

Income and wealth in the United States are more unequally distributed than at any time in the past half century. Yet Americans have a deeply held belief in opportunity, and most Americans think they, or at least their children, will one day achieve the American dream.

Focus of the Volume

Does the dominant set of beliefs about America as a land of opportunity comport with reality? The latest volume of *The Future of Children* reviews evidence on how close the nation has come to this ideal and what might be done to improve opportunity.

The volume addresses the following questions:

- How has U.S. economic mobility changed over time?
- How does mobility vary by race, gender, and national origin?
- How do education, health, and culture affect mobility for children born in different circumstances?
- What might government do in each of these domains to make opportunity in the United States more equal?

Why Mobility Matters

A society with economic opportunity is one in which all children have a good chance of success regardless of the economic status of the family into which they are born. The United States has long been viewed as such a society—a place where with hard work most people can succeed, whatever their family background. With the rewards for economic success becoming bigger, as they have in recent decades, ensuring that competition is fair and open becomes even more important.

Relatively strong economic growth through much of U.S. history has meant that each generation could do better than the previous one, even if children remained in the same relative economic position as their parents. However, in recent decades family income growth has slowed. Unless economic growth picks up, the next generation will experience an improvement in its standard of living that is only about one-third as large as the historical average for earlier generations. Thus, improvements will increasingly require a change in one's economic standing relative to other citizens.

Key Findings

- Mobility in the U.S. is not as high as it is in other rich countries.
- It takes about five generations for the effects of one's family background to disappear.
- Recent trends in intergenerational mobility cannot be assessed with current data.
- Immigrants to the U.S. have done very well and usually catch up to the native-born in a generation or two. For them, America is the land of opportunity.
- Women and minorities have made great progress over the past few decades but still lag behind white men. For minorities the explanation is largely an education gap; for women it is largely family-work trade-offs. Discrimination against both groups remains an issue.

- Poor health trajectories for children who grow up in more disadvantaged circumstances hamper their subsequent economic prospects.
- Children who grow up in families with a strong work ethic, two parents, and a commitment to religion are somewhat more likely to escape poverty as adults than children from families without these three attributes.

Improving Opportunities to Get Ahead: Implications for Policy

Because the persistence of wealth across generations is high and because children who grow up in affluent families are greatly helped by the advantages associated with wealth, repealing or further cutting the estate tax would be a mistake. The current estate tax curbs at least some of the persistence of wealth and enables each generation to start on a slightly more even playing field than would otherwise be the case.

In recent decades, policymakers have stressed expanding access to health insurance for children, but despite these expansions health disparities remain. Greater emphasis on good nutrition, smoking cessation for pregnant women, and other preventive measures may have as much impact as further extending health insurance to low-income families.

Improving educational opportunity is the classic way to increase mobility. A society with a weak education system will, by definition, be one in which the advantages of class or family background loom large. We need to ensure that children from less advantaged backgrounds have the same educational opportunities as those whose parents can afford to enroll them in nursery school at an early age, live in a high-priced neighborhood with good schools, and send their children to college.

Preschool Programs

Ensuring that children from disadvantaged families have access to high-quality early education is particularly important. The most effective preschool programs are high-quality or intensive. Preschool programs are proliferating at the state level, and the most important ingredients for success appear to be intervening early and maintaining the quality of what is offered as more children are served.

Elementary and Secondary Schooling

The most promising strategies at the K through 12 level appear to be to set clear standards for what children should know, to link federal funding of education to school performance, and to improve teacher quality. A forthcoming volume of *The Future of Children* will address teacher quality in detail.

Higher Education

Enrollment in higher education is increasingly related to a family's economic resources. Ensuring equal opportunity to attend college will require better preparation at the pre-college level, together with more financial assistance and better counseling for students from lower-income families.

By taking such actions, federal and state governments can help reduce the intergenerational persistence of income and wealth and increase the chances that children at the bottom of the economic ladder have an opportunity to move up.