

# What is social mobility? Concepts, trends and contributing factors

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# Mobility is fundamental

"Pulling one's self up by the bootstraps"

"Climbing the social ladder"

"Rags to riches"

"The American Dream"

"Equal opportunity"

etc.

# What is social mobility?

**Relative mobility** Do my parents' resources dictate my resources?

**Absolute mobility** Am I better off than my parents were?

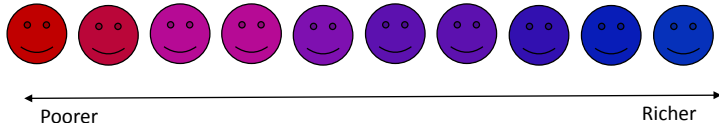
**Changes in inequality** What's the payoff to being rich in my generation compared to my parents'?

Income...but also health, education, occupation, etc.

## An example: Income

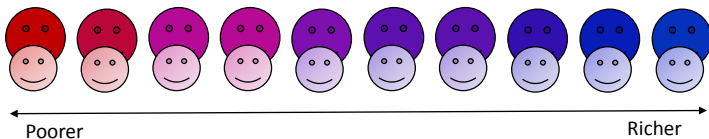
Suppose a society of 10 couples.

- ▶ Order them by income; each gets a rank in the *income distribution*.



# Intergenerational comparison

Now suppose each couple has a child.

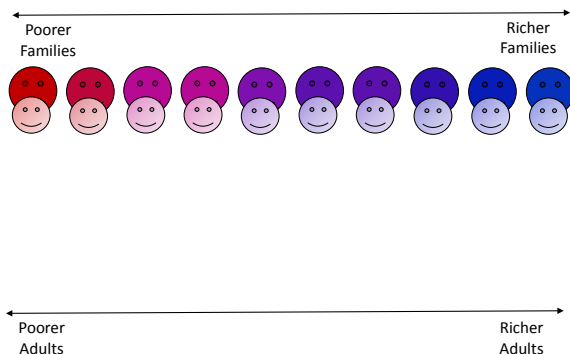


Let's think about the children's income as adults...

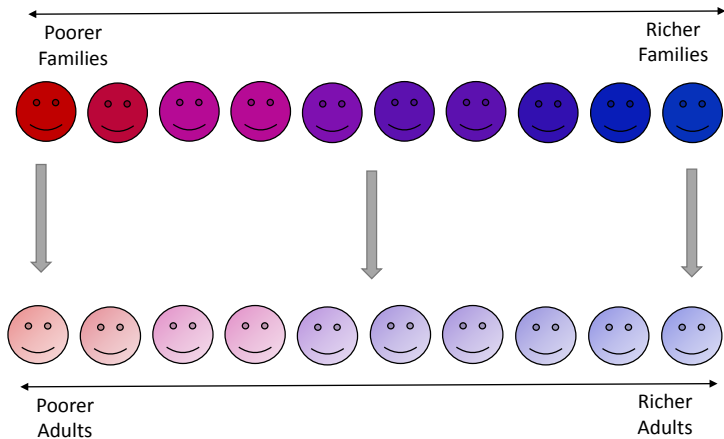
# Relative mobility: Changes in rank

We can rank the children in their own *income distribution*.

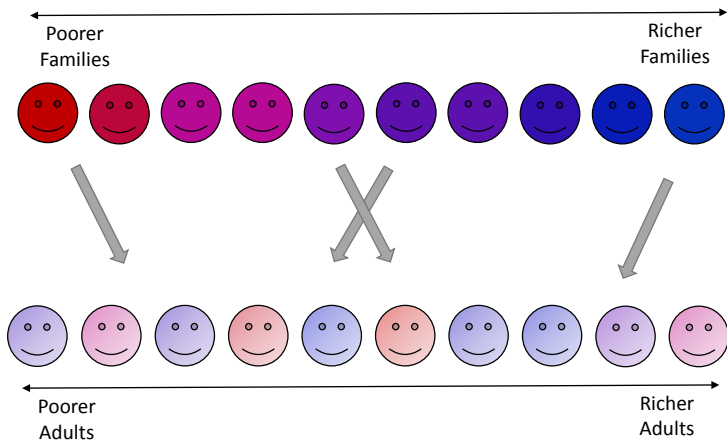
- How does the child's rank compare to her parents' rank?



# No relative mobility



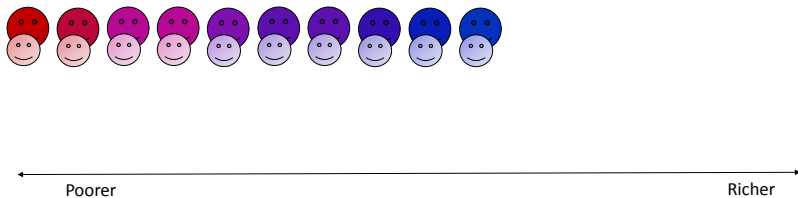
# Lots of relative mobility



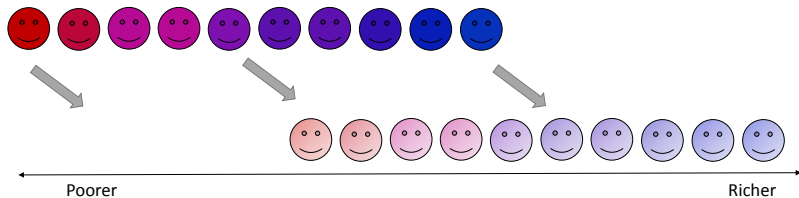


# Absolute mobility: Changes in overall income

- How does the child's income compare to her parents' income?

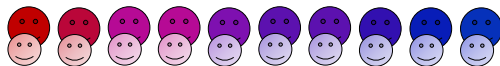


# Absolute mobility

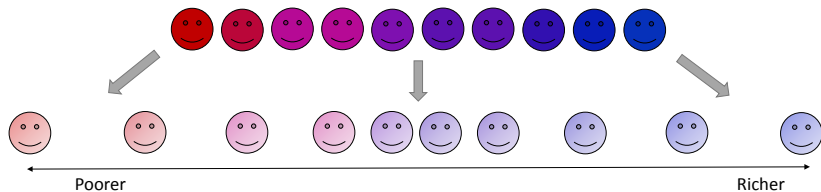


# Income inequality

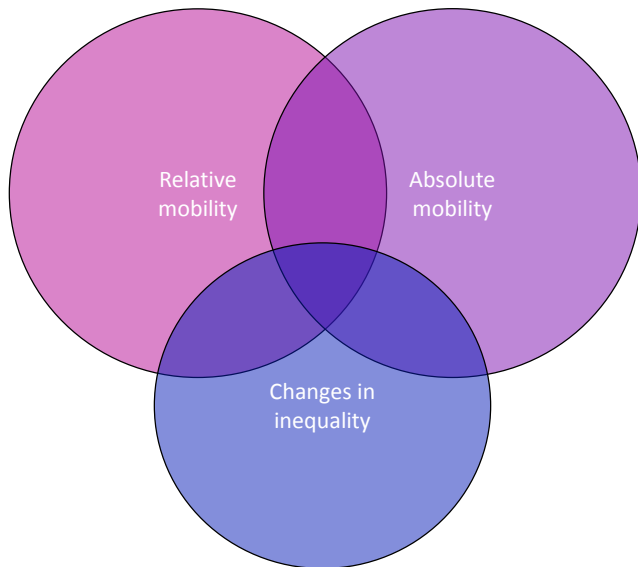
- ▶ How big is the payoff to being rich for the child compared to her parents?



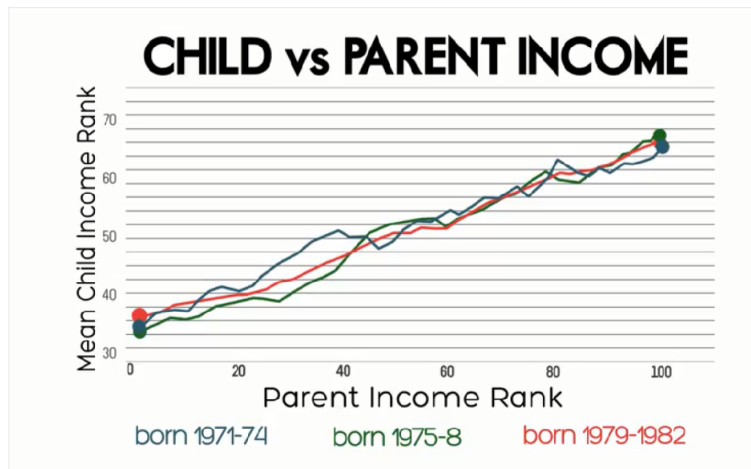
# Increased inequality



# Levers of mobility

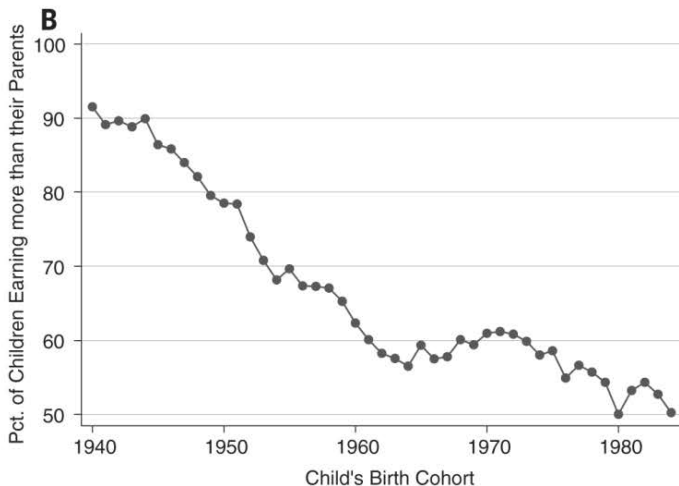


# Trends in relative mobility



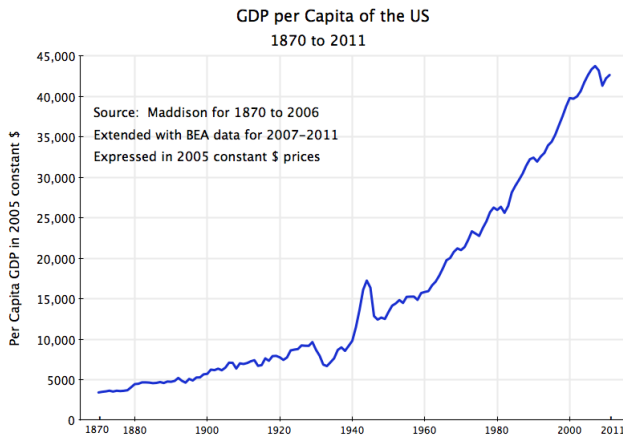
(Chetty et al. 2014. Is the United States Still a Land of Opportunity? Recent Trends in Intergenerational Mobility)

# Trends in absolute mobility



(Chetty et al. 2017. The fading American dream: Trends in absolute income mobility since 1940)

# Trends in growth



(<https://aneconomicssense.org>)



# Trends in income inequality

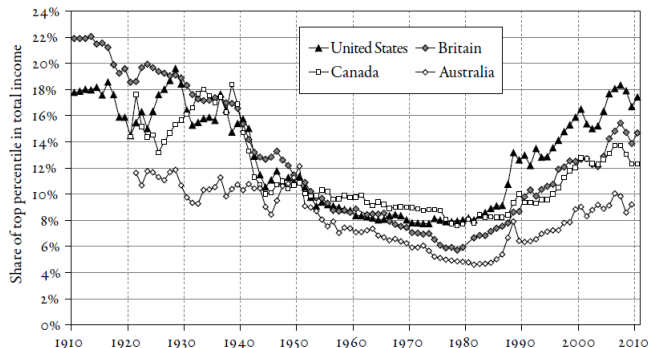


FIGURE 9.2. Income inequality in Anglo-Saxon countries, 1910–2010

The share of top percentile in total income rose since the 1970s in all Anglo-Saxon countries, but with different magnitudes.

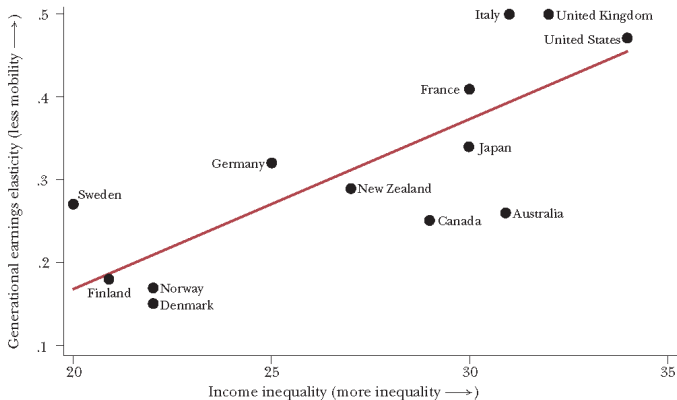
Sources and series: see [piketty.pse.ens.fr/capital21c](http://piketty.pse.ens.fr/capital21c).

(Piketty 2013. Capital in the 21st Century)

# Inequality and relative mobility

Figure 1

**The Great Gatsby Curve: More Inequality is Associated with Less Mobility across the Generations**



Source: Corak (2013) and OECD.

# Inequality and absolute mobility

Figure: People born in 1940

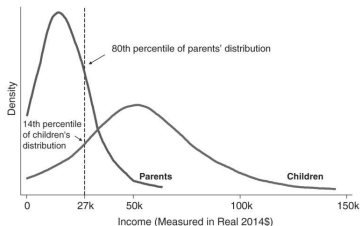
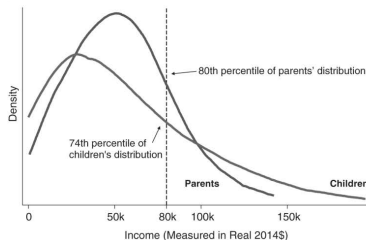
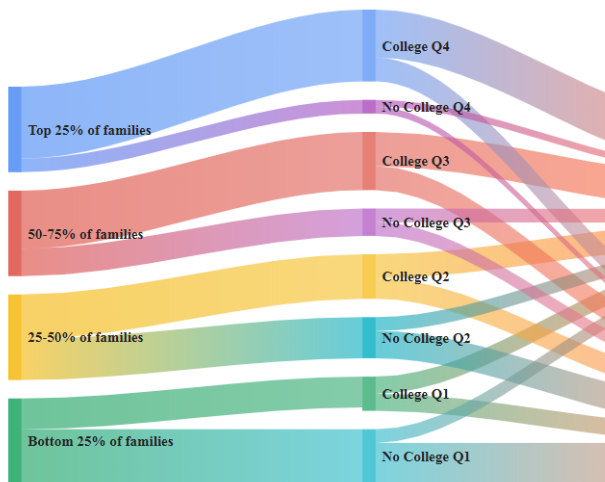


Figure: People born in 1980



(Chetty et al. 2017. The fading American dream: Trends in absolute income mobility since 1940)

# Post-secondary education and relative mobility



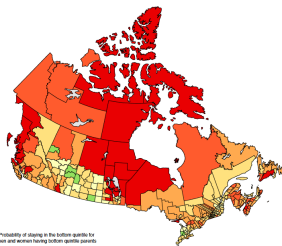
(Source: Author, using data from Chetty et al. and ELS; Bruce McPherson for graph ad-on)

# Thank you!

Comments? Email me at [jones.2846@osu.edu](mailto:jones.2846@osu.edu)

# Relative mobility across places

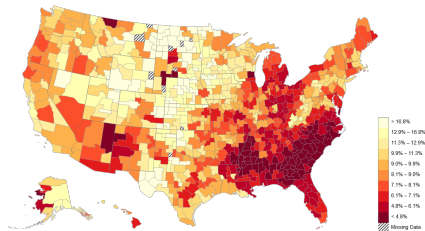
Figure: Canada



Probability of staying in the bottom quintile for men and women having bottom quintile parents

- 0.40 or higher
- 0.30 to 0.40
- 0.20 to 0.30
- 0.10 to 0.20
- less than 0.10

Figure: USA

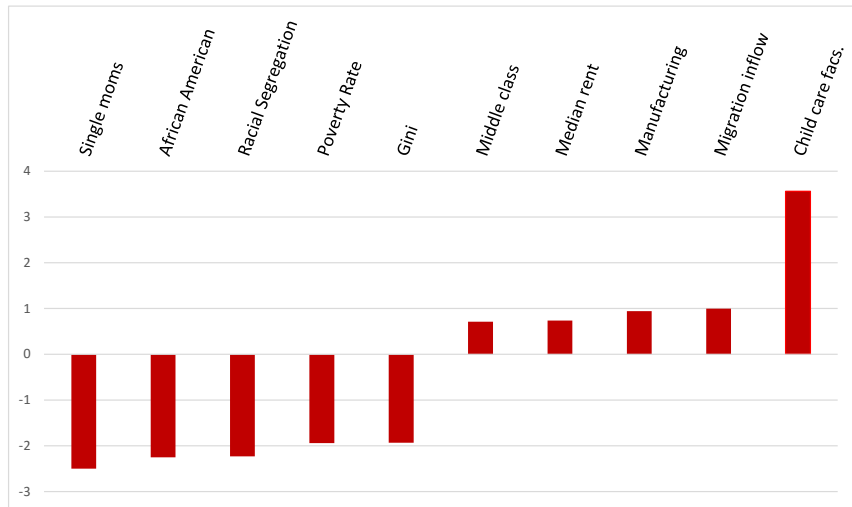


Probability of staying in the bottom quintile for men and women having bottom quintile parents

- > 18.8%
- 12.0% - 18.8%
- 11.0% - 12.0%
- 9.0% - 11.0%
- 8.0% - 9.0%
- 7.1% - 8.0%
- 6.1% - 7.1%
- 4.0% - 6.1%
- < 4.0%
- Missing Data

(Corak 2017. Divided Landscapes of Economic Opportunity: The Canadian Geography of Intergenerational Income Mobility; Chetty et al. 2018. The Impacts of Neighborhoods on Intergenerational Mobility II: County-Level Estimates)

# Characteristics of places with more relative mobility



(Chetty et al. 2018. The Impacts of Neighborhoods on Intergenerational Mobility II: County-Level Estimates; Jones 2018)