Sustaining Opportunity in Salt Lake City New Insights from Big Data

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Raj Chetty Harvard University Utah System of Higher Education Board | March 2025



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#### **The Fading American Dream**

Percent of Children Earning More than Their Parents, by Year of Birth





# The Geography of Upward Mobility in the United States

Average Household Income at Age 35 for Children Born in 1978 whose Parents Earned \$27K (25th percentile)



Source: Chetty, Hendren, Kline, Saez (QJE 2014)



### The Geography of Upward Mobility in Salt Lake City

Average Income at Age 35 for Children Born in 1978 whose Parents Earned \$27,000 (25th percentile)



Source: Chetty, Friedman, Hendren, Jones, Porter (NBER wp 2018)



# **Changes in Opportunity for White Americans**

White Children with Low-Income Parents

**Born in 1978** Born in 1992

> Household Income Percentile at Age 27 for Children with Parents at 25th Percentile





# **Changes in Opportunity for Black Americans**

Black Children with Low-Income Parents



Household Income Percentile at Age 27 for Children with Parents at 25th Percentile \$18.8k \$21.2k \$25.6k



# The Geography of Upward Mobility in the United States

Average Household Income at Age 27 for Children born in 1992 whose Parents Earned \$27K







#### **Changes in Mobility for Black vs. White Children with Low-Income Parents**



Change in Avg. Household Income for White Children from Low-Income Families

### Trends in Economic Mobility by Group in Salt Lake County

Change in Children's Income in Adulthood born to Low-Income Parents, 1978 vs. 1992 Birth Cohorts



Source: Opportunity Atlas, Opportunity Insights and the US Census Bureau



# **Determinants of Economic Mobility**



## The Geography of Upward Mobility in Salt Lake City

Average Income at Age 35 for Children Born in 1978 whose Parents Earned \$27,000 (25th percentile)



Source: Chetty, Friedman, Hendren, Jones, Porter (NBER wp 2018)



By Child's Age at Move



By Child's Age at Move



By Child's Age at Move





By Child's Age at Move





#### **Characteristics of High-Mobility Neighborhoods**









Lower Poverty Rates More Stable Family Structure Better School Quality Greater Social Capital



#### **Economic Opportunity and Social Capital**



Economic Connectedness Based on Facebook Data



Average Household Income at Age 35 for Children whose Parents Earned \$27k Share of Above-Median-Income Friends among Below-Median-Income People



# **Economic Opportunity and Social Capital**

Salt Lake City

#### Upward Mobility Based on Tax Records



Average Household Income at Age 35 for Children whose Parents Earned \$27k

#### Economic Connectedness Based on Facebook Data



Share of Above-Median-Income Friends among Below-Median-Income People



#### **Determinants of Economic Connectedness**





#### **Determinants of Economic Connectedness**

50% Exposure

Segregation by income



#### 50% Friending Bias

Interaction conditional on exposure

Every time I walked across Eutaw Street, I witnessed the exchange of realities. As I grew older, I've come to learn that this was how Baltimore works.

Millionaires could live on one side of a street, and the projects could be on the other side.

Those two worlds would never cross, never make friends, never acknowledge each other. Everybody was OK with it, especially the rich.

- Carmelo Anthony Where Tomorrows Aren't Promised (2021)

#### Changes in Economic Mobility vs. Changes in Parent Employment Rates By County, Race, and Class



Change in County-Level Parent Employment Rate (1978-1992 Cohorts)

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Change in County-Level Parent Employment Rate (1978-1992 Cohorts)

#### **Changes in Economic Mobility vs. Changes in Parent Employment Rates**

By County, Race, and Class for Children whose Own Parents Remain Employed



Change in County-Level Parent Employment Rate (1978-1992 Cohorts)



# Policy Interventions to Increase Economic Mobility



### **Three Policy Approaches to Increasing Upward Mobility**





### **Three Policy Approaches to Increasing Upward Mobility**





A Big Data Approach to Studying Colleges' Contribution to Mobility



Data on Nearly all College Students in Entering Classes of 1999-2015



# The Contribution of Colleges to Economic Mobility





# The Contribution of Colleges to Economic Mobility in Utah





# The Contribution of Colleges to Economic Mobility in Utah





# The Contribution of Colleges to Economic Mobility in Utah





#### Percent of SAT test takers who scored 1200 or higher, by income group



Parent Income Percentile



### **Attendance Rates by Parental Income, Entering Classes of 2011-15**

For Children with Test Scores Comparable to Current Student Body





### **Attendance Rates by Parental Income, Entering Classes of 2011-15**

For Children with Test Scores Comparable to Current Student Body





# **Application Rates by Parental Income, Entering Classes of 2011-15**

For Children with Test Scores Comparable to Current Student Body




#### Attendance Rates <u>Among Applicants</u> by Parental Income

For Children with Test Scores Comparable to Current Student Body





## The Contribution of Colleges to Economic Mobility in Utah

Upward Mobility vs. Low-Income Access



## The Contribution of Colleges to Economic Mobility in Utah

Upward Mobility vs. Low-Income Access





## Impact of First Job on Long-Term Earnings Potential

Average income 15-years into career for veterans whose first job type was assigned by the army





# Learn new skills to launch your career.

Year Up's job training program is tuition free, and offers access to today's best companies and a proven path to career success.

Zip Code

FIND TRAINING

#### Our approach

Three steps to a new job





The Learning & Development phase of our program provides you with skills based training from expert 2 Intern

Put the skills you learned into practice! We'll match you to a hands-on internship at a top 3 Land a job



80% of alumni are employed and/or enrolled in college within 4 months of graduation. Our support staff will

**Y**yearup

Evidence from PACE Randomized Trial in 2014





Evidence from PACE Randomized Trial in 2014





Evidence from PACE Randomized Trial in 2014





Evidence from PACE Randomized Trial in 2014 vs. Observational Matching Estimate





Matching vs. Randomized Trial Estimates





## **Effects of Workforce Training Programs on Earnings**

Matching vs. Randomized Trial Estimates for Programs Implemented in 13 Cities



### **Effects of Workforce Training Programs on Earnings**

Matching vs. Randomized Trial Estimates



### **Effects of Workforce Training Programs on Earnings**

Matching vs. Randomized Trial Estimates





Root Mean Squared Error of Observational Estimates Relative to Experimental Estimates Across 13 Programs



Root Mean Squared Error of Observational Estimates Relative to Experimental Estimates Across 13 Programs



Root Mean Squared Error of Observational Estimates Relative to Experimental Estimates Across 13 Programs



Root Mean Squared Error of Observational Estimates Relative to Experimental Estimates Across 13 Programs



## Impacts of Year Up on Earnings, by Year of Enrollment

Mean Impacts, Averaging Across All Sites





#### Impacts of Year Up on Earnings, by Site and Year of Enrollment





## Impacts of CUNY's Accelerated Study in Associate Programs (ASAP)

Evidence from Randomized Trial on Rates of Degree Completion





### Impact of Intensive Advising on 4-Year College Attainment



#### **Bottom Line Advising**

Intensive access and success advising by counselors in high school and college



#### Impacts

Randomized trial with 2,500 students in Boston, NYC, and Worcester

13% 1 in college enrollment

23% 1 in BA attainment 4 years after high school



#### **Economic Opportunity and Social Capital**



Average Household Income at Age 35 for Children whose Parents Earned \$27k Economic Connectedness Based on Facebook Data



Share of Above-Median-Income Friends among Below-Median-Income People



# The Contribution of Colleges' Social Capital to Economic Mobility

Upward Mobility vs. Economic Connectedness in Utah



Source: Chetty, Friedman, Saez, Turner, Yagan (2020); Chetty, Jackson, Kuchler, Stroebel et al. (Nature 2022)

## An Evidence-Based Path Forward to Increasing Social Mobility



Open question: What interventions are most effective in creating **social capital** to increase student success **on scale**?



**Evaluate** your interventions using **short-term proxies** for later success

- Quality of first job based on historical trajectory of those who had that job, not just earnings out of college
- Students' social network and contacts in college

**Link data** on interventions to tax records and other datasets to build knowledge in the field









## Housing Policy at the Local and Federal Levels

Expanding families' access to high opportunity neighborhoods



#### **Creating Moves to Opportunity 9** *Seattle, WA*

CMTO, a pilot program in Seattle, tested strategies to help families with housing choice vouchers move to high-opportunity neighborhoods.

*<u>A Better Address Can Change a Child's Future</u>* 

- **n p r**In Seattle, A Move Across Town Could Be A Path Out Of<br/>Poverty
- *Vox* <u>Seattle may have figured out how to get more poor people</u> <u>into better housing</u>



U.S. Department of Housing and Urban Development

HUD launches \$75M Community Choice Demonstration project in CA, LA, MN, NY, OH, PA, and TN to replicate the Seattle CMTO approach.



U.S. Congress

Bipartisan bill, Family Stability & Opportunity Vouchers Act, would add 250K vouchers (\$5B/yr) to increase stability and geographic choice for families.





### **Higher Education Policies**

Shifting policies in college rankings, standardized testing, and admissions

<b>College Rankings</b> Some Colleges Have More Students From the Top 1 Percent Than the Bottom 60. Find Yours.	<ul> <li>U.S. News updates college rankings to include emphasis on social mobility</li> </ul>
ເພາະ Standardized Testing Standardized Testing The Misguided War on the SAT Test scores can be particularly helpful in identifying lower-income students who will thrive.	<ul> <li>Callech</li> <li>Callech</li> <li>Callech</li> <li>Callech</li> <li>Callech</li> <li>Yale</li> <li>Top colleges reinstate standardized test requirements for admissions</li> </ul>
تhe New York Times       Admissions Policies         Behind the Scenes of College Admissions         Plenty of students from modest backgrounds are qualified to attend elite colleges and would benefit from doing so.	Yale → Yale College uses place-based data from Opportunity Atlas in admissions review
ForbesHow The Admission Practices Of Elite CollegesPerpetuate The Advantages Of The Wealthy	<ul> <li>States pass laws banning legacy and donor preferences in admissions</li> </ul>



### **Higher Education Policies**

Shifting policies in college rankings, standardized testing, and admissions



## **Place-Focused Investments to Improve Opportunity**

Charlotte, North Carolina

# The Charlotte Observer

#### Land of Opportunity? Not by a long shot.

"When the headline broke about the Harvard University/UC Berkeley study that ranked Charlotte-Mecklenburg 50th out of 50 in upward mobility for children born into our lowest income quintile, many in our community responded with disbelief. How, on the one hand, can we be such a vital and opportunity-rich community, and on the other, be ranked dead last in the odds that our lowest income children and youth will be able to move up the economic ladder as they become adults?"

#### **YCAPUD** BANK OF AMERICA 🌮

#### **PARTNERSHIP IN ACTION**

\$160M corporate investment in local workforce development

#### **CITY** of **CHARLOTTE**

Mayor's initiative raises \$250M to boost opportunity in Charlotte

#### Leading on Opportunity

A local data tool developed to monitor opportunity indicators for >100 area nonprofits

## Using Data Science to Improve Economic Opportunity Across America

Communities Where Opportunity Insights Worked with Local Stakeholders in 2024





### **Takeaways for Increasing Opportunity Going Forward**







From Jasmine, 7 years old, whose family moved to a high-opportunity area in Seattle in the Creating Moves to Opportunity study



Research studies and summaries www.opportunityinsights.org



Explore your community's data Opportunity Atlas: <u>www.opportunityatlas.org</u> Social Capital Atlas: <u>www.socialcapital.org</u>



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#### Patent Rates vs. Parent Income







## **Entrepreneurship Rates by Parental Income**

Share of Individuals who Found High-Revenue, High-Employment Businesses



**Source:** Chetty, Dossi, Smith, van Reenen, Zidar, Zwick (forthcoming 2025)

#### **Lost Einsteins**



 $4\mathbf{x}$ 

If women, minorities, and children from low-income families invent at the same rate as high-income white men, the innovation rate in America would quadruple



#### Persistence of Poverty Across Generations Has Changed Substantially

Fraction of Children with Parents in Bottom Fifth who Remain in Bottom Fifth as Adults




## But Chances of Reaching the Top Fifth Have Not Changed Much

Fraction of Children with Parents in Bottom Fifth who Rise to Top Fifth in Adulthood



