

Selected Research on The Opportunity Gap: Social/Income Mobility in the United States

(prepared by staff of the [Government Innovators Network](#), November 2005)

- **Americans still believe in “rags to riches” stories.** Perhaps one good indicator that (young) people still believe in the American Dream is the popularity of shows such as *American Idol* and *The Apprentice*, in which success depends solely on talent and determination. These two shows have been the most successful shows on television in recent years. ([“Middle of the class,” *The Economist*, 15 July 2005](#))
- **Most Americans still believe that social mobility is possible.** A recent poll by *The New York Times* found that 40 percent of Americans believed that the chance of moving up from one class to another had risen over the last 30 years. Thirty-five percent said it had not changed, and only 23 percent said it had actually dropped. New research shows that this may not actually be the case. (Scott and Leonhardt, “Class in America: Shadowy Lines That Still Divide,” *The New York Times*, 15 May 2005)
- **Income mobility has declined, slightly but consistently, over the past three decades.** In the 1970s, about 36 percent of families ended the decade in the same quintile, or income bracket, in which they began. In the 1980s, this figure was up to 37 percent; and in the 1990s, 40 percent of families were in the same quintile in which they began. And for those families in the poorest quintile, 53 percent remained at that level throughout the 1990s. ([Bradbury and Katz, “Are Lifetime Incomes Growing More Unequal? Looking at New Evidence on Family Income Mobility,” *Federal Reserve Bank of Boston*, 2002](#))
- **A significant percentage of Americans may be trapped in dead-end jobs.** About 34 million workers—or nearly a quarter of the labor force—may be trapped in low-wage, often dead-end jobs according to new book entitled *Low-Wage America: How Employers Are Reshaping Opportunity in the Workplace*. ([“Commentary: Waking Up From The American Dream,” *Business Week*, 1 Dec 2003](#))
- **Despite robust economic growth during the past few years, the poverty rate has increased.** According to a Census report issued in August 2005, the poverty rate climbed to 12.7 percent in 2004, up from 12.5 percent in 2003—the fourth year in a row, in fact, that poverty has risen (beginning at 11.3 percent in 2000). The percentage of whites in poverty rose from 8.2 percent in 2003 to 8.6 percent in 2004. African Americans and Hispanics, the groups with the highest poverty rates, 24.7 percent and 21.9 percent respectively, saw no change in the last two years. Asian Americans, on the other hand, saw poverty levels decrease by two percentage points, to 9.8 percent. ([DeNavas, Proctor and Lee, “Income, Poverty, and Health Insurance Coverage in the United States: 2004,” US Census Bureau, Aug 2005](#))
- **Despite robust economic growth during the past few years, median incomes have not improved.** Median household income in 2004 was \$44,389, down from \$44,482 in 2003, according to the most recent Census data. While median incomes were generally unchanged across racial/ethnic lines from 2003 to 2004, there were some regional differences. The Midwestern states actually saw a 2.8 percent decline in real median incomes, \$45,934 to \$44,657. The Midwest also saw the largest increase in poverty—a “double whammy” if you will. ([DeNavas, Proctor and Lee, “Income, Poverty, and Health Insurance Coverage in the United States: 2004,” US Census Bureau, Aug 2005](#))
- **The cost of a higher education at Ivy League universities is increasingly out of reach for middle and low-income families.** According to one study, the median income of families with children at Harvard is \$150,000. And between 1976 and 1995, students from the richest quarter of the population increased their share at America's elite universities from 39 percent to 50 percent. ([“Middle of the class,” *The Economist*, 15 July 2005](#))