

Higher Education Gap May Slow Economic Mobility

February 20, 2008

Economic mobility, the chance that children of the poor or middle class will climb up the income ladder, has not changed significantly over the last three decades, a study being released on Wednesday says.

Written by Erik Eckholm, New York Times

Economic mobility, the chance that children of the poor or middle class will climb up the income ladder, has not changed significantly over the last three decades, a study being released on Wednesday says.

The authors of the study, by scholars at the Brookings Institution in Washington and sponsored by the Pew Charitable Trusts, warned that widening gaps in higher education between rich and poor, whites and minorities, could soon lead to a downturn in opportunities for the poorest families.



The researchers found that Hispanic and black Americans were falling behind whites and Asians in earning college degrees, making it harder for them to enter the middle class or higher.

“A growing difference in education levels between income and racial groups, especially in college degrees, implies that mobility will be lower in the future than it is today,” said Ron

Haskins, a former Republican official and welfare expert who wrote the education section of the report.

There is some good news. The study highlights the powerful role that college can have in helping people change their station in life. Someone born into a family in the lowest fifth of earners who graduates from college has a 19 percent chance of joining the highest fifth of earners in adulthood and a 62 percent chance of joining the middle class or better.

In recent years, 11 percent of children from the poorest families have earned college degrees, compared with 53 percent of children from the top fifth.

“The American dream of opportunity is alive, but frayed,” said Isabel Sawhill, another author of the report, “Getting Ahead or Losing Ground: Mobility in America.” The report is at economicmobility.org

“It’s still alive for immigrants but badly tattered for African-Americans,” said Ms. Sawhill, an economist and a budget official in the Clinton administration. “It’s more alive for people in the middle class than for people at the very bottom.”

The report and planned studies constitute the most comprehensive effort to examine intergenerational mobility, said John E. Morton of the Pew Trusts, who is managing the project. It draws heavily on a federally supported survey by the University of Michigan that has followed thousands of families since the late 1960s.

A chapter of the report released last fall found startling evidence that a majority of black children born to middle-class parents grew up to have lower incomes and that nearly half of middle-class black children fell into the bottom fifth in adulthood, compared with 16 percent of middle-class white children.

The Pew-sponsored studies are continuing with the involvement of research organizations and scholars. Another report expected in the spring by the more conservative Heritage Foundation will focus on explanations for the trends described in the current report.

Stuart Butler, vice president for economic studies at the Heritage Foundation, said, “It does seem in America now that for people at very bottom it’s more difficult to move up than we might have thought or might have been true in the past.”

Mr. Butler said experts were likely to disagree about the reasons and, hence, on policies to improve mobility. Conservative scholars are more apt to fault cultural norms and the breakdown of families while liberals put more emphasis on the changing structure of the economy and the need for government to provide safety nets and aid for poor families.

“We may well have an economy that rewards certain traits that are typically passed on from parents to children, the importance of education, optimism, a propensity to work hard, entrepreneurship and so on,” he said.

To the extent that the economy rewards those traits, he added, “you’d expect the incomes of children to track more with that of their parents.”

The small fraction of poor children who earn college degrees are likely to rise well above their parents’ status, the study showed.

More than half the children born to upper-income parents, those in the top fifth, who finish college remain in that top group. Nearly one in four remains in the top fifth even without completing college.

Evidence from model programs shows that early childhood education can have lasting benefits, Mr. Haskins said, although the Head Start program is too uneven to produce widespread gains.

In addition, he said, studies show that many poor but bright children do not receive good advice about applying for college and scholarships, or do not receive help after starting college.

“If we did more to help them complete college,” Mr. Haskins said, “there’s no question it would improve mobility.”