

America, Land of Equal Opportunity? Still Not There

One group is still uniquely disadvantaged: black men.

By [Noah Smith](#)

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Look no further. *Photographer: Kevork Djanssezian/Getty Images*

Lack of opportunity is a huge source of economic and social dissatisfaction. Income and wealth inequality aren't pleasant, and many people want some redistribution, but most seem to accept that luck, drive and natural advantages inevitably create some degree of inequality. But when people feel like they don't have a chance to move up in the world even if they try hard and do all the right things, that's when they break out the rakes and pitchforks and storm the castle.

That's the conclusion of [a recent paper](http://www.nber.org/papers/w23027) by economists Alberto Alesina, Stefanie Stantcheva and Edoardo Teso, anyway. Using surveys in France, Italy, Sweden, the U.K. and the U.S., they found that people who believed their society offered less opportunity for people to climb up the economic ladder also tended to support more government intervention to increase equality of

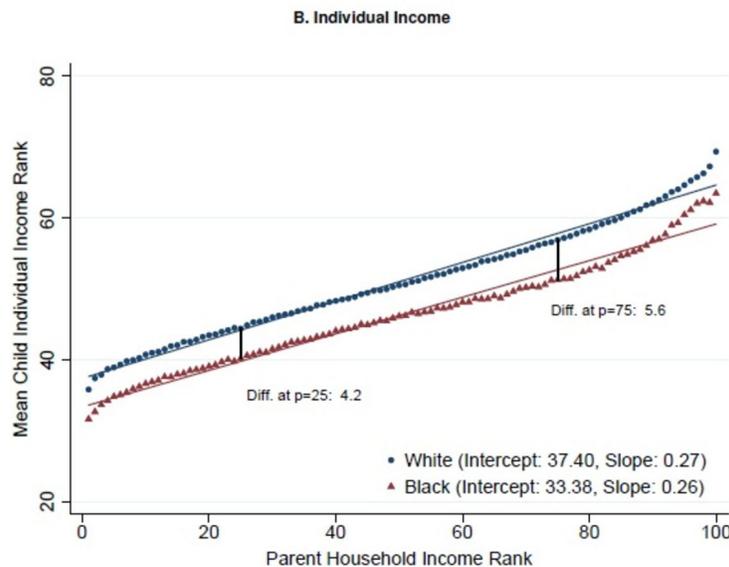
opportunity (such as higher education spending). When the researchers presented respondents with information about low mobility, their desire for redistribution rose.

One of the most glaringly unfair impediments to opportunity is racism. But racial barriers are maddeningly hard to confirm. If I don't get a job, is it because the company didn't like my skin color or my ancestry, or is it because I wasn't the best person for the job? Most of us want to assume the best about our society, but sometimes the evidence against the benign interpretation is just too strong.

This is where economists can help. Aggregate statistics and careful analysis can illuminate the underlying processes that underlie day-to-day life. Top empirical economists Raj Chetty, John Friedman and Nathaniel Hendren have been running a huge research project called the [Equality of Opportunity Project](http://www.equality-of-opportunity.org/) with the aim of doing just that. And the project's [latest paper](http://www.equality-of-opportunity.org/assets/documents/race_paper.pdf) has been a bombshell.

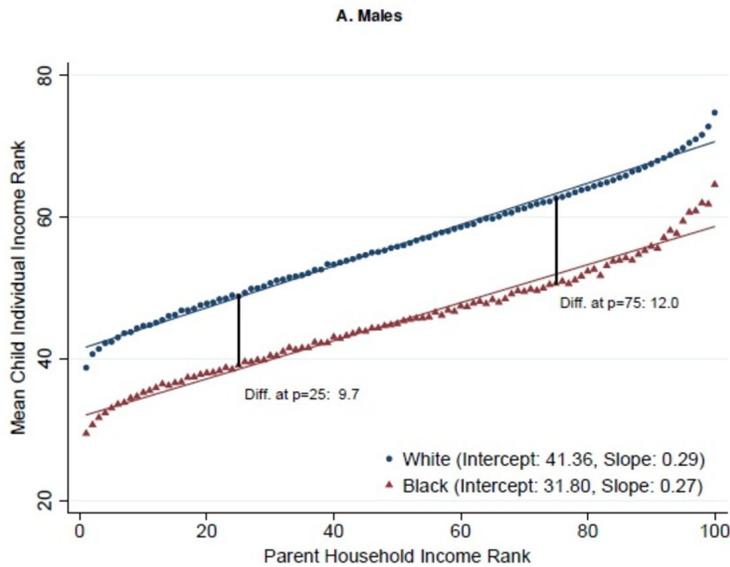
Chetty and Hendren, along with Maggie Jones and Sonya Porter of the U.S. Census Bureau, carefully measured intergenerational mobility by race and gender. Instead of focusing on raw income gaps, they measured the likelihood of people moving up or down the distribution relative to their parents. Their findings are summarized in a [set of slides](http://www.equality-of-opportunity.org/assets/documents/race_slides.pdf), and in a series of [interactive graphics](https://www.nytimes.com/interactive/2018/03/19/upshot/race-class-white-and-black-men.html) created with the New York Times' Upshot blog.

The basic findings can be seen simply by looking at Chetty et al.'s pictures of mobility. These pictures show the average income rank of children, measured against the income rank of their parents. If children whose parents were at the 40th percentile of income are themselves, on average, at the 50th percentile of the distribution, it means upward mobility; if they're at the 30th, it means downward mobility. Here's the picture for black and white Americans:

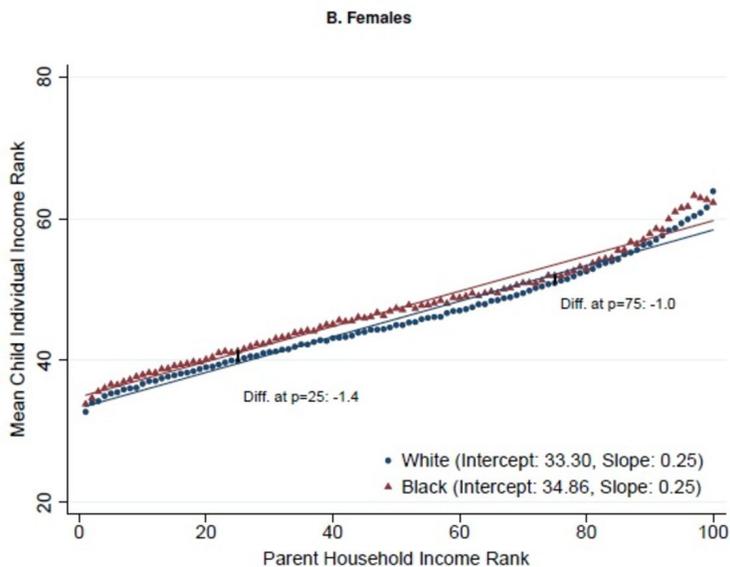


This is a substantial gap in relative mobility -- it means that middle-class black Americans, on average, tend to be lower on the income ladder than their parents, while middle-class whites tend to be slightly higher. For many black Americans, in other words, even being born to parents with a decent income -- and whatever natural talent and household wealth that income implies -- isn't enough to keep them from slipping into a lower economic bracket when they grow up.

Interestingly, though, this racial mobility gap only existed for men, as the next chart shows.



For women, the gap was nonexistent, with black women displaying very slightly higher mobility than white women:



This is consistent with [the findings](https://www.brookings.edu/research/the-inheritance-of-black-poverty-its-all-about-the-men/) of Brookings Institution researchers Scott Winship, Richard V. Reeves and Katherine Guyot, who also found that the economic mobility of black men, measured in terms of weekly earnings, is lower

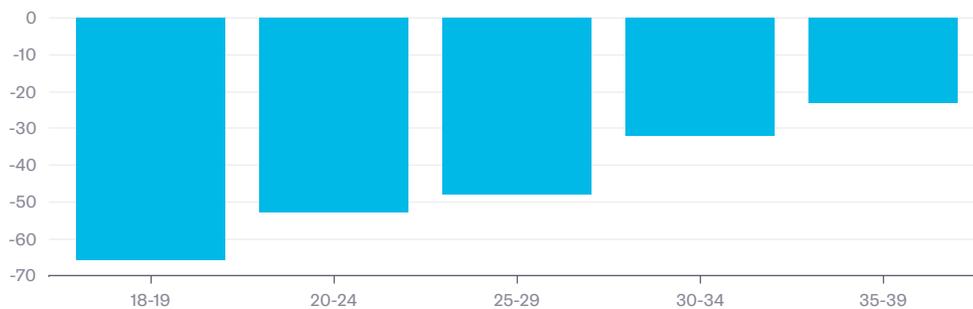
than all other demographic groups.

One likely culprit here is mass incarceration. Black incarceration rates far exceed <http://www.naacp.org/criminal-justice-fact-sheet/> those of whites. In 2003, federal officials glumly estimated https://www.washingtonpost.com/news/wonk/wp/2016/02/26/america-has-locked-up-so-many-black-people-it-has-warped-our-sense-of-reality/?utm_term=.d006cc2148f7 that at the rates of imprisonment then prevalent, one in three black men would go to prison at some point in their lives. A prison term obviously has catastrophic economic implications -- not only do job skills and networks degrade when one is behind bars, but few employers want to hire an ex-convict.

Fortunately, that problem is less severe than it was in 2003. A decade after U.S. crime fell dramatically, the incarceration of black American men finally started to drop. From 2001 through 2015, it fell by more than half for black men under 35:

Behind Bars

Change in incarceration rates for black males by age group



Source: Rick Nevin

In addition to being a good thing in and of itself -- since mass incarceration probably no longer plays a role in reducing <https://www.vox.com/policy-and-politics/2018/1/16/16897474/mass-incarceration-crime-chart-2016> total crime rates by much if at all -- this is a good sign for the future of black men's economic mobility in America. More needs to be done <http://time.com/4596081/incarceration-report/> to reduce incarceration of nonviolent offenders, but the recent trend provides reason for hope.

But Chetty et al.'s results don't just show that black men are uniquely disadvantaged -- it shows that white men are specially advantaged. White men are upwardly mobile relative not just to black men, but to both white and black women as well. That's broadly consistent with recent evidence <http://www.nber.org/papers/w24394> from economists Brian Duncan and Stephen Trejo, who find that after controlling for education, native-born black, Mexican and even Asian men tend to earn less than their white counterparts, but for women there is little or no gap.

Why are white men uniquely upwardly mobile? The most obvious answer is that human social networks are very important for finding a job and getting a raise. A number of economists have found evidence <https://academic.oup.com/rfs/article-abstract/26/6/1401/1595835> that personal connections are a major determinant of success -- people hire, promote and give money to their friends.

In the past, most corporate executives and other powerful economic decision-makers were white men, and this demographic still dominates the upper echelons of many institutions. It's likely that white men's friends and acquaintances are more likely to be other white men, which in turn probably generates higher mobility for said friends and acquaintances.

In other words, the legacy of past racism and sexism now probably perpetuates itself through the natural process of human relationships. Policies to promote diversity might seem unfair, but they could help counteract this residue of historical exclusion by accelerating the rise of women and minorities into positions of economic power. With more women and minorities in the executive suite, hiring their friends and acquaintances, the playing field might be significantly leveled for the next generation.

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