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Harder for Americans to Rise From Lower Rungs

By JASON DePARLE

WASHINGTON — Benjamin Franklin did it. Henry Ford did it. And American life is built on the faith that others can do it, too: rise from humble origins to economic heights. “Movin’ on up,” George Jefferson-style, is not only a sitcom song but a civil religion.

But many researchers have reached a conclusion that turns conventional wisdom on its head: Americans enjoy less economic mobility than their peers in Canada and much of Western Europe. The mobility gap has been widely discussed in academic circles, but a sour season of mass unemployment and street protests has moved the discussion toward center stage.

Former Senator Rick Santorum of Pennsylvania, a Republican candidate for president, [warned](#) this fall that movement “up into the middle income is actually greater, the mobility in Europe, than it is in America.” National Review, a conservative thought leader, [wrote](#) that “most Western European and English-speaking nations have higher rates of mobility.” Even Representative Paul D. Ryan, a Wisconsin Republican who argues that overall mobility remains high, recently wrote that “mobility from the very bottom up” is “where the United States lags behind.”

Liberal commentators have long emphasized class, but the attention on the right is largely new.

“It’s becoming conventional wisdom that the U.S. does not have as much mobility as most other advanced countries,” said Isabel V. Sawhill, an economist at the Brookings Institution. “I don’t think you’ll find too many people who will argue with that.”

One reason for the mobility gap may be the depth of American poverty, which leaves poor children starting especially far behind. Another may be the unusually large premiums that American employers pay for college degrees. Since children generally follow their parents’ educational trajectory, that premium increases the importance of family background and stymies people with less schooling.

At least five large studies in recent years have found the United States to be less mobile than comparable nations. A [project](#) led by Markus Jantti, an economist at a Swedish university, found that 42 percent of American men raised in the bottom fifth of incomes stay there as adults. That shows a level of persistent disadvantage much higher than in Denmark (25 percent) and Britain

(30 percent) — a country famous for its class constraints.

Meanwhile, just 8 percent of American men at the bottom rose to the top fifth. That compares with 12 percent of the British and 14 percent of the Danes.

Despite frequent references to the United States as a classless society, about 62 percent of Americans (male and female) raised in the top fifth of incomes stay in the top two-fifths, according to [research](#) by the Economic Mobility Project of the Pew Charitable Trusts. Similarly, 65 percent born in the bottom fifth stay in the bottom two-fifths.

By emphasizing the influence of family background, the studies not only challenge American identity but speak to the debate about inequality. While liberals often complain that the United States has unusually large income gaps, many conservatives have argued that the system is fair because mobility is especially high, too: everyone can climb the ladder. Now the evidence suggests that America is not only less equal, but also less mobile.

John Bridgeland, a former aide to President George W. Bush who helped start [Opportunity Nation](#), an effort to seek policy solutions, said he was “shocked” by the international comparisons. “Republicans will not feel compelled to talk about [income inequality](#),” Mr. Bridgeland said. “But they will feel a need to talk about a lack of mobility — a lack of access to the American Dream.”

While Europe differs from the United States in culture and demographics, a more telling comparison may be with Canada, a neighbor with significant ethnic diversity. Miles Corak, an economist at the University of Ottawa, found that just 16 percent of Canadian men raised in the bottom tenth of incomes stayed there as adults, compared with 22 percent of Americans. Similarly, 26 percent of American men raised at the top tenth stayed there, but just 18 percent of Canadians.

“Family background plays more of a role in the U.S. than in most comparable countries,” Professor Corak said in an interview.

Skeptics caution that the studies measure “relative mobility” — how likely children are to move from their parents’ place in the income distribution. That is different from asking whether they have more money. Most Americans have higher incomes than their parents because the country has grown richer.

Some conservatives say this measure, called absolute mobility, is a better gauge of opportunity. A [Pew study](#) found that 81 percent of Americans have higher incomes than their parents (after accounting for family size). There is no comparable data on other countries.

Since they require two generations of data, the studies also omit immigrants, whose upward movement has long been considered an American strength. “If America is so poor in economic mobility, maybe someone should tell all these people who still want to come to the U.S.,” said

Stuart M. Butler, an analyst at the Heritage Foundation.

The income compression in rival countries may also make them seem more mobile. Reihan Salam, a writer for The Daily and National Review Online, has calculated that a Danish family can move from the 10th percentile to the 90th percentile with \$45,000 of additional earnings, while an American family would need an additional \$93,000.

Even by measures of relative mobility, Middle America remains fluid. About 36 percent of Americans raised in the middle fifth move up as adults, while 23 percent stay on the same rung and 41 percent move down, according to Pew research. The “stickiness” appears at the top and bottom, as affluent families transmit their advantages and poor families stay trapped.

While Americans have boasted of casting off class since Poor Richard’s Almanac, until recently there has been little data.

Pioneering work in the early 1980s by Gary S. Becker, a Nobel laureate in economics, found only a mild relationship between fathers’ earnings and those of their sons. But when better data became available a decade later, another prominent economist, Gary Solon, found the bond twice as strong. Most researchers now estimate the “elasticity” of father-son earnings at 0.5, which means that for every 1 percent increase in a father’s income, his sons’ income can be expected to increase by about 0.5 percent.

In 2006 Professor Corak [reviewed](#) more than 50 studies of nine countries. He ranked Canada, Norway, Finland and Denmark as the most mobile, with the United States and Britain roughly tied at the other extreme. Sweden, Germany, and France were scattered across the middle.

The causes of America’s mobility problem are a topic of dispute — starting with the debates over poverty. The United States maintains a thinner safety net than other rich countries, leaving more children vulnerable to debilitating hardships.

Poor Americans are also more likely than foreign peers to grow up with single mothers. That places them at an elevated risk of experiencing poverty and related problems, a point frequently made by Mr. Santorum, who surged into contention in the Iowa caucuses. The United States also has uniquely high incarceration rates, and a longer history of racial stratification than its peers.

“The bottom fifth in the U.S. looks very different from the bottom fifth in other countries,” said Scott Winship, a researcher at the Brookings Institution, who wrote the [article](#) for National Review. “Poor Americans have to work their way up from a lower floor.”

A second distinguishing American trait is the pay tilt toward educated workers. While in theory that could help poor children rise — good learners can become high earners — more often it favors the children of the educated and affluent, who have access to better schools and arrive in them

more prepared to learn.

“Upper-income families can invest more in their children’s education and they may have a better understanding of what it takes to get a good education,” said Eric Wanner, president of the Russell Sage Foundation, which gives grants to social scientists.

The United States is also less unionized than many of its peers, which may lower wages among the least skilled, and has public health problems, like obesity and diabetes, which can limit education and employment.

Perhaps another brake on American mobility is the sheer magnitude of the gaps between rich and the rest — the theme of the Occupy Wall Street protests, which emphasize the power of the privileged to protect their interests. Countries with less equality generally have less mobility.

Mr. Salam recently [wrote](#) that relative mobility “is overrated as a social policy goal” compared with raising incomes across the board. Parents naturally try to help their children, and a completely mobile society would mean complete insecurity: anyone could tumble any time.

But he finds the stagnation at the bottom alarming and warns that it will worsen. Most of the studies end with people born before 1970, while wage gaps, single motherhood and incarceration increased later. Until more recent data arrives, he said, “we don’t know the half of it.”

This article has been revised to reflect the following correction:

Correction: January 13, 2012

An article on Jan. 5 about the difficulty Americans face in rising through the economic ranks described incorrectly the concept of intergenerational income elasticity, used by economists to examine the persistence of income inequality across generations. When economists estimate the elasticity of father-son income to be 0.5, it means that for every 1 percent increase in a father’s income, his sons’ income can be expected to increase by about 0.5 percent. It does not mean that if one man earns \$100,000 more than another, his sons would earn \$50,000 more on average than the sons of the poorer man.