

Study finds little movement on economic ladder

July 13 2012, by Karen Faster

(Phys.org) -- Economic opportunity is not the same for everyone in the United States, new research by La Follette School director Thomas DeLeire shows.

While 84 percent of Americans have higher [family](#) incomes than their parents did at the same age, those born at the top and bottom of the income ladder are likely to stay there as adults.

DeLeire and co-author Leonard Lopoo of Syracuse University conducted the study for The Pew Charitable Trusts, which released the results July 9.

The report, "[Pursuing the American Dream: Economic Mobility across Generations](#)," uses the most current data to measure mobility by family income and family wealth, furthering the project's understanding of how closely tied a person's place on the economic ladder is to that of his or her parents.

The research shows that:

- African Americans are still less likely to exceed their parents' income and wealth than are whites and they are more likely to be stuck at the bottom of the economic ladder across a generation.
- A four-year college degree promotes upward mobility from the bottom and prevents downward mobility from the middle and the

top.

Most sons are meeting or exceeding the earnings of their fathers at the same age. However, the sons' earnings represent a smaller proportion of family income than did men's earnings in the fathers' generation.

"The ideal of the American Dream is complex and we see again that one's ability to achieve it is impacted by race, education, and family background," says Erin Currier, manager of Pew's [Economic Mobility Project](#).

The report considers both absolute and relative mobility to provide a full picture of what is happening in the United States. Absolute mobility measures whether a person has more or less income or wealth than his or her parents did at the same age. Relative mobility looks at a person's rank on the [income](#) or wealth ladder compared to his or her parents' rank at the same age.

The report's data are from the Panel Study for [Income Dynamics](#), which was designed in 1968. To compensate for the absence of Latinos and groups that immigrated to the [United States](#) after 1968, a sample was added in 1990. However, because this report incorporates data from the parent generation in 1968, or before the Latino and immigrant samples were added, the sample is too small to explore mobility among Latinos.

Provided by University of Wisconsin-Madison

Citation: Study finds little movement on economic ladder (2012, July 13) retrieved 24 April 2024 from <https://phys.org/news/2012-07-movement-economic-ladder.html>

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