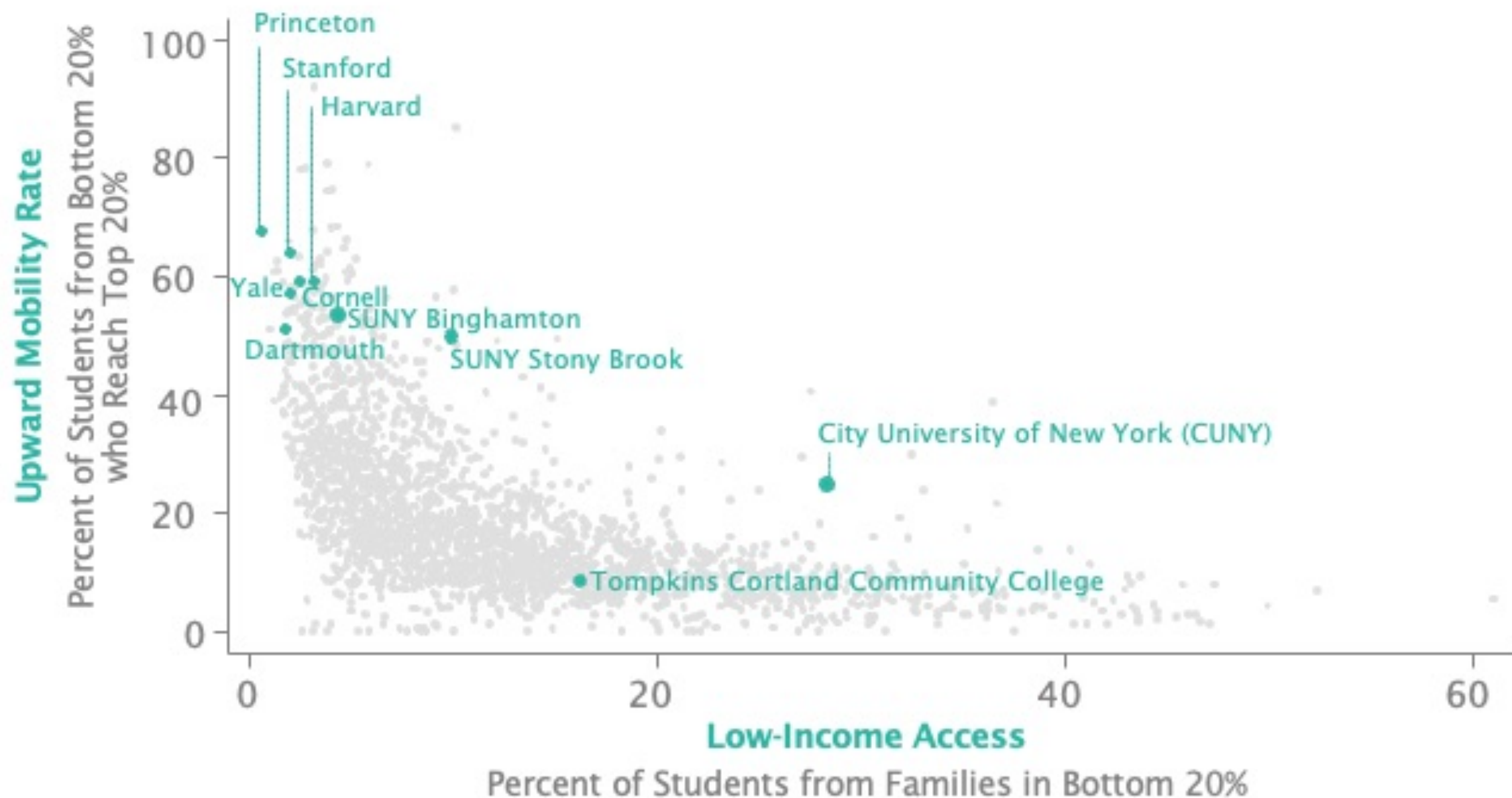
Increase Upward
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Improving
Higher Education



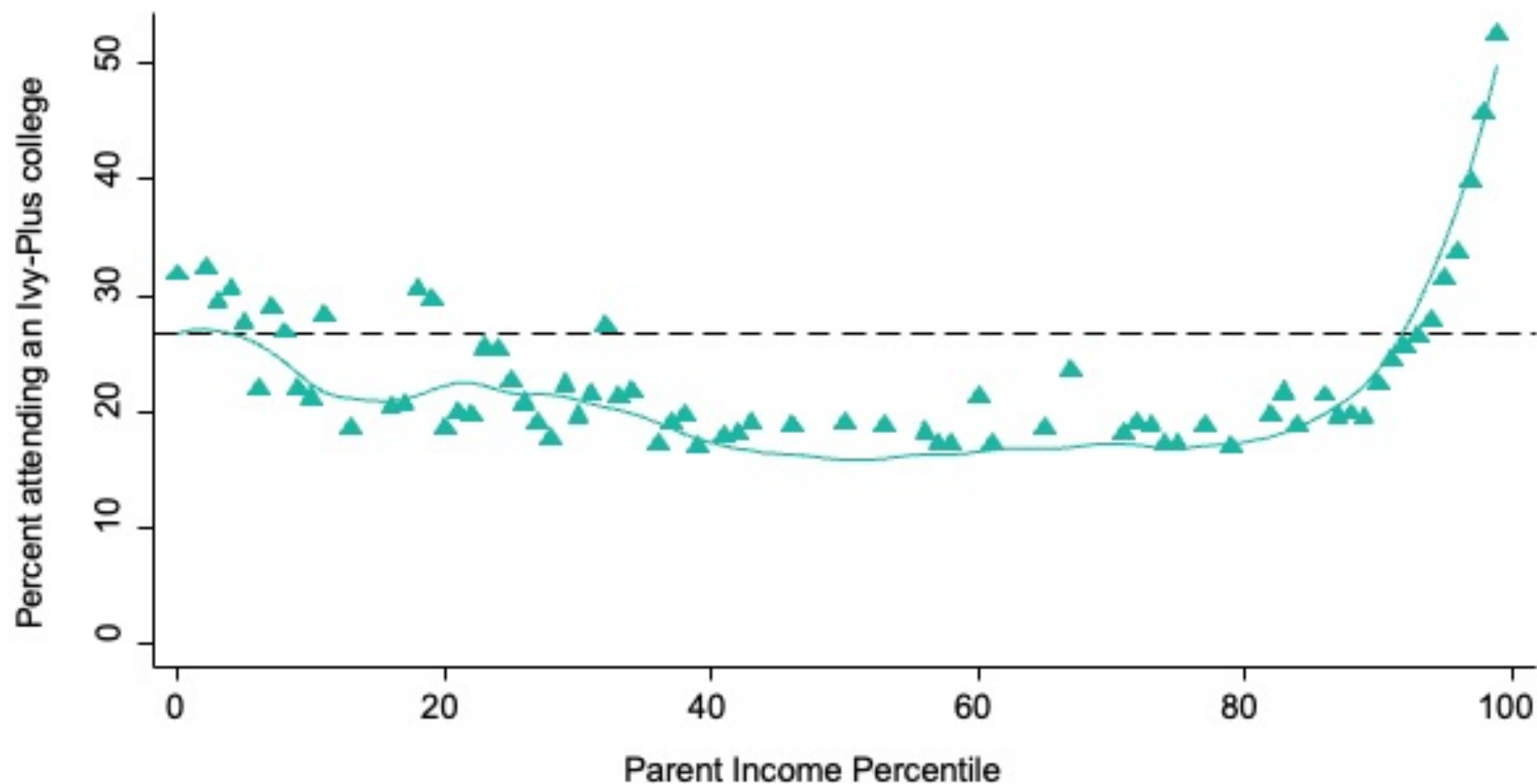
Amplify Impacts of
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Upward Mobility vs. Low-Income Access by College



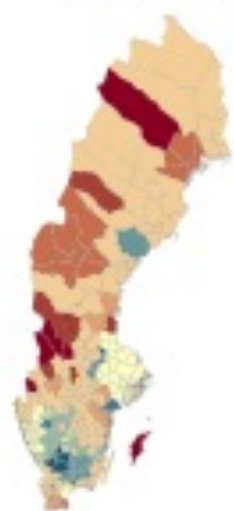
Ivy-Plus Attendance Rates by Parental Income, Controlling for SAT Scores

Children with SAT Scores of 1500

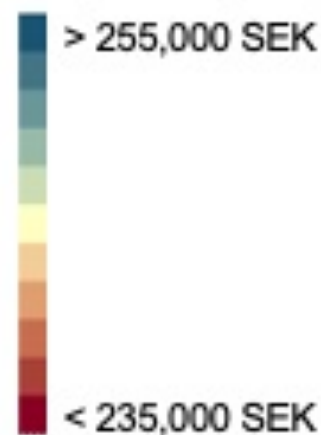


The Geography of Economic Opportunity Around the World

Sweden



Annual Individual Income
at Age 32-34 (2010)



Source: Heidrich 2017

Spain



Median Income at Age 31
for Children from Low-
Income Households

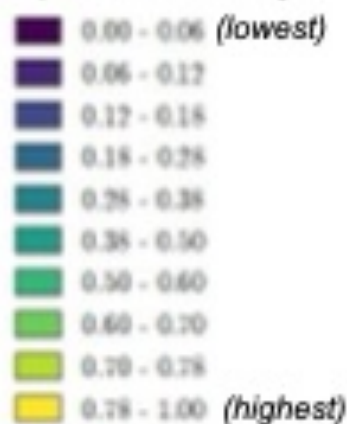


Source: Atlas de Oportunidades 2020

Africa

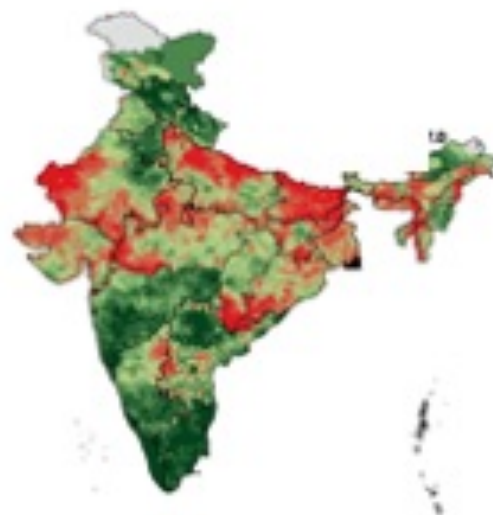


Upward Mobility



Source: Alesina, Hohmann, Michalopoulos, Papaioannou 2021

India



Upward Mobility



Source: Asher, Novosad, and Rafkin 2020



From Jasmine, 7 years old, whose family moved to a high-opportunity area in Seattle in the Creating Moves to Opportunity study



Research studies and summaries
www.opportunityinsights.org



Explore your community's data

Opportunity Atlas: www.opportunityatlas.org

Social Capital Atlas: www.socialcapital.org

College Mobility: www.nytimes.com/interactive/projects/college-mobility/



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Questions?
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**OPPORTUNITY
INSIGHTS**



**HARVARD
UNIVERSITY**