

Introduction to Social and Economic Mobility

Deirdre Bloome
Harvard University

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What are we here to talk about? What is mobility?

Example: Do affluent children typically become affluent adults, while poor children become poor adults?

→ If so, mobility is **low**

→ If not, mobility is **high**



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Definition: Social and economic mobility capture the distance people move between their positions in an origin resource distribution and a destination resource distribution, to help us understand society's openness

Why care?



Consider the consequences for individuals and society

Understanding mobility

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Resource distributions

Markers of social and economic (dis)advantage

- ▶ Education
- ▶ Earnings
- ▶ Occupation
- ▶ Income
- ▶ Wealth

Warning: These markers are *not* interchangeable. Different ones generate different mobility rankings across countries and demographic groups, and different mobility trends over time

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Origins and destinations

Mobility captures people's movement between positions in **origin** and **destination** distributions



- ▶ For **intragenerational** mobility
 - ▶ **Origin** = early-career position (young adulthood)
 - ▶ **Destination** = later-career position (older adulthood)
- ▶ For **intergenerational** mobility
 - ▶ **Origin** = parents' position (childhood)
 - ▶ **Destination** = offspring's position (adulthood)

Warning: These two types of mobility are connected, but data demands are particularly high for intergenerational studies

Mobility captures change

Mobility describes moves between the rungs of the resource ladder

[Def: the connection between individuals' resources across different parts of their lifetimes and across generations]

In contrast:

Inequality describes the length of the resource ladder

[Def: the distribution of resources across individuals]

Poverty describes positions toward the bottom of the ladder

[Def: resources below a specified level]

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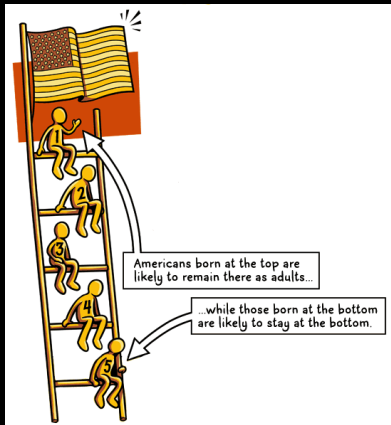
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Relative versus absolute distances

Relative Mobility

Climbed the Ladder?



Comparative Gains/Losses

Absolute Mobility

Got a Piece of the Pie?



Any Gains/Losses

Summarizing the distances moved

Example mobility measures:

- ▶ Absolute
 - ▶ % upwardly mobile (more resources at destination than origin)
 - ▶ Typical gain/loss between origin and destination
- ▶ Relative
 - ▶ % remaining in origin quintile or occupational class (and other transition-matrix information)
 - ▶ Rank correlation (and elasticity)

Warning: Weak correlations reflect high mobility, but not always high *upward* mobility

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When mobility is higher, society is more open...
but what does that *mean*?

Mobility vs. opportunity

Observed vs. possible distributions

- ▶ Acceptable and unacceptable differences/obstacles (normative)
 - ▶ High mobility \neq lack of obstacles
Low mobility \neq high obstacles
 - ▶ Freedom (for parents, for children)
- ▶ Background advantages = summarized by origin resources alone?



Warning: Observed mobility may not correspond to *perceived* mobility; people's experiences and their perceptions of their experiences may differ

What we can learn from mobility

Mobility provides indirect insights into (unobserved) opportunity, and direct answers to causal, predictive, and descriptive questions

What we can learn from mobility

1. Causal questions

- ▶ Understanding processes generating/undermining mobility, and how to disrupt them
- ▶ Processes are complex . . . and heterogeneous



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2. Predictive questions

- ▶ Mobility is backward-looking; what will happen in the future?
- ▶ Be wary of 'early indicators'



What we can learn from mobility

3. Descriptive questions

- ▶ Crucial stylized facts about society



“The fact is, far too many people are stuck on the lower rungs.”

“Social mobility is far lower than most believe it to be.”



What we can learn from mobility

3. Descriptive questions

- ▶ Crucial stylized facts about society
- ▶ High data demands (grouped data = insufficient)
- ▶ Must represent the target population (retrospective or prospective)

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A final thought

For people interested in mobility due to concerns about opportunity...

...empirical work **must not** shy away from relative comparisons, and **must** accurately represent the experiences of all population members

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`dbloome@hks.harvard.edu`