

## Upward Mobility

### Pathways to the Middle Class

#### Ensuring Greater Upward Mobility for All Americans

#### Background

A core American value holds that individuals and families who take advantage of opportunities for education, employment, home ownership, or entrepreneurship ought to be able to enter the ranks of our nation's middle class. Once there, through additional hard work and commitment, middle-class families ought to enjoy greater economic security and further upward mobility. Pursuit of the American Dream has created a sizeable middle class that is the bedrock of U.S. society and the envy of the world.

But is the Dream fading? Several recent and long-term trends suggest that may be so; among them are the nation's growing income inequality, stagnant social mobility, and, for many families, meager wealth accumulation. People of color face even more daunting obstacles to attaining and maintaining middle-class status, and, given their growing proportion in the U.S. labor force, this trend has especially troubling implications for the future economic and civic health of our country.

#### Recommendations

The next President should mount a concerted effort to enable more Americans to climb the ladder to middle-class status and help ensure that they prosper once there. The next President can accomplish this goal by fortifying and expanding four major pathways to the middle class: education, quality jobs, viable neighborhoods, and financial well-being. Measures that will support this journey for all Americans include:

- increasing the number of students who complete postsecondary education in our nation's community colleges, four-year colleges and universities, or specialized training programs geared to specific occupations
- increasing the quantity and quality of academic and social support services available to low-income students who are struggling in college or postsecondary training programs
- reforming the nation's largest affordable housing production programs, Home Investment Partnerships (HOME) and the Low Income Housing Tax Credit (LIHTC) program, so that they foster economically integrated communities



- encouraging mainstream financial services to locate in low-income neighborhoods

## Key Facts

- middle-class households are ones whose members earned annual incomes between \$35,000 and \$80,000 in 2000
- middle-class minority households have significantly less wealth than do whites in the same income bracket; they are less likely than middle-class whites to own their own homes and to invest in stocks
- fewer jobs offer health coverage and guaranteed pensions—a phenomenon that affects the solidly middle class
- 70 percent of U.S. households live paycheck- to-paycheck

A full version of this proposal, as well as supporting background material, is available at [www.opportunity08.org](http://www.opportunity08.org).

## About the Authors and the Project

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Hugh B. Price is a Brookings senior fellow. He is an expert on education; civil rights and equal opportunity; and criminal justice. Price most recently served as president and chief executive officer of the National Urban League. Price's 40-year career spans the journalism, philanthropy, the law, and social advocacy. He was the first executive director of the Black Coalition of New Haven and a member of the editorial board of The New York Times.

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Amy Liu is the Deputy Director and co-founder of the Metropolitan Policy Program. She is an expert on Post-Hurricane Katrina Gulf Coast Recovery, state-based policy efforts, and building successful regions. Liu was Special Assistant to Department of Housing and Urban Development Secretary Henry Cisneros. Liu also served on the Senate Banking, Housing and Urban Affairs Committee.

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