



America's Tomorrow: Equity Is the Superior Growth Model

[< Back to All Newsletters](#)

December 2, 2015

Features

Just Released: Equity Summit 2015 Plenary Videos

Place, Race, and the American Dream: An Interview with Economist Raj Chetty

Just Released: Equity Summit 2015 Plenary Videos





Will Utley Photography

This year's Equity Summit, held October 27 to 29 in Los Angeles, featured the work and insight of nearly 300 leaders in equity — from policymakers to poets, academics to activists, civic officials to entrepreneurs. Anchoring the diverse workshops, presentations, and discussions that took place over three days were the main plenary discussions. Featuring moving performances by local artists and discussions by all-star panels of experts, these sessions tackled issues central to the equity movement, including racial and economic inclusion, the revival of U.S. cities, and the need to build alliances in activism across race, place, and generation.

For those not able to join us in LA, or for Summit attendees who would like to revisit these discussions, we are thrilled to bring you videos of these three plenaries.

Place, Race, and Economy: Winning on Equity in the 21st Century

This opening plenary set the stage with a welcome blessing by Virginia Carmelo, a tribal elder of the Gabrielino/Tongva Nation, and an inspiring [video](#) that brought everyone in the Westin Bonaventure ballroom to their feet. Led by PolicyLink President and CEO Angela Glover Blackwell, an in-depth discussion of the state of economic opportunity in America followed, including Raj Chetty, Professor of Economics at Stanford University; Manuel Pastor, Professor of Sociology and American Studies and Ethnicity at the University of Southern California; William Spriggs, Chief Economist at the AFL-CIO; Thomas Steyer, President of NextGen Climate; and La June Montgomery Tabron, President and CEO of the W.K. Kellogg Foundation. Chetty presented new research showing how growing up in a low-income household hinders a child's ability to become an innovator as an adult, regardless of his or her academic talent: "This points to the importance of economic opportunity, because if we could bring in kids from disadvantaged backgrounds, not only would that increase their own incomes, it would increase the probability that one of them goes on to invent the next important drug or the next iPhone," Chetty said, adding, "opportunity is important both for justice and for growth." Over the next hour and a half, the panel built off these findings, discussing the role that regional context plays in equity battles, and the importance of counteracting historically entrenched inequities at a local, state, and federal level. For an in-depth discussion of Chetty's work, read the interview with him in this issue of *America's Tomorrow*.

All-In Cities: Building an Equitable Economy from the Ground Up

Held on the second day, the All-In Cities plenary highlighted the unique challenges and opportunities posed by America's growing and diversifying cities. Moderated by Rip Rapson, President and CEO of The Kresge Foundation, panelists Betsy Hodges, Mayor of Minneapolis; Brad Lander, Councilmember of New York City; Judy Morse, Deputy Mayor of the City of New Orleans; Broderick Johnson, Assistant to President Obama, Cabinet Secretary, and Chair of the My Brother's Keeper Task Force; and Robert Garcia, Mayor of Long Beach discussed the ways that city-based social justice campaigns are shaping cities and challenging longstanding inequalities and injustice. Panelists grappled with how to, as Mayor Hodges put it, bake equity "into the DNA" of cities that were not designed equitably in the first place, especially

because “the pivot from protest to governance is difficult” when trust in local government has eroded over time. Panelists discussed the potential of existing strategies for building opportunity, such as My Brother’s Keeper, city-level minimum wage increases, local hiring, universal pre-school, and inclusionary zoning for affordable housing. During this session, PolicyLink launched its “All-In Cities” initiative to nurture and expand these local initiatives for economic inclusion, releasing a [framing paper](#) outlining an inclusive growth policy agenda. For more information on the All-In Cities initiative, visit the [All-In Cities website](#). The plenary closed with a performance by local poet Katrina Sarah Miller.

Building a Multiracial, Multigenerational Equity Movement

To close the Summit, PolicyLink challenged a multigenerational panel of activists and advocates to reflect on the tensions that sometimes thwart alliances across issue areas and generations. A performance by poet laureate of Los Angeles, Luis J. Rodriguez, introduced this session, and Robert Ross, President and CEO of The California Endowment moderated a lively and thought-provoking discussion featuring a diverse panel, including: Geoffrey Canada, former President and CEO of the Harlem Children’s Zone; Mary Kay Henry, International President of Service Employees International Union; Stewart Kwoh, Founding President and Executive Director of Asian Americans Advancing Justice; DeRay McKesson of We the Protestors; Carmen Perez, Executive Director of The Gathering for Justice; Linda Sarsour, Executive Director of the Arab American Association of New York; and Nick Tilsen, Executive Director of Thunder Valley Community Development Corporation. Addressing the dearth of cross-generational partnerships, youth leaders called on their more experienced elders to create space and “give up the podium,” while veteran advocates highlighted the importance of understanding the civil rights history that has paved the way for today’s activism. Ultimately, panelists converged around the idea of a “movement of movements,” whereby activists across backgrounds and causes recognize the shared history and struggles that tie them together and move toward a place of trust. “Our spirits are broken and we need healing,” noted Tilsen. “Trust is the barrier to the movement of movements, [because] partnerships move at the speed of trust.”

We hope you enjoy these videos and encourage you to share them with your networks. For more from Equity Summit 2015, visit our [website](#).

In Brief

Upcoming Webinar: Make the Economic and Health Case for Paid Family Leave

Please join PolicyLink, diversitydatakids.org, and [Family Values @ Work](#) for a webinar on new family and medical leave data and how these indicators can further cross-sector efforts toward health equity and workers’ economic security. The webinar is Monday, December 14, at 4 p.m. Eastern, 1 p.m. Pacific. [Learn more and register.](#)

Upcoming Webinar: How Assets Shape Economic Well-Being for Women of Color

Caregiving responsibilities and changes at home, such as divorce or separation, create financial challenges that disproportionately affect women, and particularly women of color. Please join PolicyLink and the Institute on Assets and Social Policy for [a webinar on Thursday, December 10, at 2 p.m. Eastern, 11 a.m. Pacific](#) on [a new brief](#) exploring how families leverage neighborhood, institutional, and personal resources to protect against gendered, wealth-stripping forces.

Why Jobs Alone Aren't Enough to Fight Poverty

With over half of all families of color lacking enough savings to weather even a small emergency, the nation needs a comprehensive new approach to building wealth for all. Read [a new blog post in The Hill](#) from Chris Brown of PolicyLink and [download a new paper](#), which explores how key changes to components of the financial, education, justice, health, and tax systems can strengthen — rather than undermine — households' financial security, and increase economic inclusion.

The Union Solution to Inequality

A new [paper](#) from the International Monetary Fund finds that [unions are a key ingredient in reducing inequality](#), by lowering the income gains that accrue to top earners. Explore [data on income growth](#) in your region on the [National Equity Atlas](#) website.

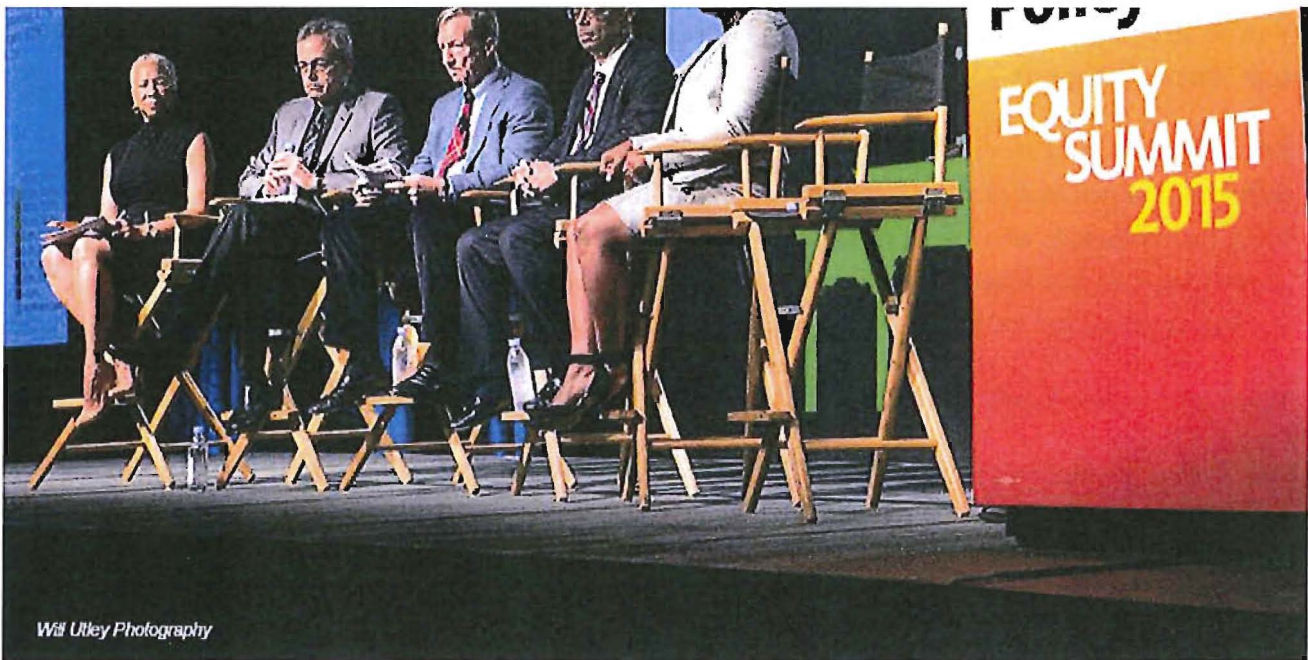
Cities Building Community Wealth

As cities struggle with rising inequality, widespread economic hardship, and racial disparities, a more inclusive, community-based approach to economic development is being taken up by a new breed of economic development professionals and mayors. Read [a new report from the Democracy Collaborative](#) on where and how this new approach to community wealth is reaching scale.

[< Back to top](#)

Place, Race, and the American Dream: An Interview with Economist Raj Chetty





Raj Chetty has changed the national conversation about the impact of local environments on upward mobility and economic success. A professor of economics at Stanford and a MacArthur “Genius” Fellowship recipient, Chetty’s groundbreaking research demonstrates how growing up in a region with more opportunity — stronger schools, more amenities, and more racial and economic inclusion — is critical in shaping lifelong success. Chetty’s work first came to broad public attention with his findings that the odds of advancing from the bottom fifth to the top fifth of the income ladder, the classic rags-to-riches trajectory, is only 7.5 percent in the United States, far lower than in Canada and other developed nations. This has inspired his now-famous line that you’re twice as likely to achieve the American dream in Canada as here in the United States.

His latest research, based on data from five million families who moved from one community to another, found that for every year a child lives in a higher-opportunity neighborhood, his or her lifetime earnings improve. Chetty presented his findings at Equity Summit 2015 — you can watch the full presentation [here](#). He spoke with *America’s Tomorrow* about the complex ways that race intersects with place to affect mobility and income, and about the policy implications of his research.

Your studies show that economic and racial segregation are strongly associated with limited economic mobility. Explain how segregation affects the odds of moving up the income ladder.

We find a very clear pattern in the data that cities that are more segregated by either race or income — for instance, cities like Atlanta, where Blacks and Whites live in very different neighborhoods, and low-income and high-income people live in very different neighborhoods — those sorts of cities tend to have much less upward mobility for kids in low-income families relative to cities like Sacramento or San Francisco, which at least traditionally were much less segregated. Cities with more mixing by income and by race tend to produce better outcomes for low-income kids.

You've also found that segregation doesn't hurt only those at the bottom — it's bad for those at the top. What's going on?

Yes, cities with more mixed-income neighborhoods not only are better for the poor but they're slightly better for the rich as well. So you might have thought when you have more mixing of low- and high-income folks, that helps kids who are starting out in low-income families but might hurt kids starting out in high-income families. But that doesn't appear to be the case. Why rich kids might benefit is an interesting question that we don't quite have the answer to.

What other place-based factors are important in economic mobility?

The level of income inequality in an area is associated with differences in mobility. So when you have fewer families in the middle class, you seem to have less upward mobility across generations as well. We also find strong correlations with measures of family structure and social capital. In particular, places with more stable families, as measured say by the fraction of two-parent households, and places with more social capital, as measured for instance by the degree of participation in civic or religious organizations — these places tend to have higher levels of social mobility.

What about schools?

We find a very strong correlation between mobility and the quality of public schools in an area, and we think that's very likely to be a causal effect. The better the schools, the greater the level of upward mobility.

What does your data say about the role of race in economic mobility?

Race plays an important and complicated role.⁴ First of all, there are differences in economic mobility between Blacks and Whites. Moreover, we find important place-level differences in economic mobility — cities with a larger fraction of African Americans, again Atlanta or Charlotte or Milwaukee, tend to have lower levels of upward mobility for both Blacks and Whites. That shows it's not merely that race matters at an individual level; race seems to matter at the community level as well. So if you live in a community with a larger African American share, that seems to be associated with lower levels of upward mobility for everyone. Now, why might that be? One plausible explanation is that cities with larger African American populations tend to be more segregated going back to a theme we talked about before. They also tend to have less investment in public schools and public goods on average. A variety of factors and policies could lead to negative effects on the entire population.

Your work also finds that gender is important in understanding how the geography of opportunity shapes success.

Yes, we find that where you grow up matters more for boys than for girls. When girls are growing up in particularly-low income neighborhoods or low-income families, they do worse than girls growing up in high-income families and affluent areas, but the difference isn't nearly as stark as it is for boys. One

explanation for that could be biological. There could also be direct explanations related to crime and incarceration and policy. High levels of incarceration can lead to really negative outcomes for males.

The number of people living in concentrated poverty in the United States nearly doubled from 2000 to 2013. How do you view this trend in light of your findings on the importance of place and inclusion?

Our findings suggest that moving out of areas of concentrated poverty is extremely helpful for children's long-term outcomes. In studying the "Moving to Opportunity" experiment, which gave families vouchers to move out of high-poverty public housing projects to lower-poverty neighborhoods, we found that kids who had moved were earning 30 percent more as adults. They were 27 percent more likely to go to college, 30 percent less likely to become single parents if they grew up in mixed-income neighborhoods instead of areas of high concentrated poverty. This trend of a larger fraction of kids growing up in areas with highly concentrated poverty is very worrisome. It's quite likely going to have a negative effect on those kids' outcomes and on future levels of mobility in this country.

What are the policy implications of your research showing the benefits of Moving to Opportunity?

We're starting a large-scale collaboration with several public housing authorities and the Housing and Urban Development Agency as well as private foundations to develop a set of pilot interventions that will allow families to use Section 8 vouchers to move to high-opportunity neighborhoods more easily. In our prior work, we've identified some areas as offering much higher levels of opportunity than others. So one simple way to try to combat increasing concentrated poverty is to offer families, especially families who might already be moving to a different area, encouragement to move to a higher-opportunity neighborhood. We're thinking about interventions both on the tenant side and the landlord side to try to make it easier to lease apartments in higher-opportunity areas. These could include things like increased financial incentives, further counseling and assistance on renting an apartment in a better neighborhood, and greater incentives or guarantees for landlords to make them more willing to take Section 8 tenants.

What other policies are needed to improve economic mobility? Everybody can't move, and your research shows that the benefits of doing so diminish for children who live in low-opportunity communities until adolescence.

It makes sense to take a two-pronged approach. One is to help some people, people who want to move, help them have the choice to live in higher-opportunity areas. The other prong is to improve the places that currently offer low levels of opportunity. That includes things like improving the quality of public schools. An initiative like the Harlem Children's Zone is a very good example. It also includes efforts to desegregate communities, for instance through changes in zoning laws to be more inclusionary. It makes a lot of sense to take both of these approaches simultaneously.

How did you get interested in studying inequality and opportunity?

I am interested in these issues partly because of the personal experience of growing up in India and then coming to the United States at age 9 and seeing the sharp contrast in terms of standards of living and