WEBINAR CONTROL PANEL

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Asset Funders Network

the only grantmaker membership organization focused on building economic well-being for all.

AssetFunders.org
The Asset Funders Network engages philanthropy to advance economic opportunity and prosperity for low and moderate income people.

AFN members are:

- Private, Public, Corporate, and Community Foundations
- Public-Sector Funders
- Financial Institutions
- Corporate Giving Programs
- Credit Unions
- Community Development Financial Institutions
- United Ways
Seattle Foundation strengthens the health and vitality of our community by connecting generous people with well-informed philanthropic strategies.
Our Goals for this talk today:

- Highlight key findings, such as:
  - How have children’s chances of moving up changed over time?
  - What factors drive racial differences in economic opportunity?
  - How does location matter?
- Increase funder awareness of research and insights from big data on poverty, race, and inequity.
- Provide actionable ideas for philanthropy to further equity based on findings and insights.
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)
Our mission is to develop scalable policy solutions that will empower families throughout the United States to rise out of poverty and achieve better life outcomes.
How Can We Restore the American Dream?

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

Translate results from research to policy action.

Starting point: sharp local differences in rates of upward mobility.
A Precision-Medicine Approach to Improving Opportunity
Using Big Data to Provide Targeted Diagnoses and Advice
A Precision-Medicine Approach to Improving Opportunity
Using Big Data to Provide Targeted Diagnoses and Advice

1. Assessment
   Identify areas where opportunity is lacking

2. Policy Pilots
   Work with local stakeholders on interventions

3. Evaluation
   Evaluate impact and disseminate lessons

Scalable policies to increase mobility
A Precision-Medicine Approach to Improving Opportunity
Using Big Data to Provide Targeted Diagnoses and Advice

- Measure upward mobility across America using anonymized data from Census and tax records covering **20 million children** and their parents

- Assign children to locations where they **grew up** and measure their average incomes at age 35
The Geography of Upward Mobility in the United States
Average Household Income for Children with Parents Earning $27,000 (25th percentile)

Note: Blue = More Upward Mobility, Red = Less Upward Mobility
Source: The Opportunity Atlas. Chetty, Friedman, Hendren, Jones, Porter 2018
Mean Household Income for Children in Los Angeles with Parents Earning $25,000 (25th percentile)

Watts:
Mean Household Income = $23810 (SE = $1750)
Mean Household Income for Black Children in Los Angeles with Parents Earning $25,000 (25th percentile)

Watts, Black Children:
Mean Household Income = $12900
(SE = $1510)
Watts, Black Men:
Mean Indiv. Income = $7670
(SE = $2680)
Mean Individual Income for Black Women in Los Angeles with Parents Earning $25,000 (25th percentile)

Watts, Black Women:
Mean Indiv. Income = $18850 (SE = $2780)
Incarceration Rates for Black Men in Los Angeles with Parents Earning < $1,260 (1st percentile)

Watts, Black Men: Frac. Incarcerated = 44% (SE = 9.6%)
Incarceration Rates for Black Men in Los Angeles with Parents Earning < $1,260 (1st percentile)

Watts, Black Men:  
Frac. Incarcerated = 44%  
(SE = 9.6%)

Compton, Black Men:  
Frac. Incarcerated = 8.2%  
(SE = 6.1%)
Two Americas: The Geography of Upward Mobility For Black vs. White Men
Average Earnings at Age 35 For Men Whose Parents Earned $25,000 (25\textsuperscript{th} percentile)

Note: Green = More Upward Mobility, Red = Less Upward Mobility
Source: Chetty, Hendren, Jones, Porter 2018
Men’s Average Earnings at Age 35 vs. Their Parents’ Incomes, by Race

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:

- **Grew up rich**
  - **Black men**: 852 (26%)
  - **White men**: 1,411 (43%)
- **Rich adult**
  - **Black men**: 705 (22%)
  - **White men**: 741 (23%)
- **Upper-middle-class adult**
  - **Black men**: 646 (20%)
  - **White men**: 488 (15%)
- **Middle-class adult**
  - **Black men**: 541 (17%)
  - **White men**: 298 (9%)
- **Lower-middle-class adult**
- **Poor adult**
  - **Black men**: 554 (17%)
  - **White men**: 254 (8%)

**Source:** Chetty, Hendren, Jones, Porter 2018; New York Times 2018
Women’s Average Earnings at Age 35 vs. Their Parents’ Incomes, by Race

Source: Chetty, Hendren, Jones, Porter 2018
Why Does Mobility Vary Across Neighborhoods?

- Most of the variation in upward mobility is caused by differences in childhood environment.

- Children who move to a high upward mobility area when young earn more as adults.

- But those who move at older ages or in adulthood do not gain.
The Geography of Upward Mobility in Seattle
Average Household Income for Children with Parents Earning $25,000 (25\textsuperscript{th} percentile)
Income Gain from Moving to a Better Neighborhood, by Child’s Age at Move

- Normandy Park
- Central District

Average Income at Age 35

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

Age of Child when Parents Move

2 10 20 28
Income Gain from Moving to a Better Neighborhood, by Child’s Age at Move

- Move at age 2 from Central District to Normandy Park → avg. earnings of $39,000
Income Gain from Moving to a Better Neighborhood, by Child’s Age at Move

The graph shows the average income at age 35 for children, categorized by the age of the child when their parents moved. The income gain from moving to a better neighborhood decreases as the child's age at the time of the move increases. The data points are plotted on a scatter diagram with a trend line that indicates a downward trend from $41K to $26K as the child’s age at the move increases from 2 to 28 years.

The income gain is compared between Normandy Park and Central District, with Normandy Park showing a higher average income gain across all ages compared to Central District.
Income Gain from Moving to a Better Neighborhood, by Child’s Age at Move

Average Income at Age 35

Age of Child when Parents Move

Central District

Normandy Park
Is Affordable Housing in Seattle Maximizing Opportunities for Upward Mobility?

Most Common Current Locations of Families Receiving Housing Vouchers
The Price of Opportunity in Seattle

Upward Mobility versus Median Rent by Neighborhood

Average Incomes of Children with Low-Income Parents ($1000)

Median 2 Bedroom Rent in 2015
The Price of Opportunity in Seattle
Upward Mobility versus Median Rent by Neighborhood

Median 2 Bedroom Rent in 2015

Average Incomes of Children with Low-Income Parents ($1000)
The Price of Opportunity in Seattle
Upward Mobility versus Median Rent by Neighborhood

Opportunity Bargains

Normandy Park

Central District

Median 2 Bedroom Rent in 2015
Creating Moves to Opportunity in Seattle

Randomized trial to help families with vouchers move to “opportunity bargain” areas using three approaches:

• Information
• Landlord recruitment
• Brokerage services
Improving Lower-Opportunity Neighborhoods

- Moving to Opportunity approach has **limits to scalability**
- Ultimately, we need to increase upward mobility **within low-opportunity areas**
- Difficult to identify “recipe for success” in each area
- As a first step, examine **characteristics of areas** with high levels of upward mobility
What are the Features of High-Mobility Neighborhoods?

People
Less poverty, higher employment rates, and higher education rates

Community
More social capital, and more two-parent families in the community

Schools
Higher test scores for children

However... roughly **half** of all variation in outcomes within a city cannot be explained by traditional neighborhood measures
Characteristics of High Upward Mobility Areas

- Less residential segregation
- Larger middle class
- More stable family structure
- Greater social capital
- Higher quality education
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

Cities: New York, Los Angeles, Chicago, Philadelphia, Dallas, Miami, Washington, Houston, Detroit, Boston, Atlanta, San Francisco, Riverside, Seattle, Minneapolis, San Diego, Baltimore, Pittsburgh, Cincinnati, Portland, Kansas City, Sacramento, Charlotte, San Jose, San Antonio, Phoenix, St. Louis, Columbus.
Thank you for attending today's Asset Funders Network presentation

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WE VALUE YOUR TIME, AND YOUR RESPONSES WILL INFORM OUR FUTURE PLANNING
THE WEBINAR HAS CONCLUDED