

Does America Promote Mobility As Well As Other Nations?

Background

In the Economic Mobility Project's latest public opinion poll, nearly 7 in 10 Americans said they had already achieved, or expected to achieve, the American Dream at some point in their lives.¹ The promise of upward mobility, regardless of one's starting point, sustains American optimism even in the face of national economic hardship.

However, several studies investigating economic mobility across a range of countries have found that Americans are less mobile than many of their European counterparts.² Comparing rates of relative mobility across countries—a measure of how likely a child's rank on the income distribution will mirror that of his or her parents'—shows that Americans are more likely than citizens of several other nations to be stuck in the same position economically as their parents.³

In an effort to better understand how Americans' mobility outcomes compare with those of their counterparts in other nations, the

Pew Economic Mobility Project partnered with the Russell Sage Foundation and the Sutton Trust to commission a multi-country study on economic mobility, *Cross-National Research on Intergenerational Transmission of Advantage* (CRITA). As part of this initiative, researchers in 10 countries investigated how socioeconomic advantage, as measured by parents' education, is transmitted over the course of one's life.⁴

Sixteen studies looked at relationships between family background and children's outcomes related to mobility—such as their educational attainment, economic status, and health—at various ages. This approach allows for comparisons across studies of current generations of children, shedding light on how mobility may be influenced in different ways over the life course and in different countries.

Below are select key findings from the CRITA initiative. A forthcoming book, *From Parents to Children: The Intergenerational Transmission of Advantage*, published by the Russell Sage

¹ Pew Economic Mobility Project. 2011. "Economic Mobility and the American Dream: Where Do We Stand in the Wake of the Great Recession?" Washington, DC: The Pew Charitable Trusts. <http://www.economicmobility.org/poll2011>.

² Julia Isaacs. 2008. "International Comparisons of Economic Mobility," in *Getting Ahead or Losing Ground: Economic Mobility in America*. Washington, DC: Pew Economic Mobility Project, The Pew Charitable Trusts. http://www.economicmobility.org/reports_and_research/mobility_in_america?id=0005.

³ The Economic Mobility Project is currently working with the Sutton Trust on a separate report to analyze cross-national absolute mobility—a measure of how the United States compares to other countries in promoting absolute income growth across generations. For more information about this report and the timing of the release, please contact Samantha Lasky at slasky@pewtrusts.org.

⁴ Study authors decided to use parents' education as a measure of socio-economic status because it is highly correlated with income and is comparable for all the countries investigated.

Foundation, will include a complete analysis of the studies, covering topics such as cross-country differences in the impact of parental advantage, disparities in mobility outcomes by age, and potential policy interventions.

Key Findings

In the United States, there is a stronger link between parental education and children’s economic, educational, and socio-emotional outcomes than in any other country investigated.

In all countries, parental education predicts a range of childhood outcomes across the life course, but the degree varies across countries. The connection between parents’ education and

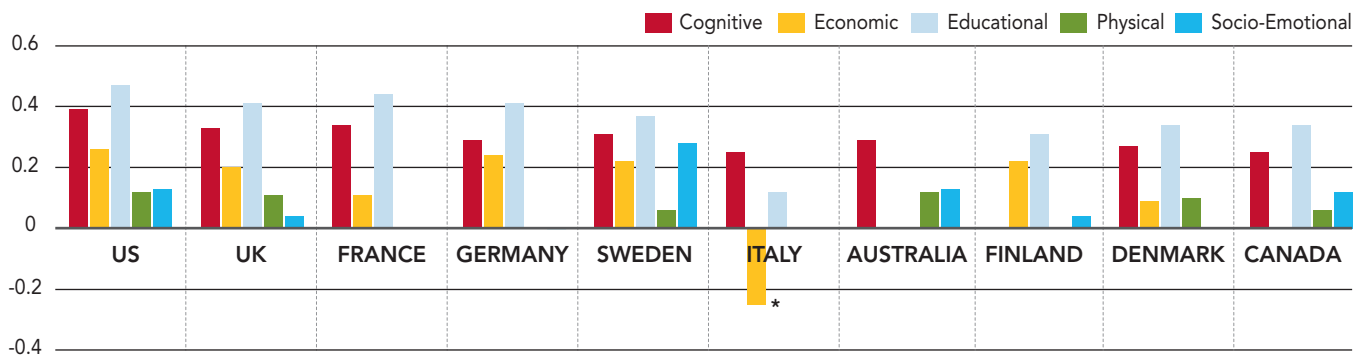
children’s outcomes is generally the strongest in the United States for all categories measured.

Figure 1 synthesizes the findings from all studies in the book and shows the strength of the average relationship between parental education and child outcomes for each measure investigated by country: cognitive, economic, educational, physical, and socio-emotional. The positive relationships demonstrate that more parental education, which also likely leads to higher family income, is associated with better child outcomes. The figure shows that the United States has the strongest correlation between parental education and children’s outcomes compared to the other countries studied.

Figure 1

Children’s Outcomes on a Range of Measures are Related to their Parents’ Education

The higher the bar above the x-axis, the stronger the relationship between parental education and children’s mobility-related outcomes



NOTES: Examples of measurements include: Cognitive – IQ and other test scores; Economic – income and labor market position; Educational – grades and final attainment; Physical – health and birth weight; Socio-emotional – mental health and childhood behavior. Data limitations prevented researchers from investigating all five measures in each country studied, as reflected in the variation in number of outcome measures reported by country.

* Italy is an outlier with the only negative point estimate for the economic domain. This is driven by the timing of the labor market measurements (when children are in their early twenties) when children with high-educated parents are more likely to be in higher education themselves and residing with their parents rather than in the workforce.

SOURCE: Figure created with data from Chapter 2 in *From Parents to Children: The Intergenerational Transmission of Advantage*, forthcoming from Russell Sage Foundation Publications.

Family background begins affecting children early in life.

CRITA found that across countries, disparities in children's outcomes by family background occur as early as they can first be measured. They exist for both cognitive and socio-emotional outcomes and usually are larger for the former. According to CRITA researchers, in no country investigated did children from high and low socioeconomic backgrounds start out equally prepared for schooling, in terms of cognitive abilities and social behavior.

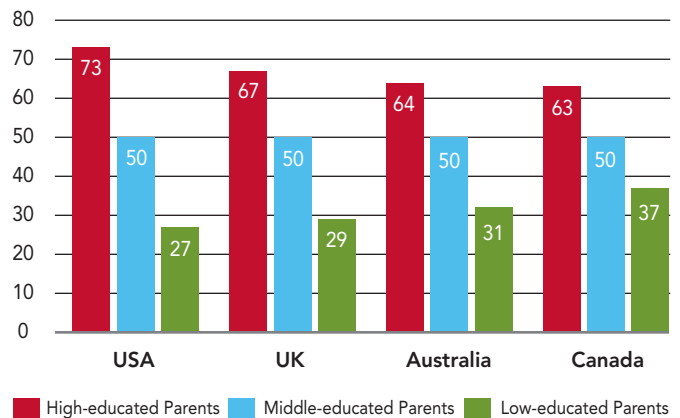
Figure 2 focuses on the English-speaking countries to show differences in average vocabulary scores by parents' education at age five. In the United States, children with high-educated parents scored in the 73rd percentile on average, compared with children who have low-educated parents and tended to score in the 27th percentile. The gap between the least and most advantaged is significantly larger in the United States than in each of the other countries.

Preschool exposure can have lasting positive effects on educational and economic disparities by family background, especially for low- and middle-income children.

In France and Denmark, two of the countries profiled in CRITA case studies, universal preschool programs were found to partially close the gaps in school achievement and subsequent wages.⁵

Figure 2

Average Child Percentile Rank on Vocabulary Tests, by Parental Education



NOTE: Scores were standardized so that comparisons could be made across countries where children with middle-educated parents were considered to be average. The scores were then converted from standard deviation differences to percentiles using a z table. The gap in children's percentile scores between those with high- and low-educated parents is statistically significantly larger in the United States than in each of the other countries, and it is statistically significantly smaller in Canada than in the UK.

SOURCE: The Economic Mobility Project analysis of data from Chapter 4 in *From Parents to Children: The Intergenerational Transmission of Advantage*, forthcoming from Russell Sage Foundation Publications.

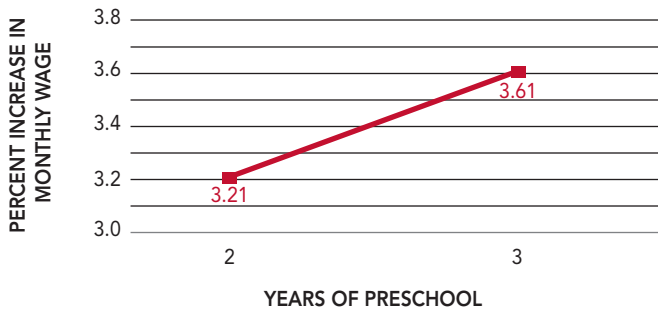
The French case study assessed preschool's impact on children's subsequent educational and economic outcomes, focusing on the increase in preschool enrollment that occurred between the 1960s and 1980s. Figure 3 shows that positive benefits from early childhood education can last into adulthood: having attended preschool for two and three years, rather than one year, increased participants' monthly wages by 3.2 percent and 3.6 percent respectively.

⁵ The Pew Charitable Trusts has long advocated for high-quality, voluntary pre-kindergarten for all in the United States. See <http://www.preknow.org/> for more information.

Figure 3

Preschool Attendance in Childhood Increases Adults' Monthly Wages

Effects among French adults born between 1950 and 1973



SOURCE: Figure created with data from Chapter 7 in *From Parents to Children: The Intergenerational Transmission of Advantage*, forthcoming from Russell Sage Foundation Publications.

Disparities in early child outcomes persist into adolescence.

The evidence demonstrates that average differences in measurable child outcomes early in life continue up to university age and likely beyond.

Figure 4 compares either school achievement or cognitive test scores of adolescents born to parents with different levels of education.⁶ In the United States, adolescents with high-educated parents have an achievement advantage of 48 percentage points (the blue bar) compared to those with mid-educated parents, and those with low-educated parents have an achievement disadvantage of 37 percentage points (the red bar). The combined magnitude of the red and blue bars represents the total achievement gap between adolescents with high- and low-educated parents; in the United States, 85 percentage points.

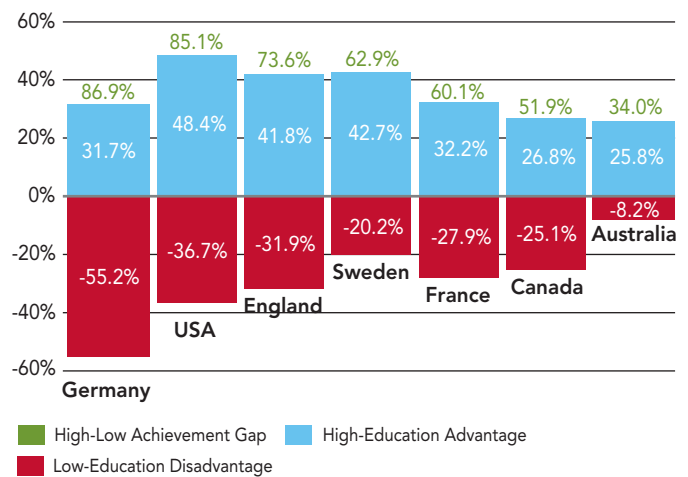
⁶ Achievement is defined as the difference between the percentage of children in the top quartile of school or test score results and the percentage in the bottom quartile. The gap in achievement is the difference between children of parents with high or low education relative to those with mid-educated parents. High education is defined as some postsecondary education. Middle education is defined as the standard level of education expected in a country. Ages of measurement and cohorts vary by country.

The figure shows that Canada and Australia have the smallest disparities between adolescents with high- and low-educated parents, and Germany and the United States have the largest. An adolescent's advantage from having high-educated parents is largest in the United States, England, and Sweden (the higher the blue bar, the greater the advantage). An adolescent's disadvantage from having low-educated parents is largest in Germany, the United States, and England (the lower the red bar, the greater the disadvantage).

Figure 4

Adolescent Disparities in Academic Achievement by Parents' Education

The combined magnitude of the red and blue bars represents the total achievement gap between adolescents with high- and low-educated parents



NOTE: Achievement is defined as the difference between the percentage of children in the top quartile of school or test score results and the percentage in the bottom quartile. The gap in achievement is the difference between children of parents with high or low education relative to those with mid-educated parents.

SOURCE: Figure created with data from multiple chapters, as summarized in Chapter 19 in *From Parents to Children: The Intergenerational Transmission of Advantage* (working title), forthcoming from Russell Sage Foundation Publications.

Across countries, policies and institutions do influence mobility.

Differences in mobility-relevant children's outcomes according to family background are established at very early ages—as early as outcomes can be measured. Policies and institutions influence the magnitude of these initial gaps, since the *strength* of the relationship between family background and children's outcomes differs by country. However, within each country, once gaps were set, they did not decrease as children aged. The CRITA studies demonstrate the need to develop more effective policies to narrow socioeconomic gaps and better realize the equality of opportunity that is so fundamental to economic mobility—especially in the United States, where the relationship between parental socioeconomic

advantage and child outcomes is the strongest (see Figure 1).

Read the Full Results

Complete results from all 16 studies will be published by the Russell Sage Foundation in Spring 2012 in the volume *From Parents to Children: The Intergenerational Transmission of Advantage*. As is standard practice for Russell Sage Foundation publications, the book underwent a blind peer review process. The book is edited by Professors John Ermisch of the University of Essex, Markus Jäntti of Stockholm University, and Timothy Smeeding of the University of Wisconsin – Madison. For more information about the Russell Sage Foundation, visit <http://www.russellsage.org/>.

By forging a broad and nonpartisan agreement on the facts, figures and trends related to mobility, the Economic Mobility Project is generating an active policy debate about how best to improve economic opportunity in the United States and to ensure that the American Dream is kept alive for generations that follow. For more information, visit www.economicmobility.org.