Upward mobility has fallen sharply in US: study
24 April 2017

"Children's prospects of earning more than their parents have faded over the past half century in the United States," said the study, led by Raj Chetty of Stanford University.

"Absolute income mobility has fallen across the entire income distribution, with the largest declines for families in the middle class."

Since little data exists linking children to their parents in terms of economic performance, researchers combined US census data with tax records, adjusting for inflation and other confounding variables.

They found the sharpest declines in income in the industrial Midwest, including states like Indiana and Illinois.

"The smallest declines occurred in states such as Massachusetts, New York and Montana," said the study.

Researchers said that trying to boost gross domestic product—or the total dollar value of goods and services produced—in the United States would not suffice to fix the problem.

Rather, a concerted effort to level the playing field is needed, said an accompanying editorial by Lawrence Katz of Harvard University and Alan Krueger of Princeton University.

"In our view, faster growth is necessary but not sufficient to restore higher intergenerational income mobility," they wrote.

"Evidence suggests that, to increase income mobility, policymakers should focus on raising middle-class and lower-income household incomes."

Interventions worth considering include universal preschool and greater access to public universities,
increasing the minimum wage, and offering vouchers to help families with kids move from poor neighborhoods into areas with better schools and more resources, they said.


© 2017 AFP