

Equality of Opportunity

How Class, Race, and Place Impact Economic Mobility in Indianapolis

Erik Steiner, Matt Nowlin, Jeramy Townsley, Rebecca Nannery,
Unai Miguel Andrés, Sharon Kandris

Presenters



Rebecca Nannery
Senior Research Analyst,
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User Experience
Designer, The Polis
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Co-Director, Spatial History
Project Stanford University



Panelists



Jill Sheridan,
Moderator
Health and science
reporter, WFYI



Patrice Duckett
Executive Director, Fay
Biccard Glick Crooked
Creek Neighborhood
Center



Allison Luthe
Executive Director at
Martin Luther King
Community Center



Amy Nelson
Executive Director at
Fair Housing Center of
Central Indiana



Pamela Ross
Vice President of
Opportunity, Equity &
Inclusion, Central
Indiana Community
Foundation



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SOCIAL MOBILITY MEMOS

How many people are better off than their parents? Depends on how you cut the data.

Dimitrios Halikias and Richard V. Reeves · Wednesday, August 10, 2016

London
Business
School



Vex

BIDEN ADMINISTRATION CORONAVIRUS OPEN SOURCED RECODE THE GOODS FUTURE PERFECT MORE

AD

You have a better chance of achieving “the American dream” in Canada than in America

Raj Chetty, called “the most influential economist alive,” and Ezra Klein discuss the state of social mobility in the United States today.

By Ezra Klein | @ezraklein | Aug 15, 2019, 11:00am EDT

Transcription by Roge Karma

f t SHARE



AD

YOU ARE BEAUTIFUL

YES



SHIFT YOUR PERSPECTIVE
HEARTLAND FILM FESTIVAL
OCTOBER 18-25, 2014



Eastlake Square activated by
Wheeler Arts Community
from October 20-25

WWW.HEARTLANDFILMFESTIVAL.ORG
#HEARTLANDFF



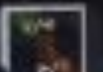
CELEBRATING THE 10TH
ANNIVERSARY OF THE
NIRVANA - FOR THE
FIRST TIME EVER
FRIDAY, NOVEMBER 2
MUSIC AT 7PM TICKETS
\$10

Virginia Av

Woodlawn Av

NO
PARKING
ON
MCH

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WHEELER ARTS COMMUNITY

LA
KOB

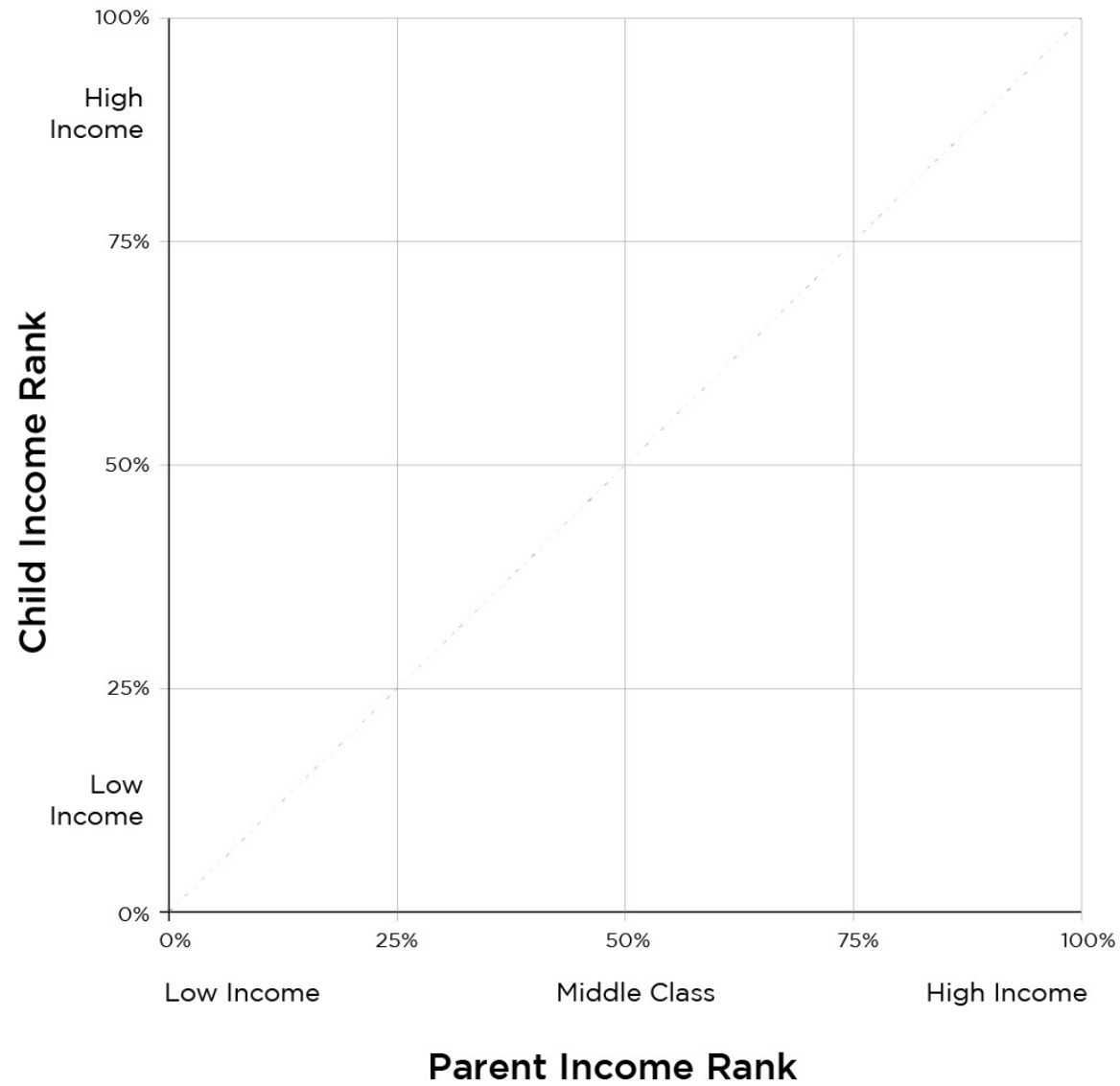


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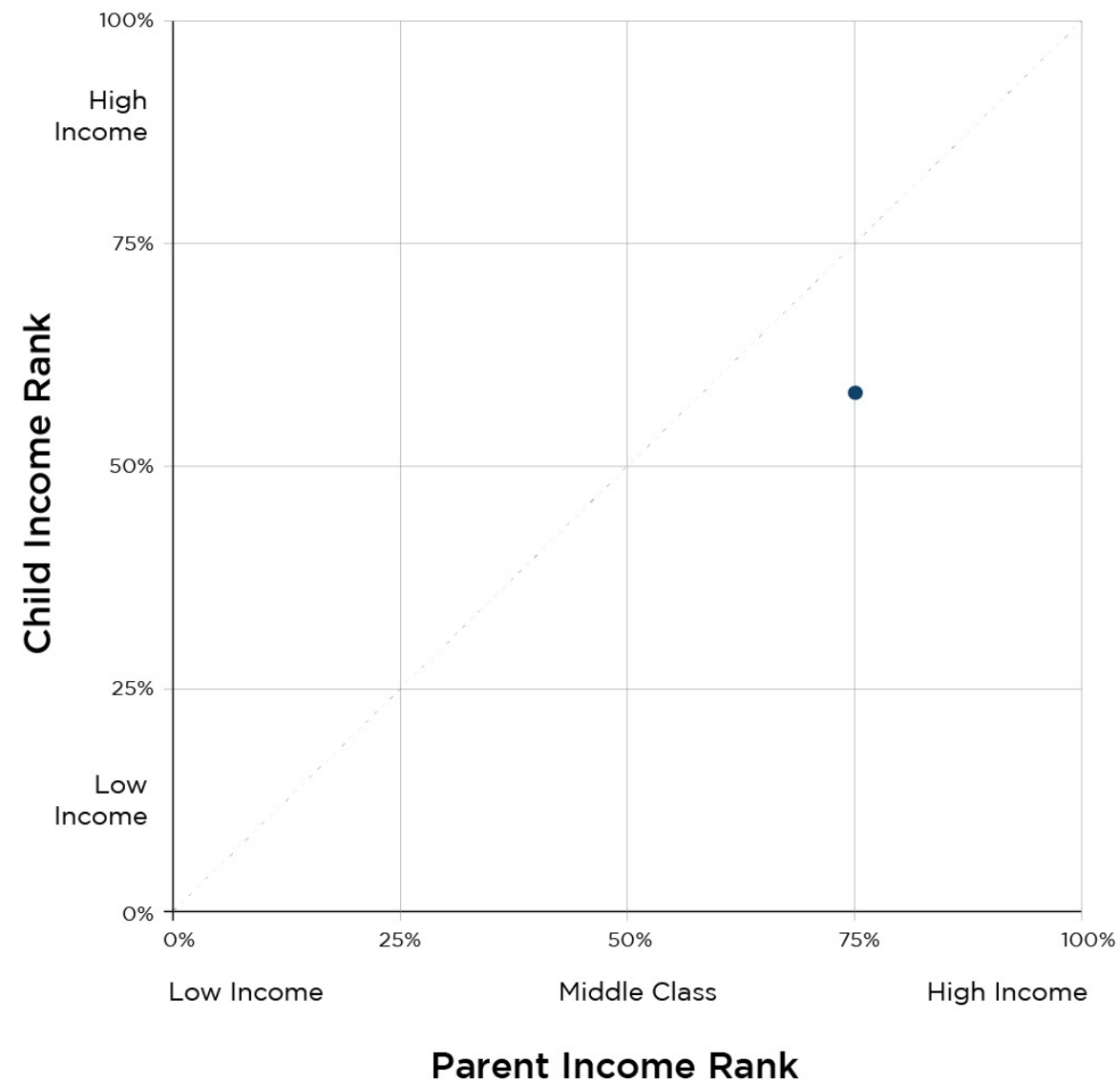
INHERITED INCOME

The Role of Class in Intergenerational Mobility



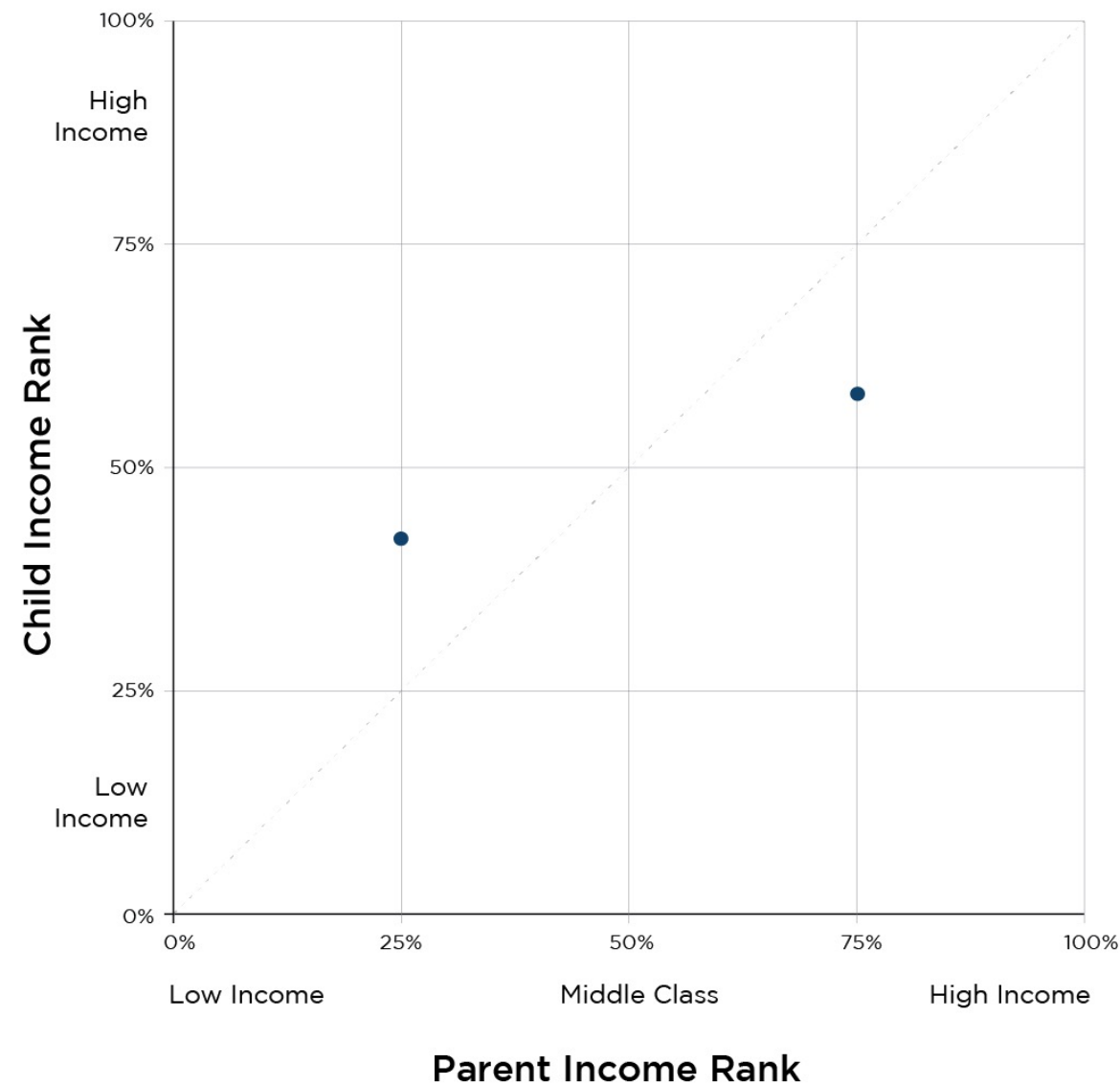
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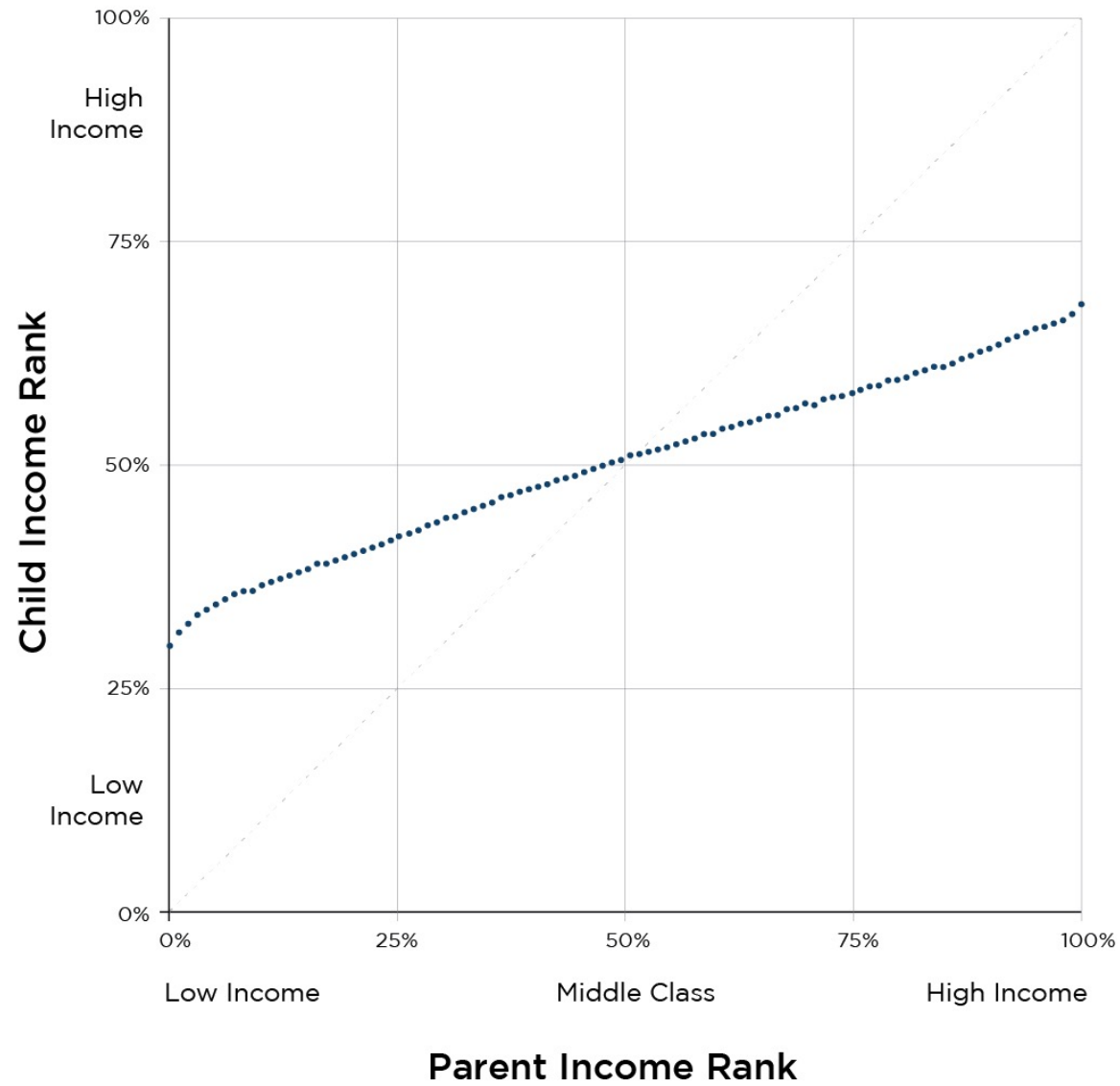
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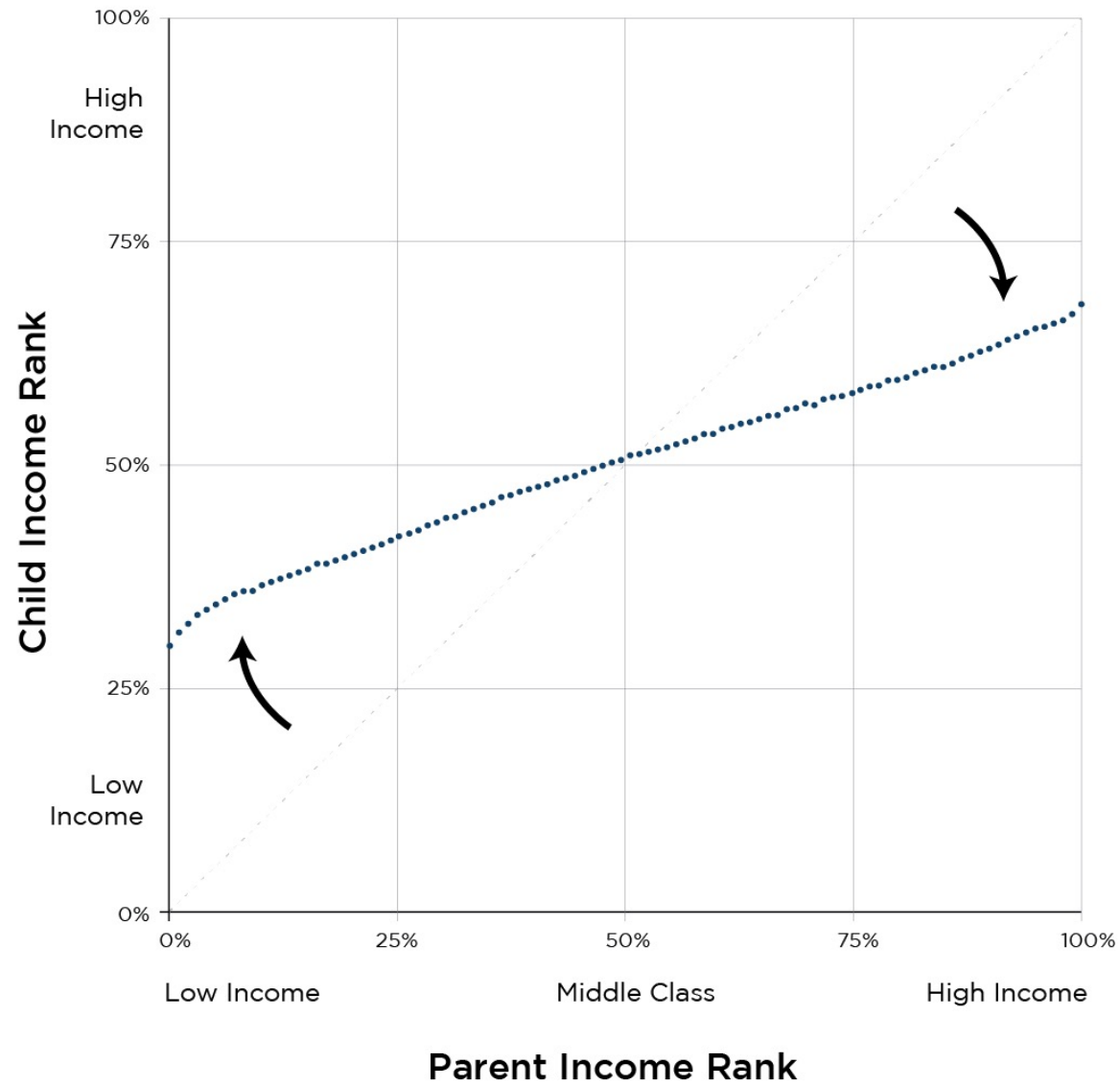
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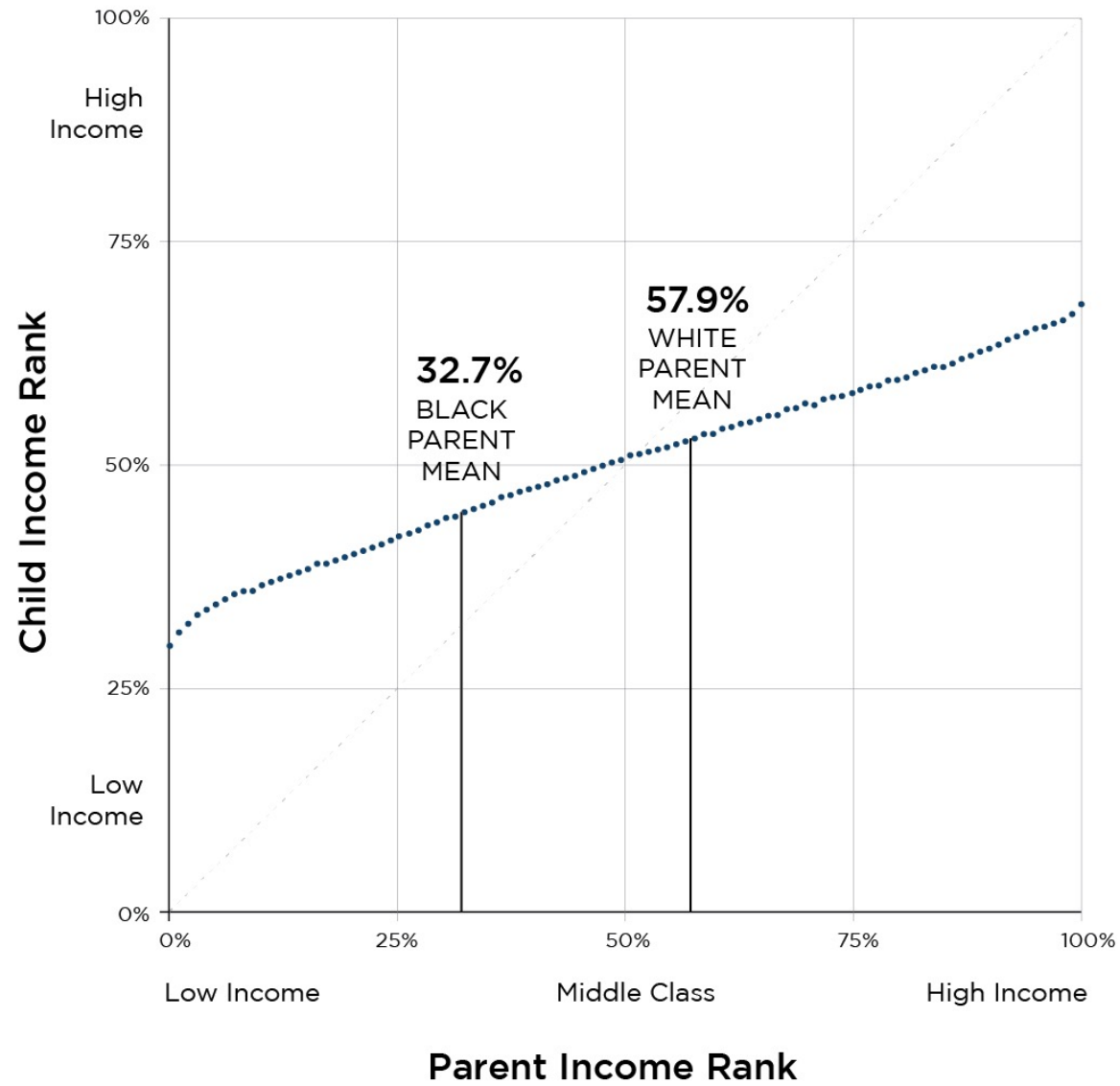
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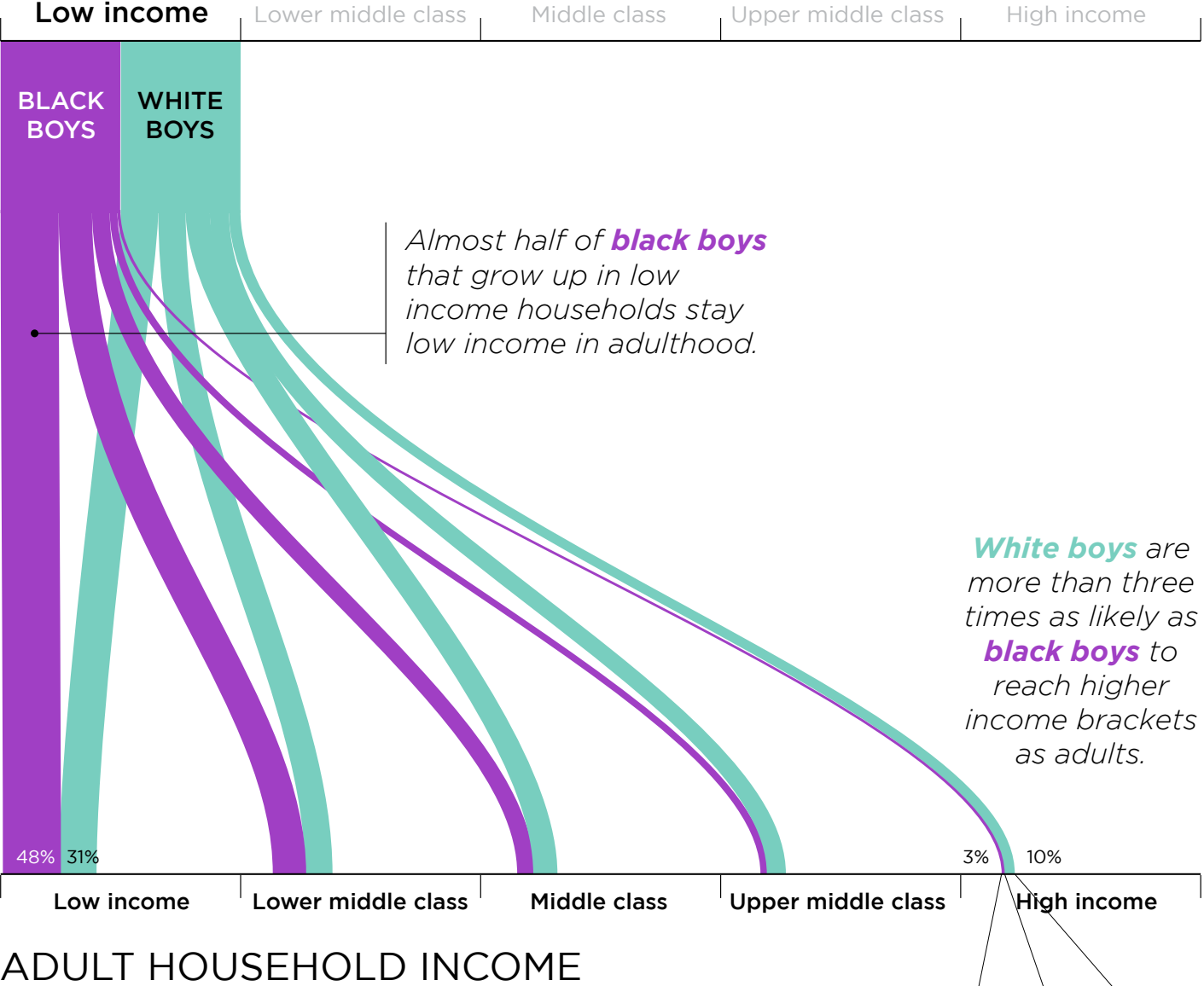


INHERITED INCOME

The Role of Class in Intergenerational Mobility



HOUSEHOLD INCOME GROWING UP



Chetty's conclusions on race:

- Black children are “stuck” in lower income brackets relative to white children
- Short-term policy solutions that don't affect multi-generational change will ultimately fail



Chetty's conclusions on race:

- Black children are “stuck” in lower income brackets relative to white children
- Short-term policy solutions that don't affect multi-generational change will ultimately fail
- Relative their own parents, black children are not stuck in low-income brackets.
- Black children do slightly better in certain kinds of neighborhoods

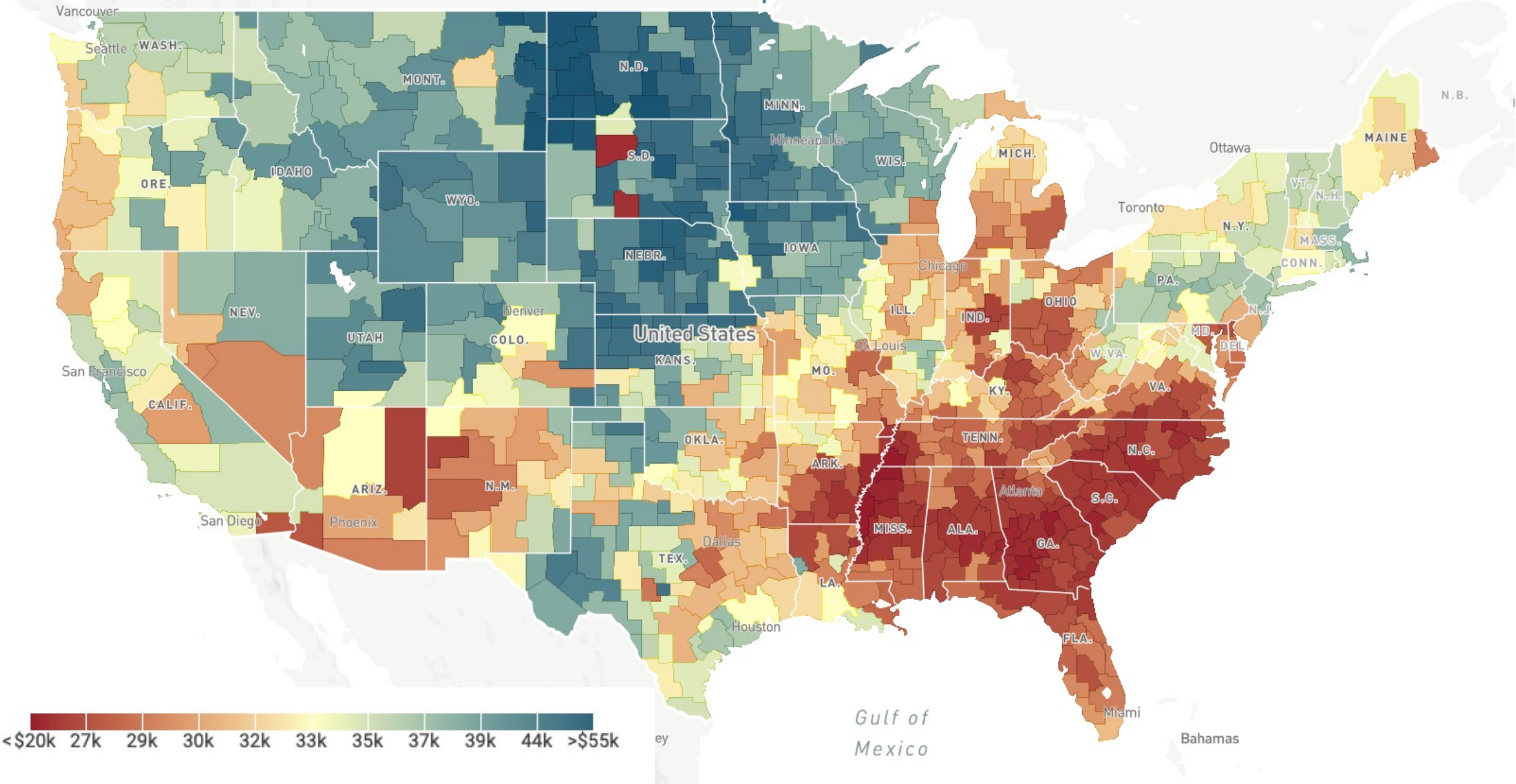




PLACE



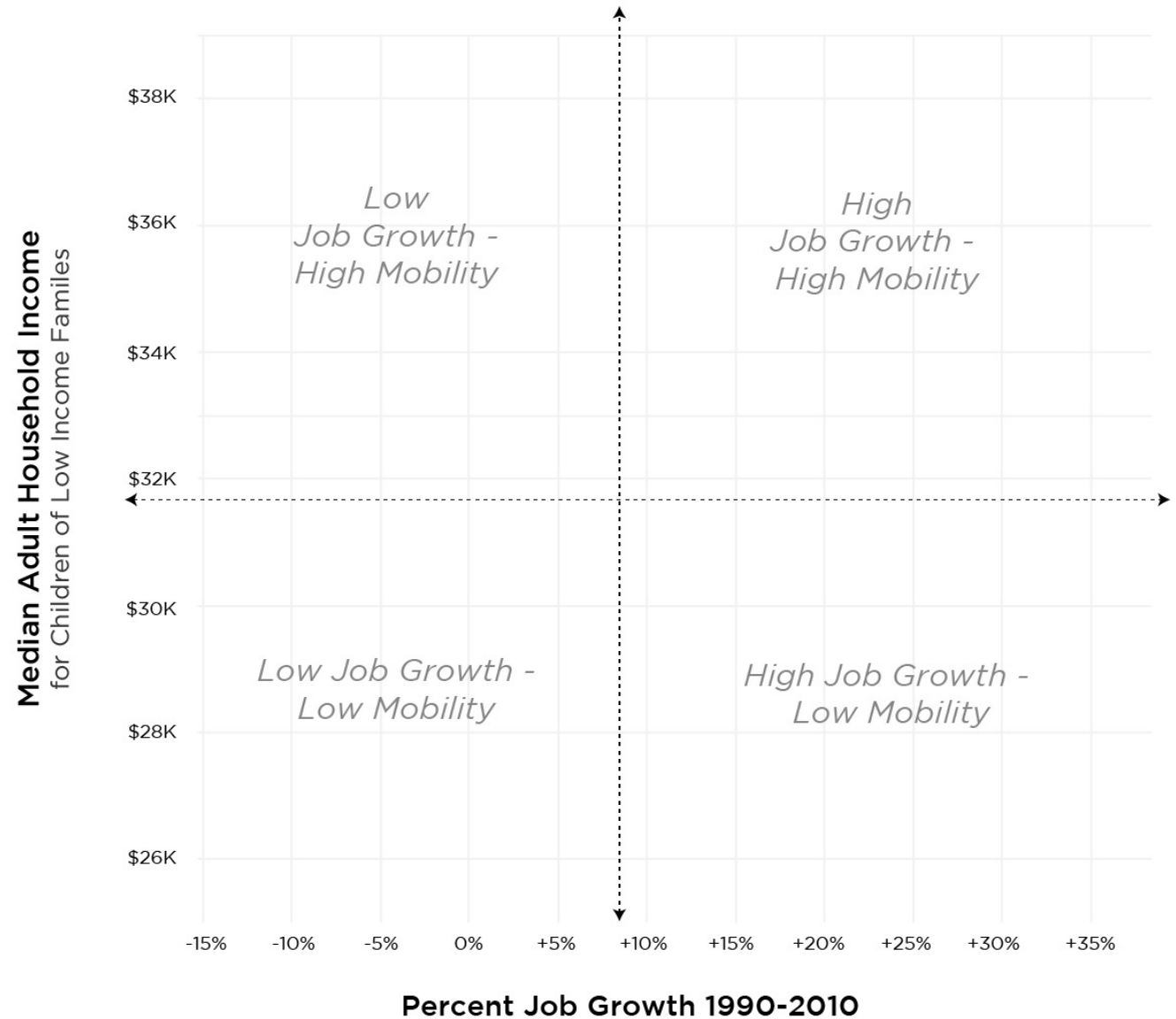
Median Adult Income of Children Growing Up in Low-Income Households



Place
matters. Is it
because of
economic
growth?

Median Adult Household Income vs. Job Growth 1990-2010

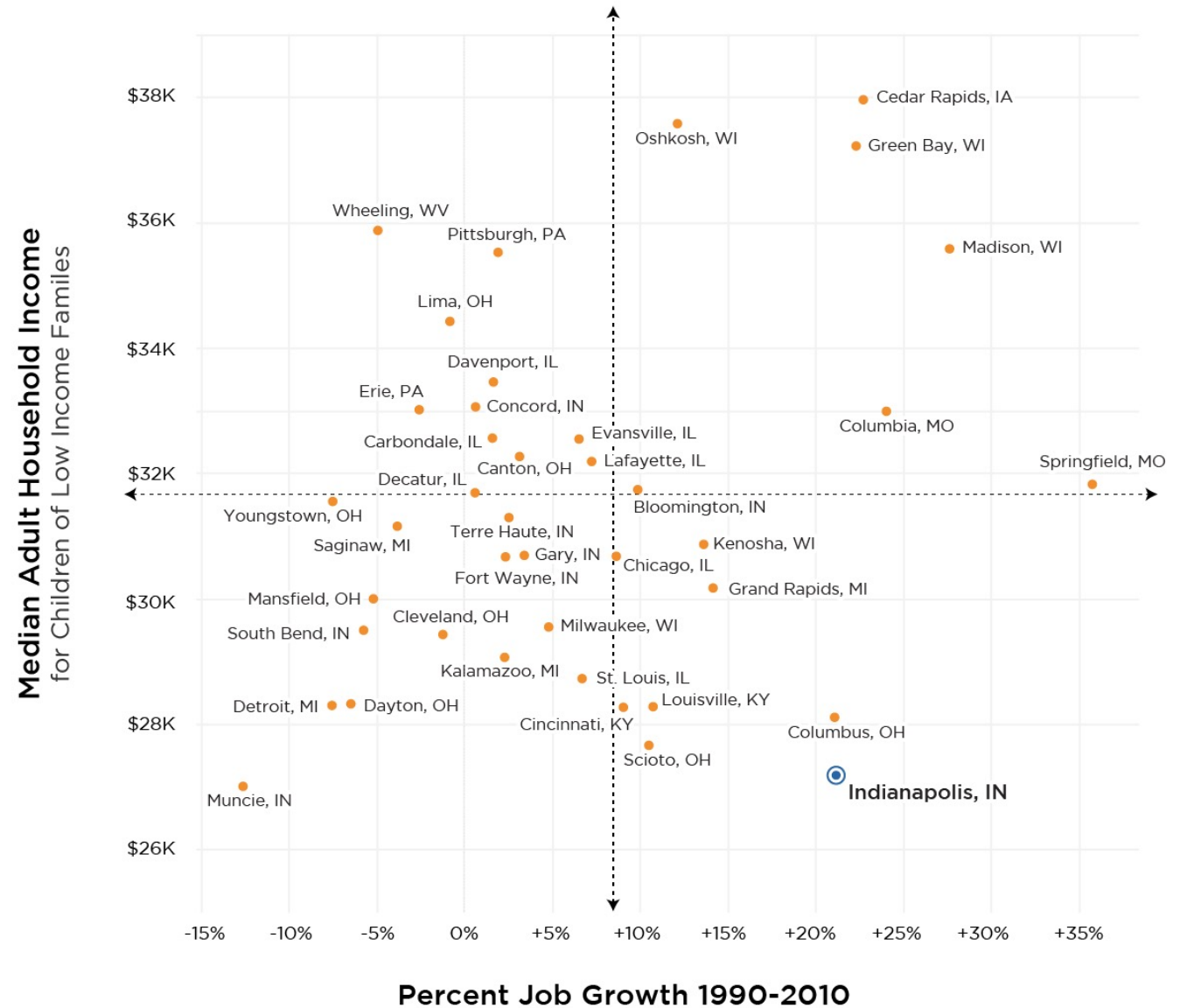
Midwest Region, Commuting Zones >200K Population (1990)



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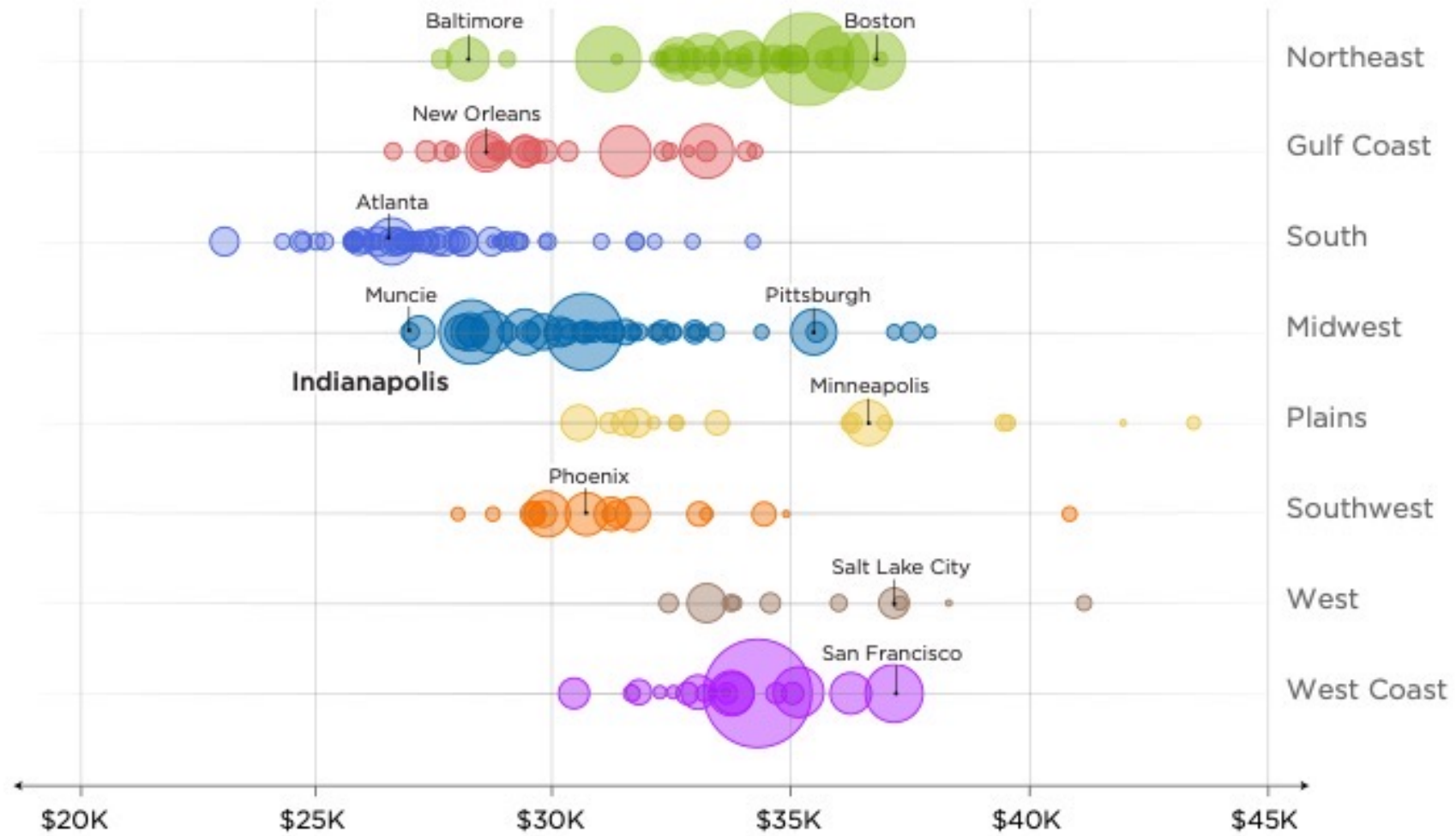
Midwest Region, Commuting Zones >200K Population (1990)



Regional Differences in Intergenerational Economic Mobility

Median Adult Household Income for Children of Low Income Households

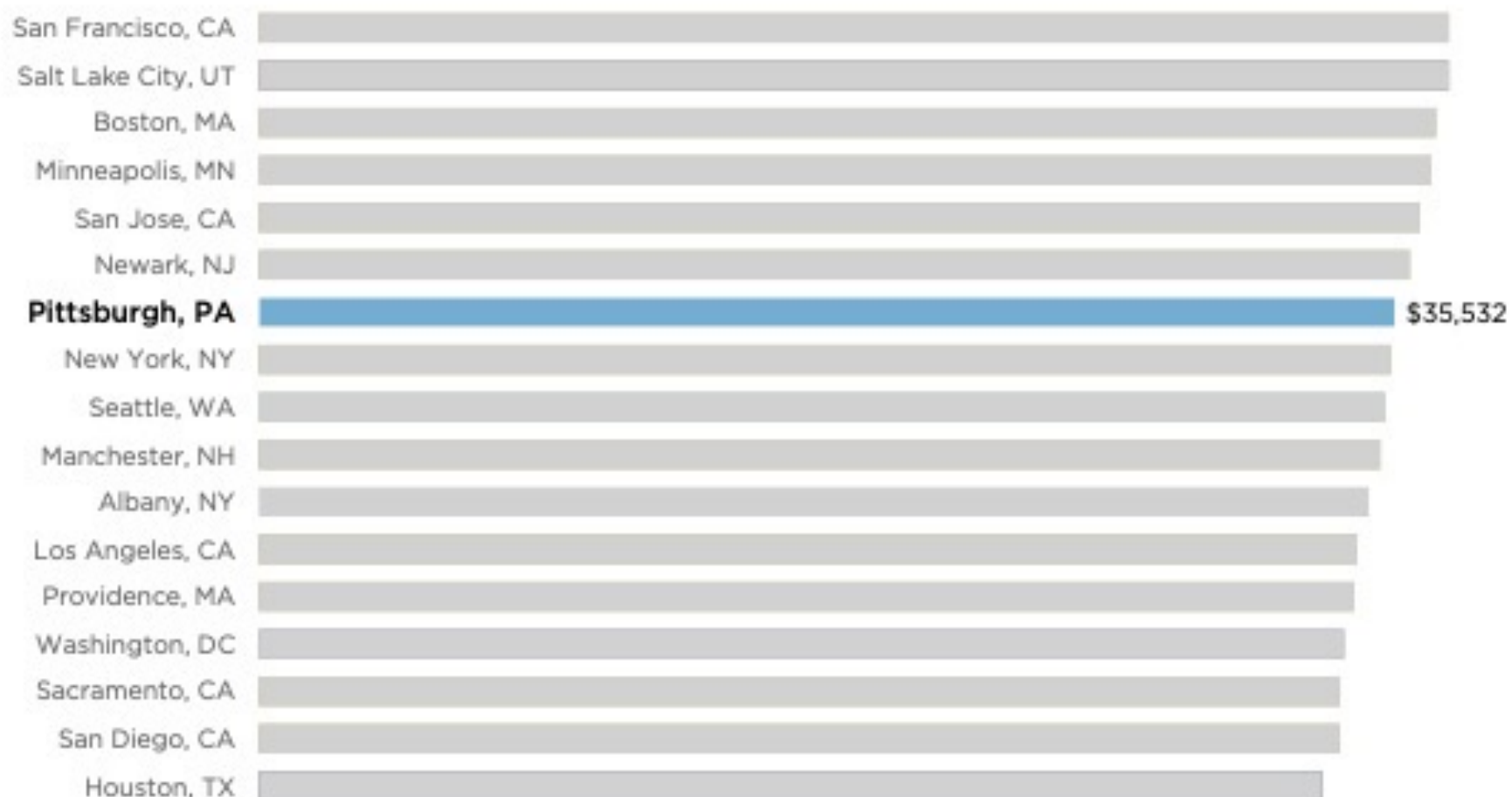
Circles are sized by 1990 Population



Median Adult Household Income for Children of Low Income Families

Top 50 Largest Commuting Zones (1990)

■ Midwestern Cities



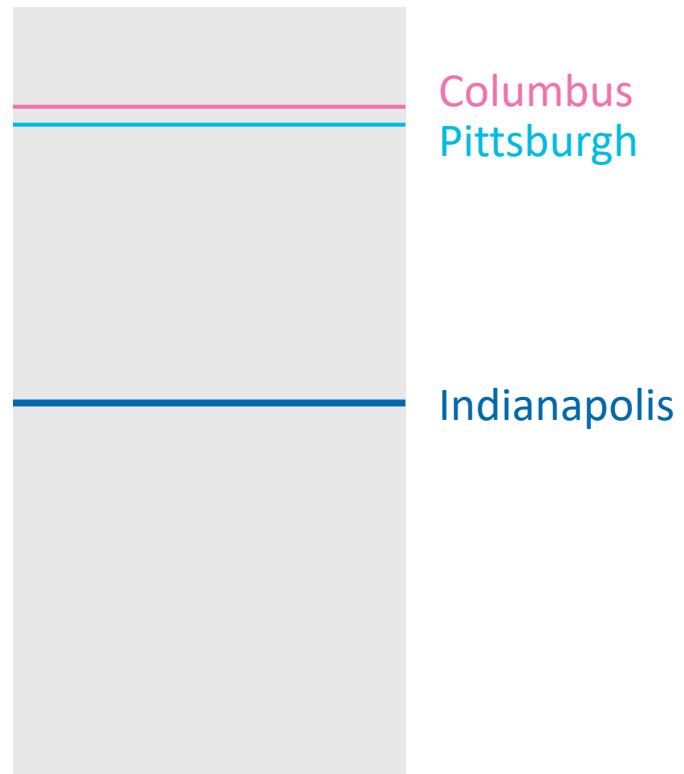
Chetty finds five factors that have a strong relationship with opportunity

- Income Inequality
- Segregation (both racial and economic)
- Family Structure
- School Quality
- Social Capital



Income Inequality

Size of Middle Class
2000
High → Low



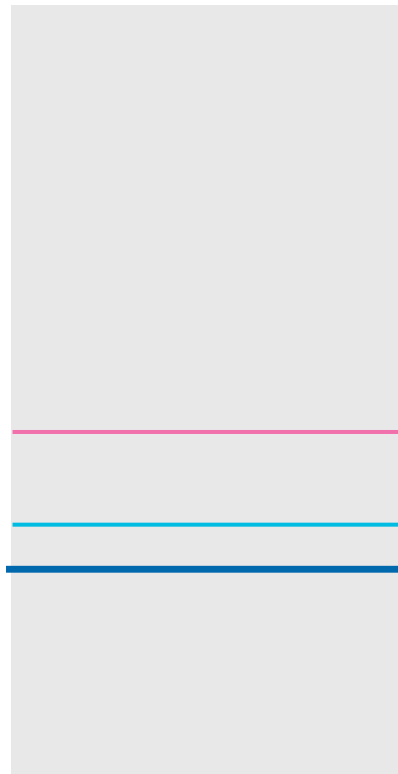
Income Inequality

Size of Middle Class
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Racial Segregation

Theil index
2000
Low → High



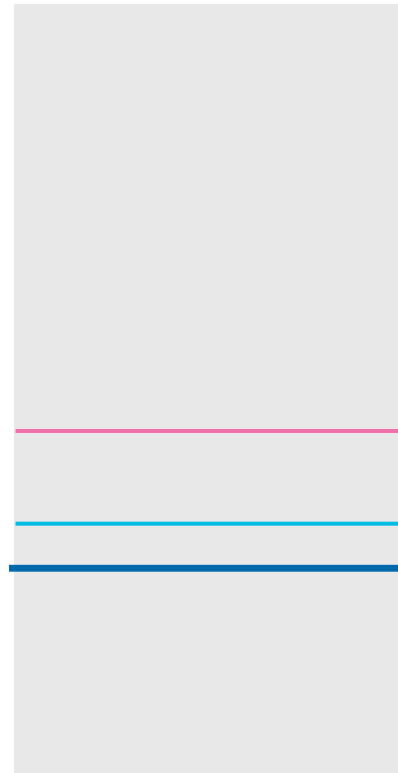
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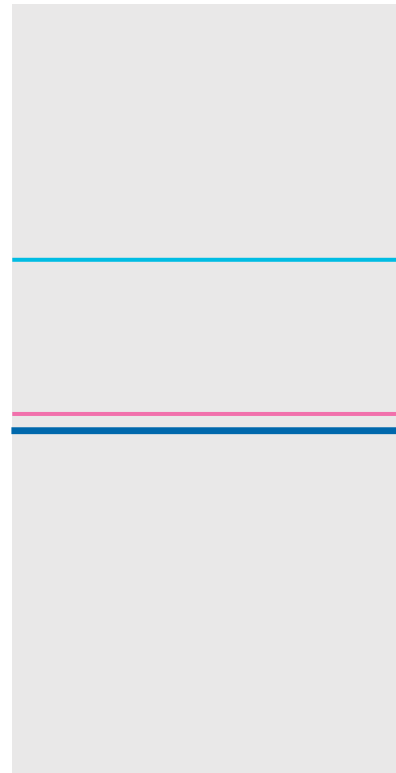
Racial Segregation

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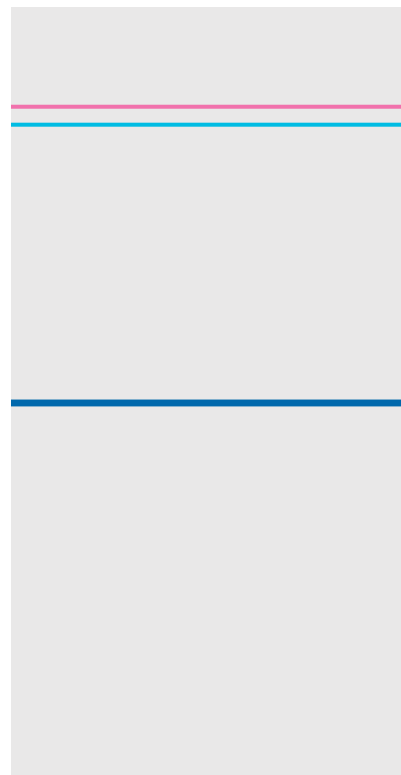
Family Structure

Fraction of Single
Parents, 2000
Low → High



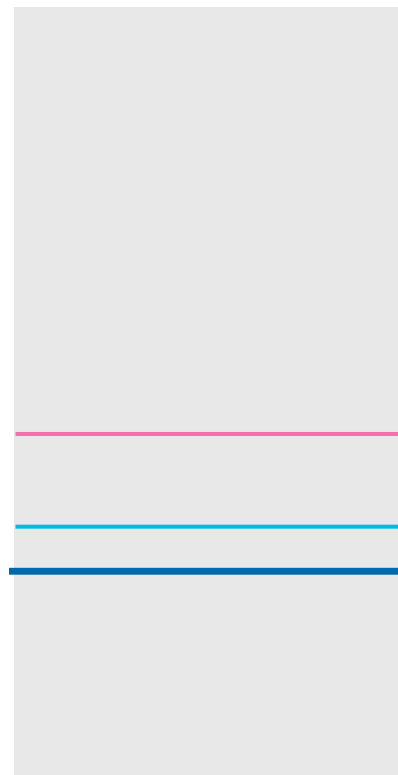
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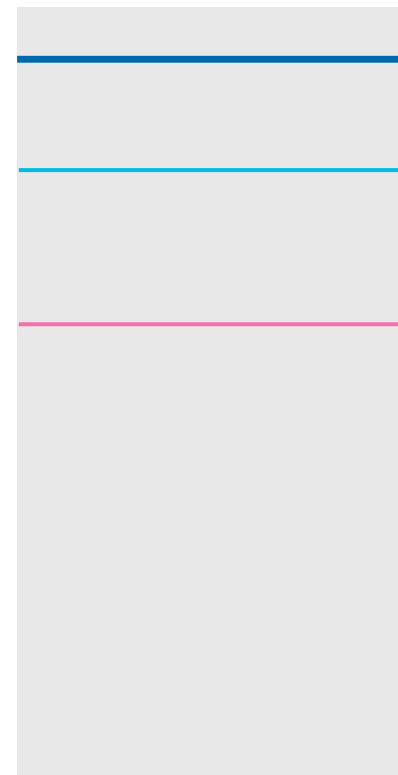
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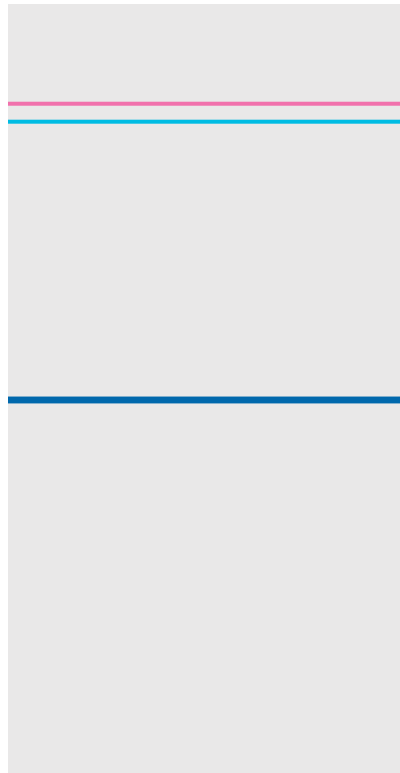
School Quality

Math Test Scores,
3rd Grade, 2013
High → Low



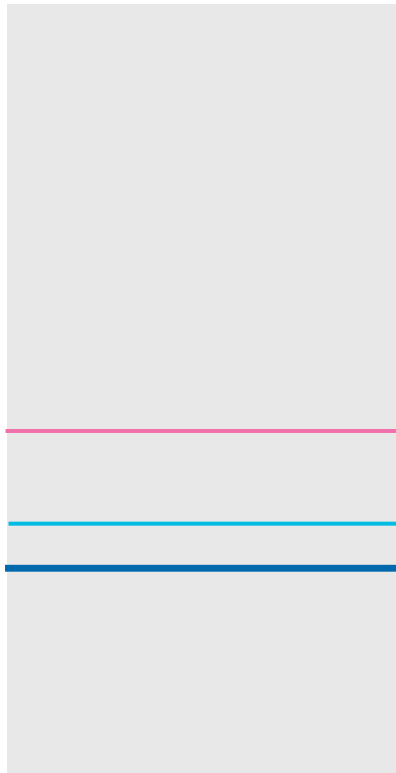
Income Inequality

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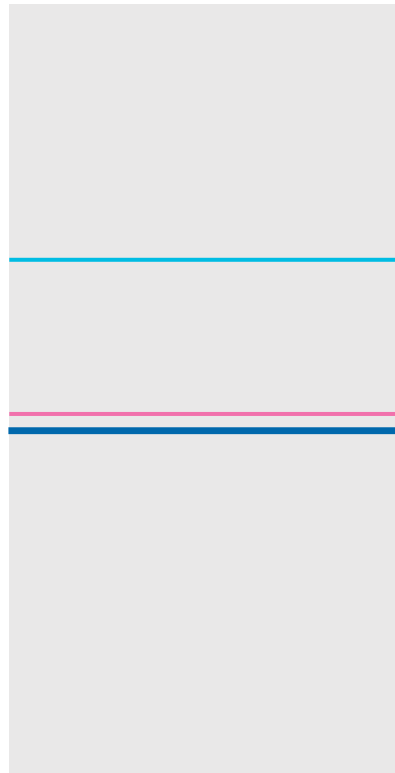
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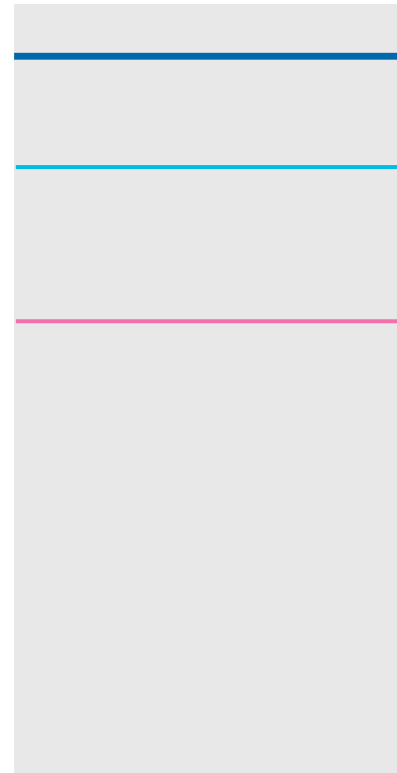
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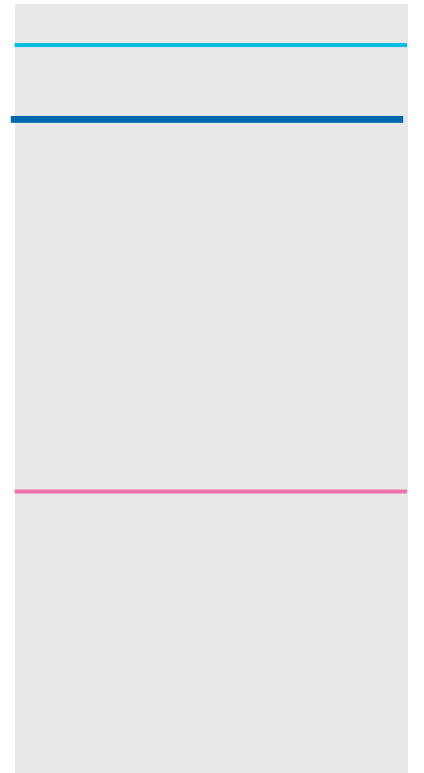
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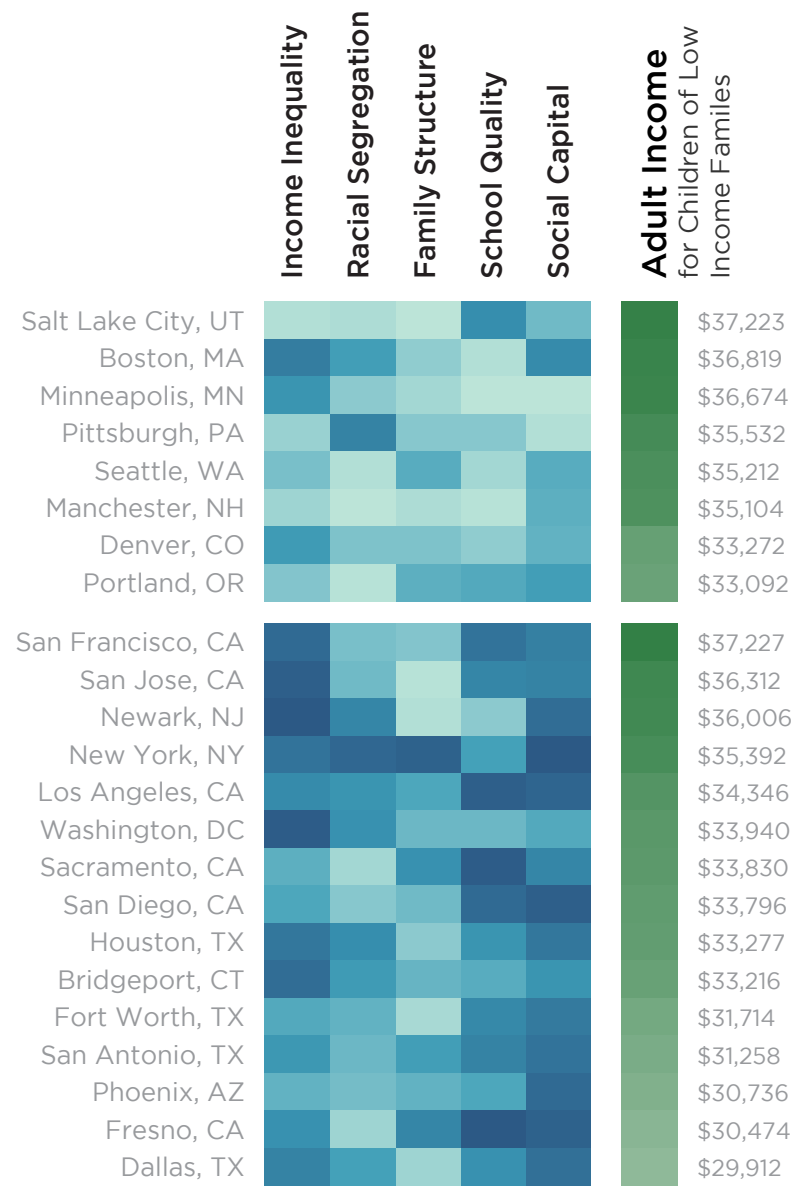
Social Capital

Census Response
Rate, 2010
High → Low



Cluster Analysis Five Strongest Indicators

Top 50 Largest Commuting Zones



CLUSTER 1

White Northern cities

Generally high mobility driven by high ranks on most measures; characterized by low Black populations.

CLUSTER 2

Diverse Coastal and Southwestern cities

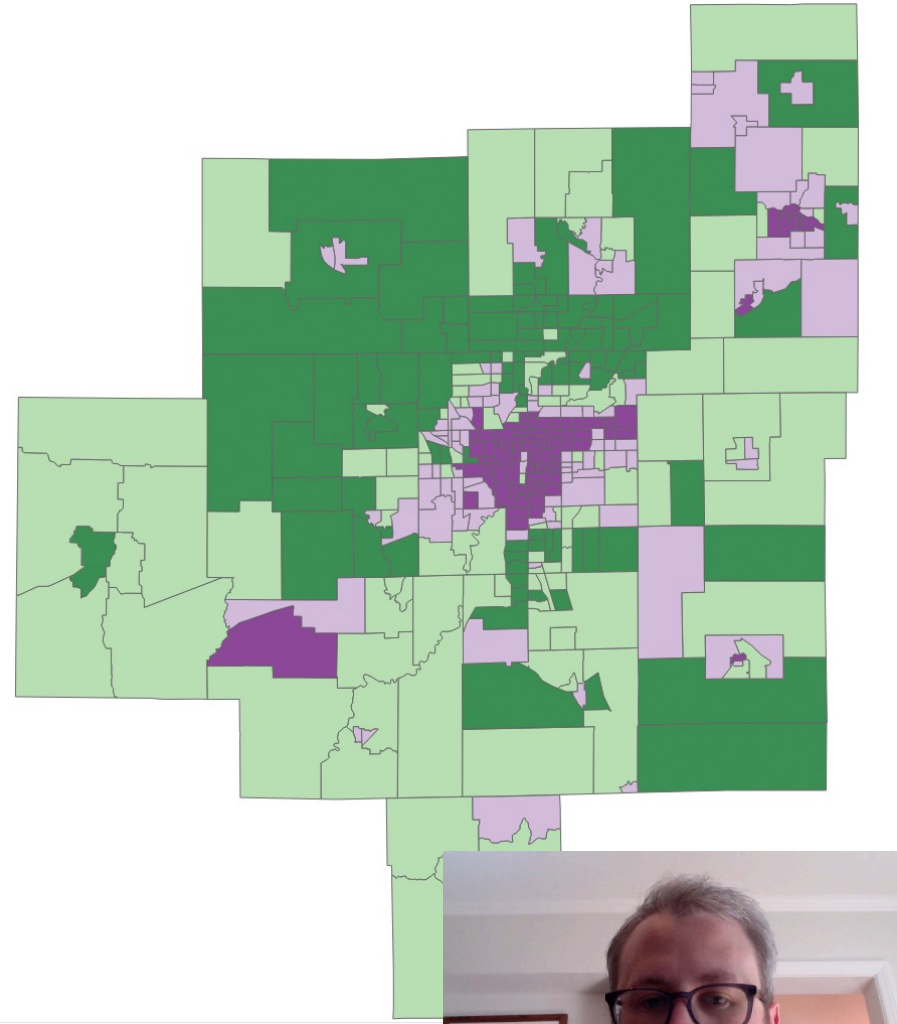
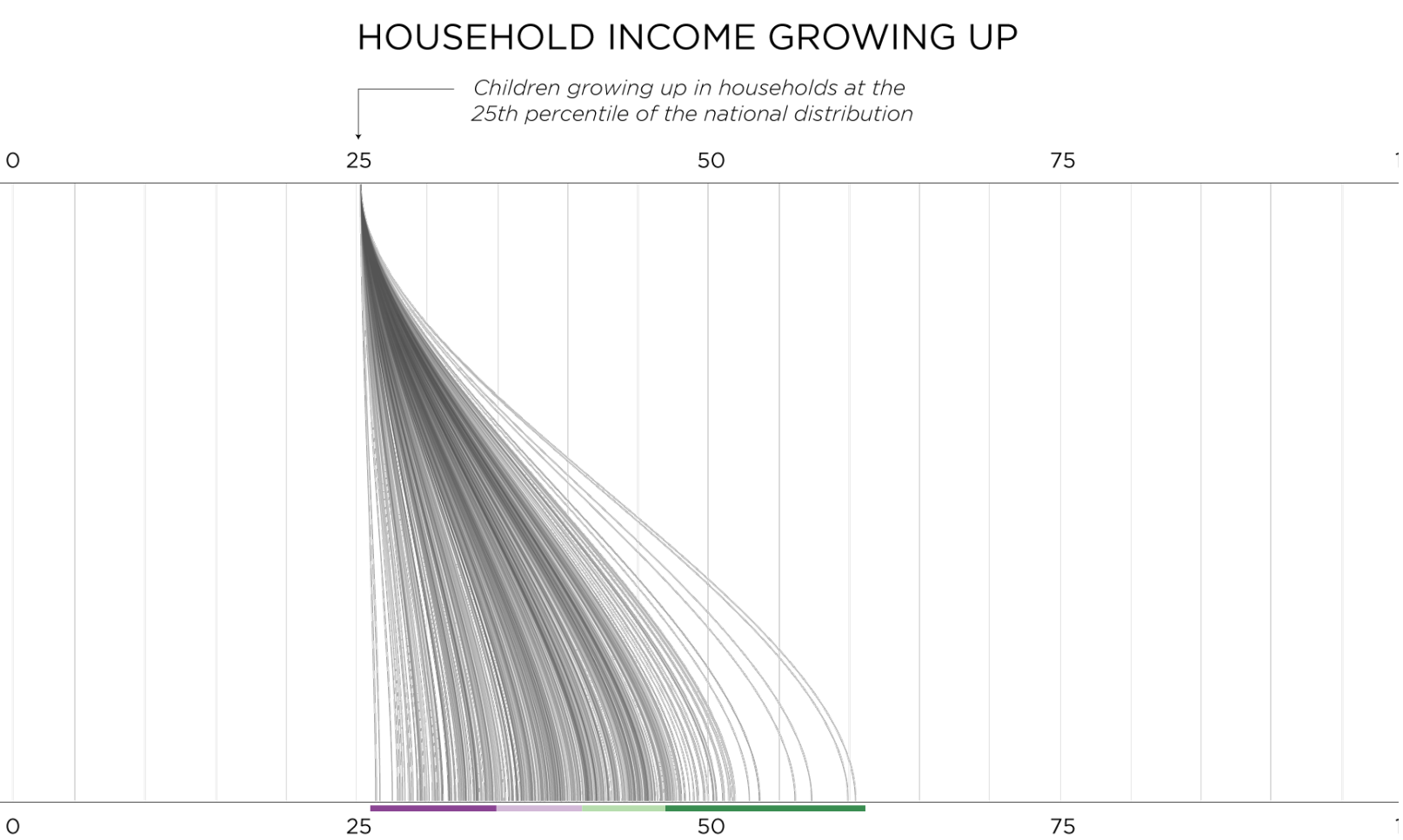
Have relatively high rates of mobility despite high levels of income inequality, low levels of social capital and poor schools. Characterized by their diversity and large Latino populations.

Influences on mobility in Indianapolis neighborhoods



Central Indiana Intergenerational Economic Mobility ~1990-2015

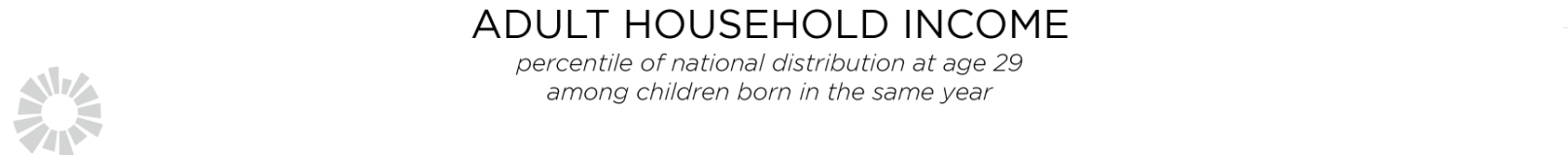
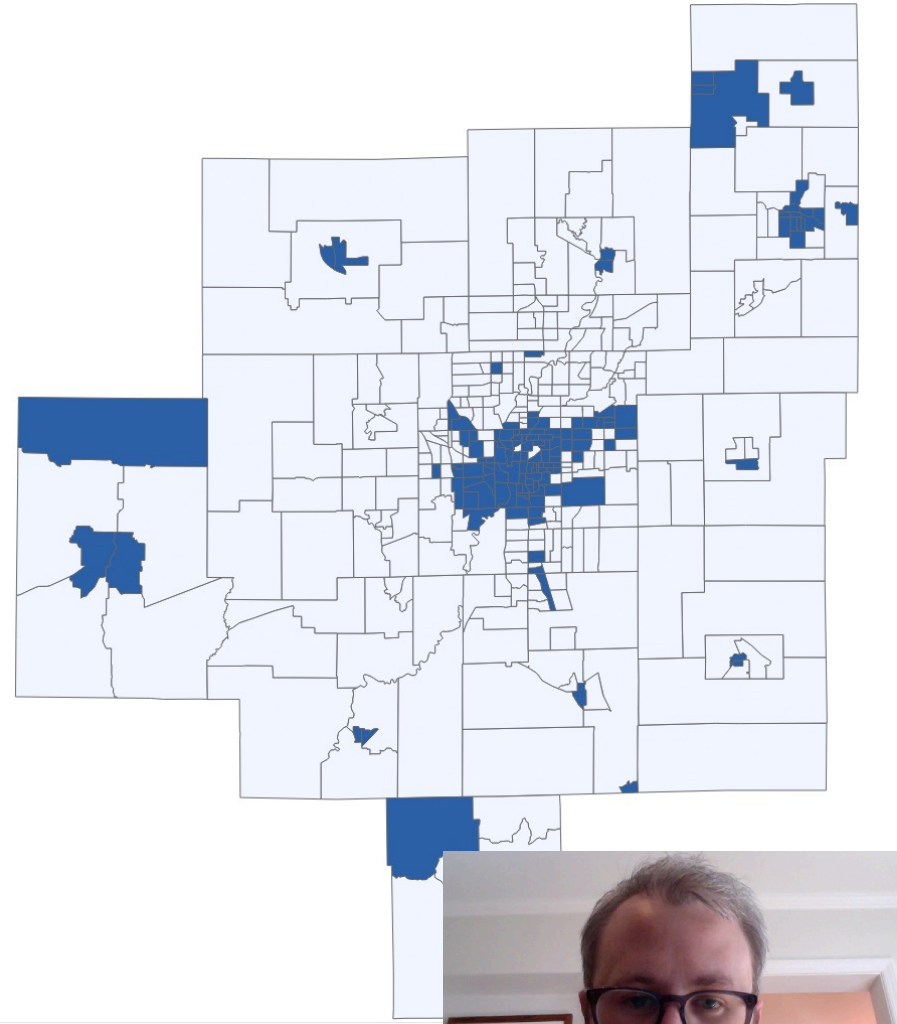
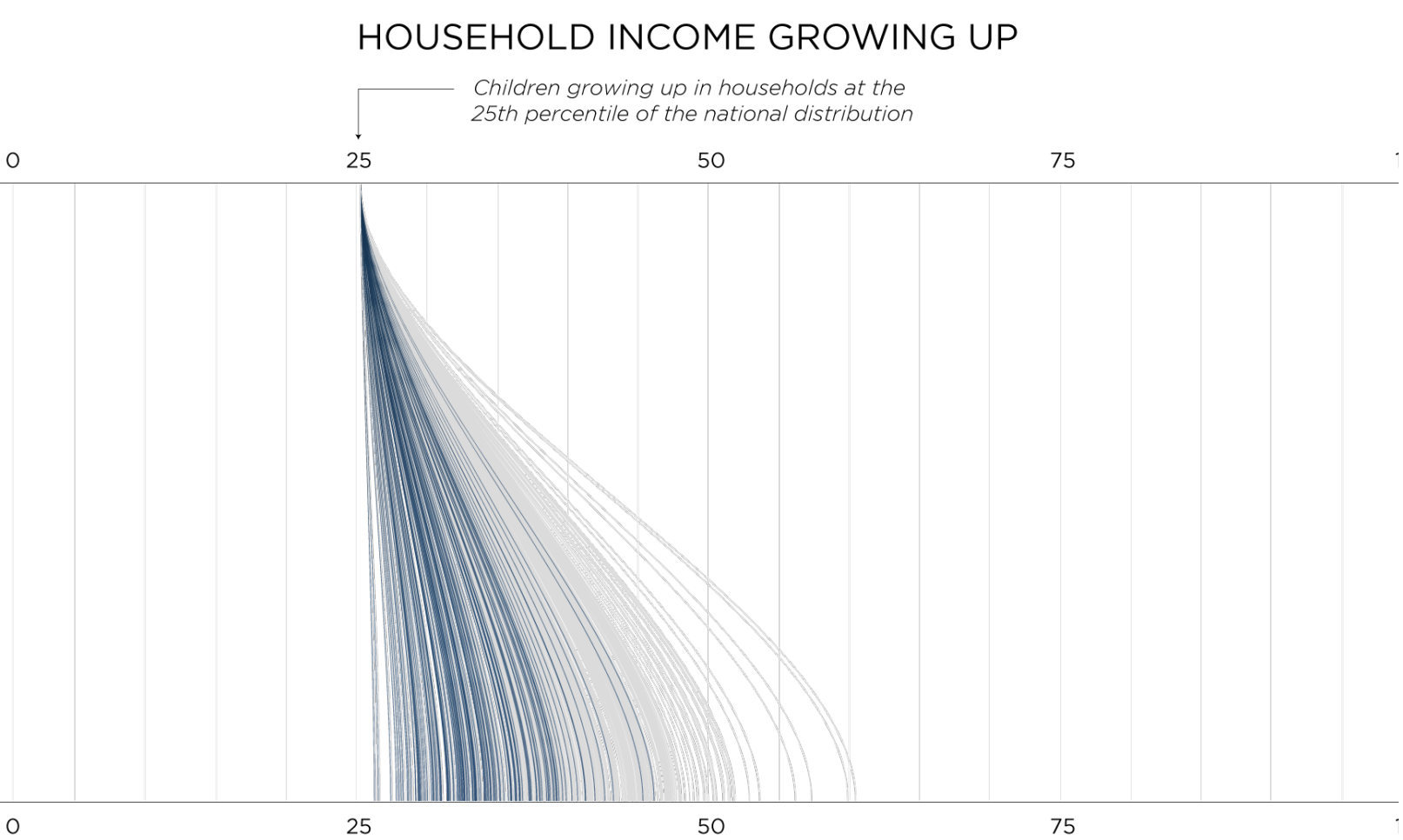
Each line represents a Census Tract, showing the average path of individuals growing up in that neighborhood



LOW INCOME CHILDREN GROWING UP IN LOW INCOME NEIGHBORHOODS

Central Indiana Intergenerational Economic Mobility ~1990-2015

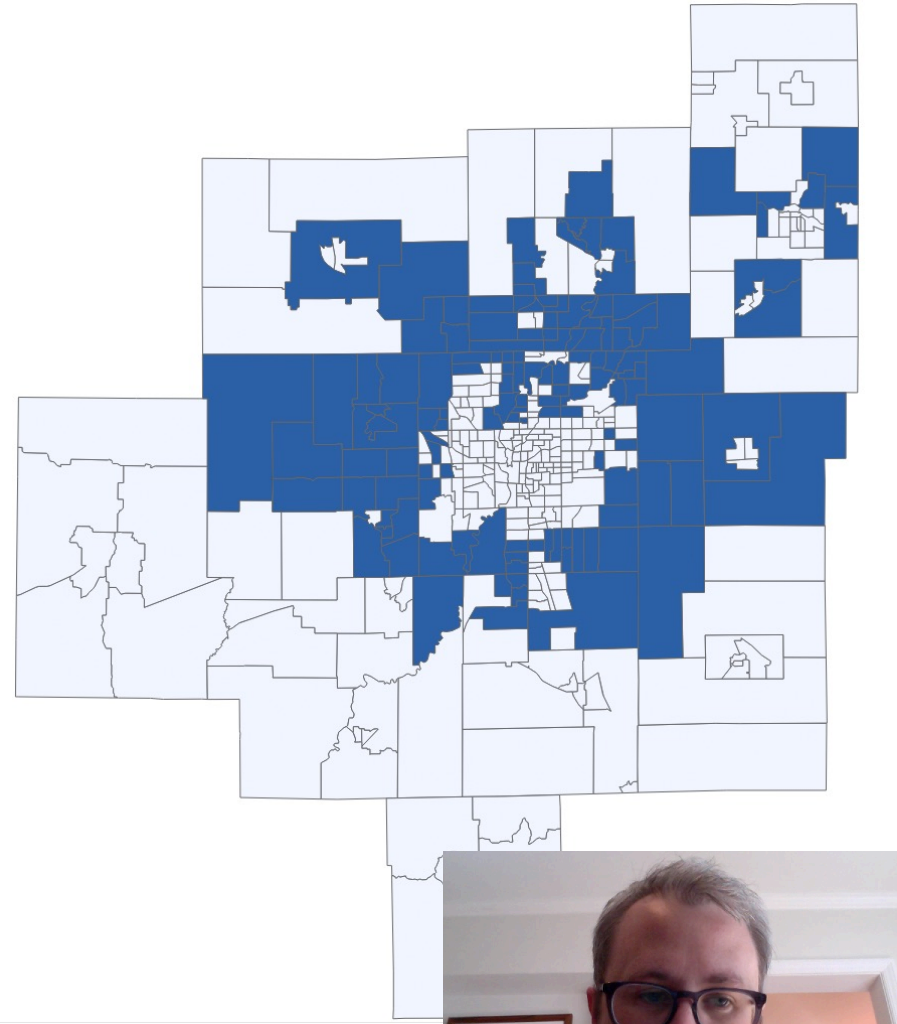
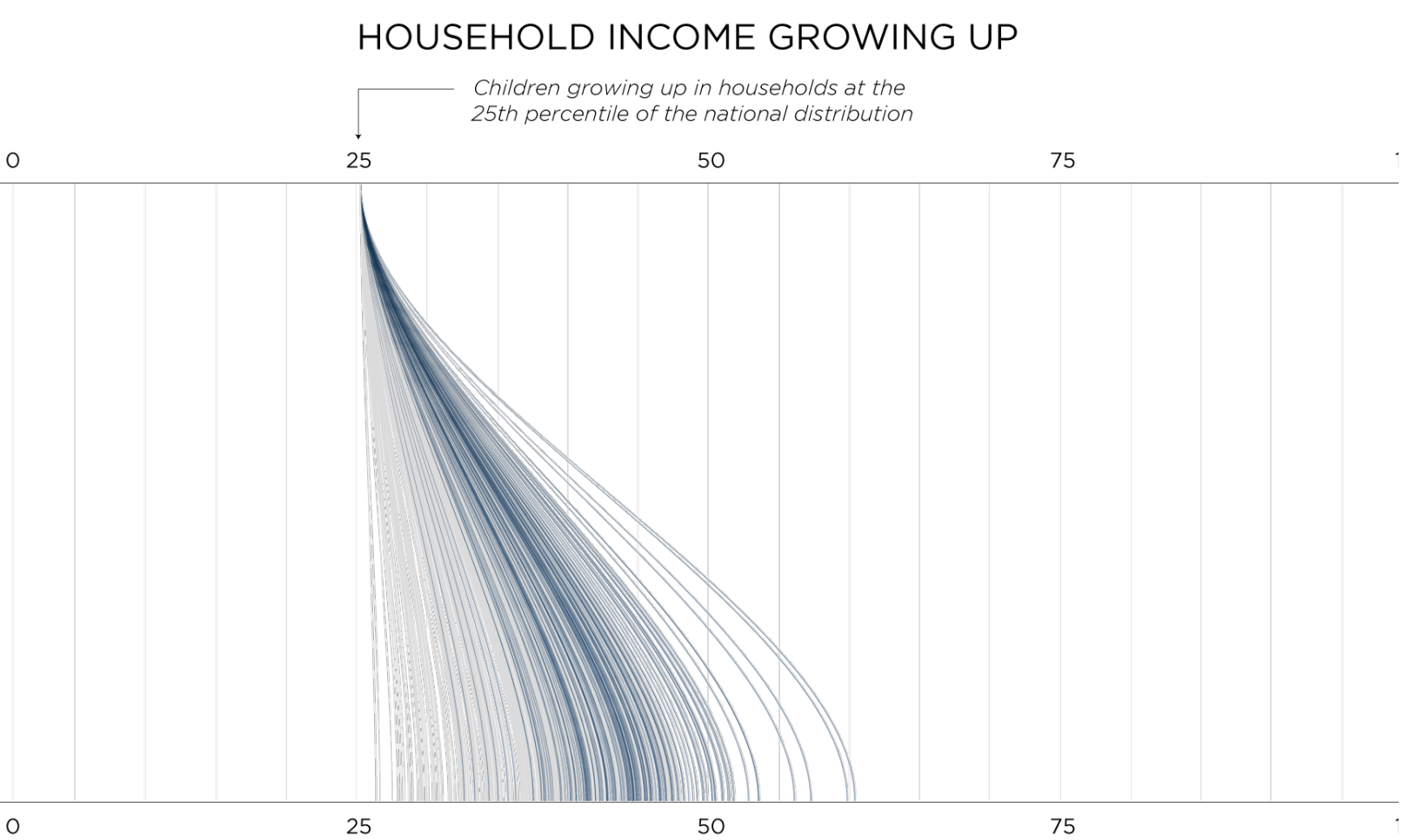
Each line represents a Census Tract, showing the average path of individuals growing up in that neighborhood



LOW INCOME CHILDREN GROWING UP IN HIGH INCOME NEIGHBORHOODS

Central Indiana Intergenerational Economic Mobility ~1990-2015

Each line represents a Census Tract, showing the average path of individuals growing up in that neighborhood



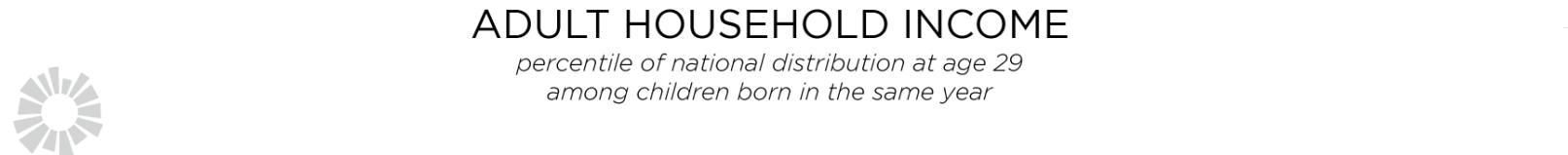
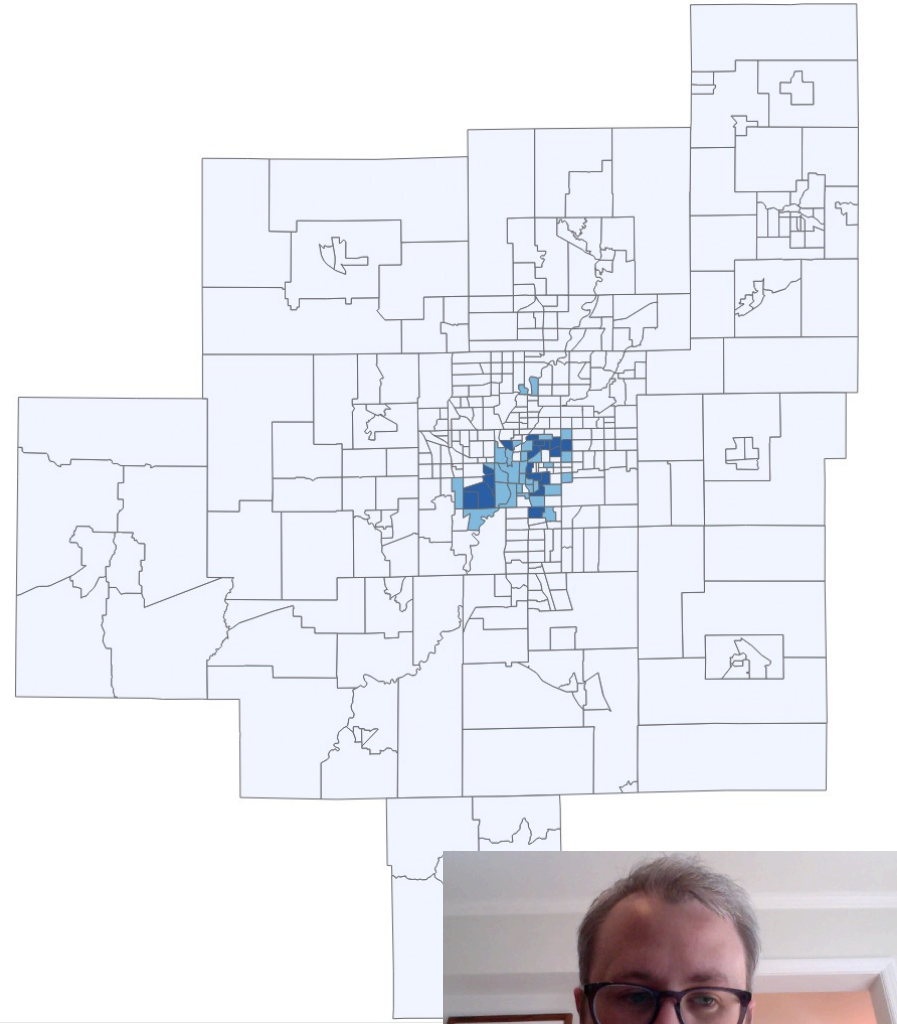
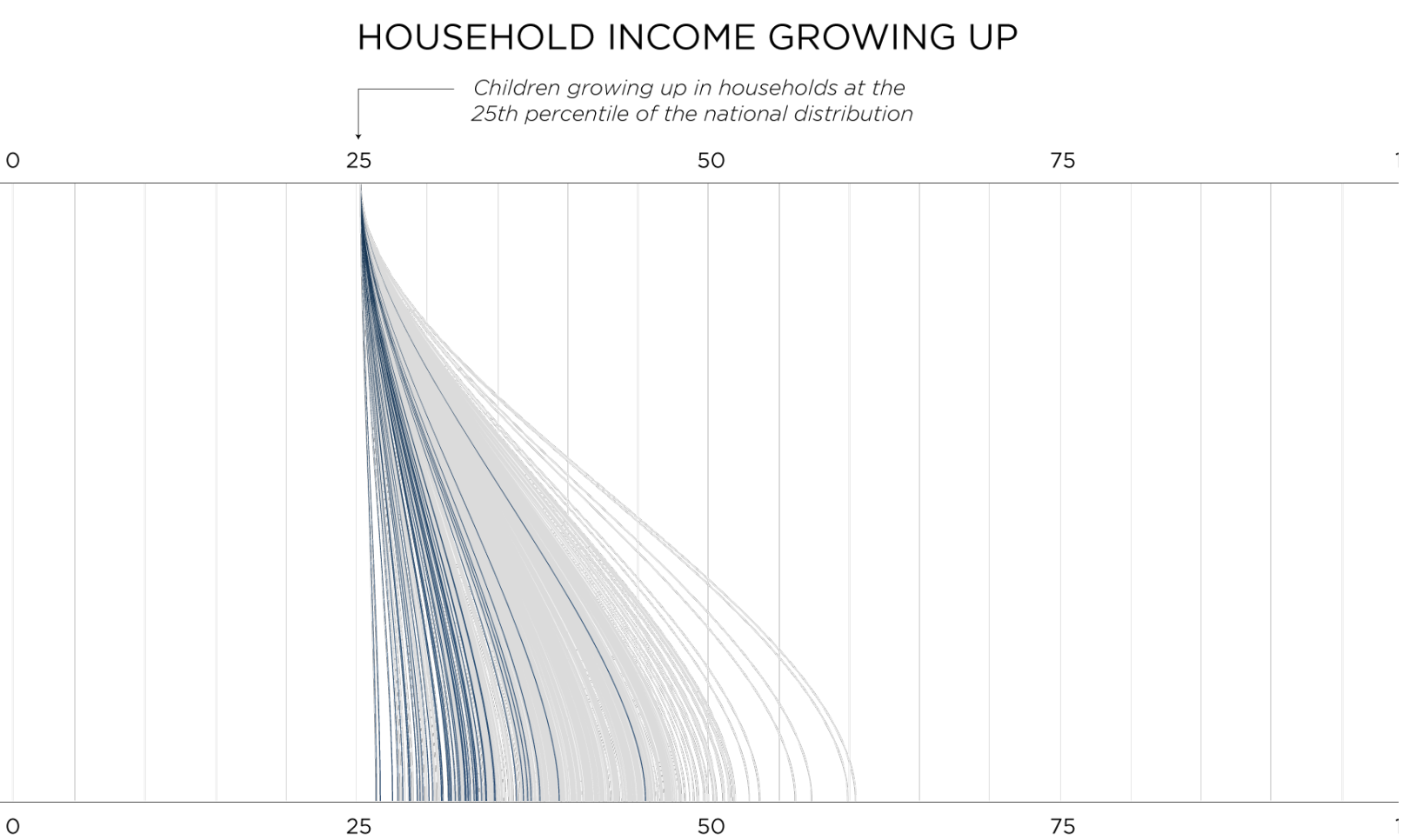
ADULT HOUSEHOLD INCOME

percentile of national distribution at age 29
among children born in the same year



Central Indiana Intergenerational Economic Mobility ~1990-2015

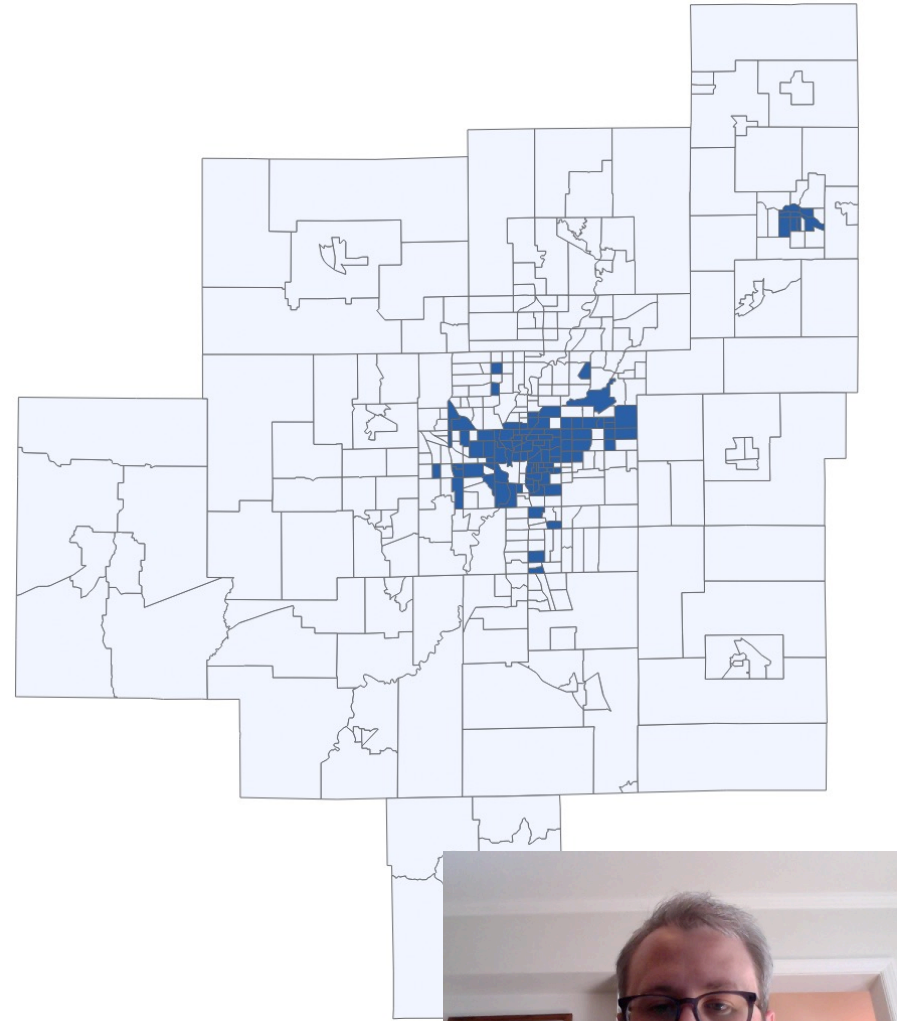
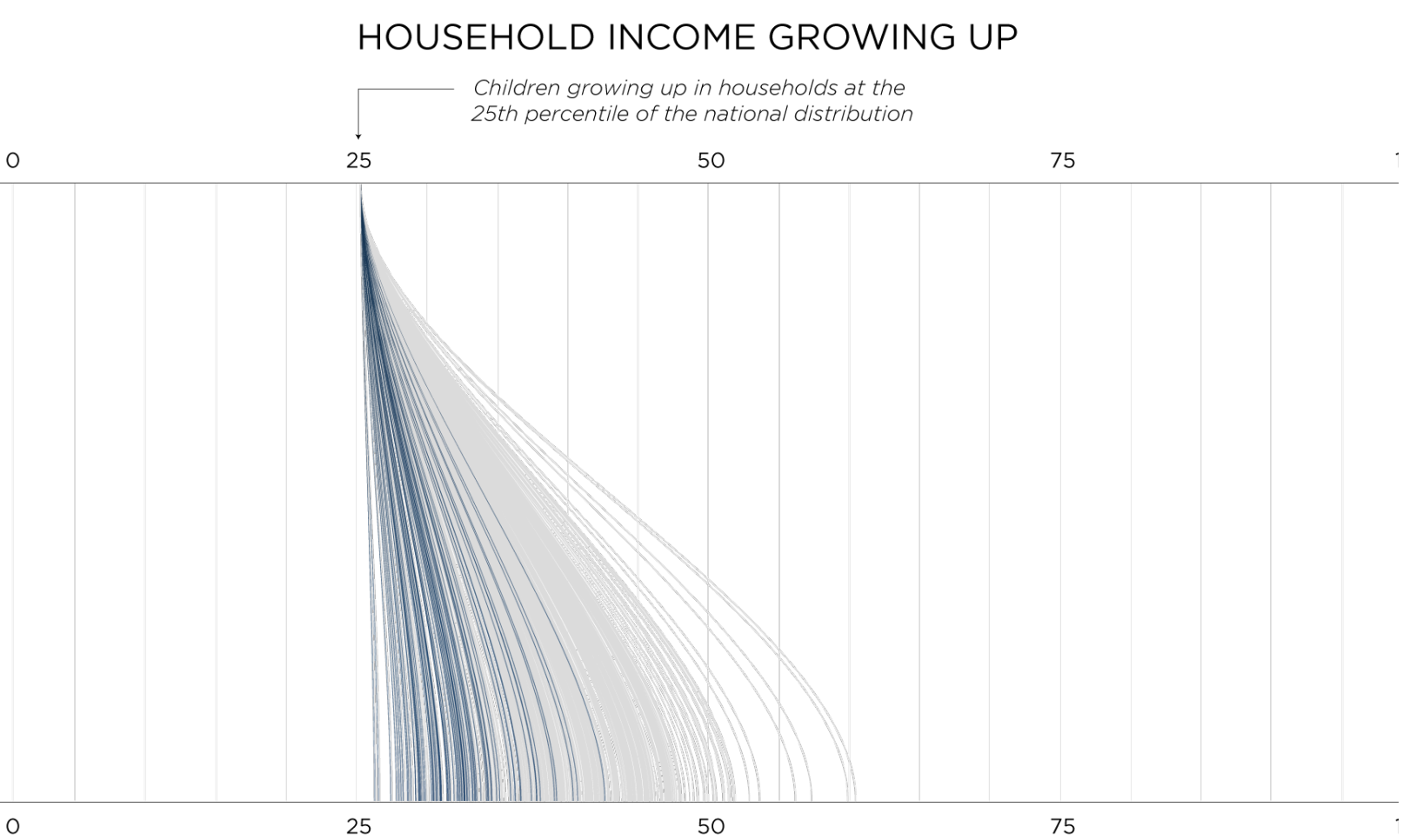
Each line represents a Census Tract, showing the average path of individuals growing up in that neighborhood



LOW INCOME CHILDREN GROWING UP IN SINGLE-PARENT NEIGHBORHOODS (>50% SHARE)

Central Indiana Intergenerational Economic Mobility ~1990-2015

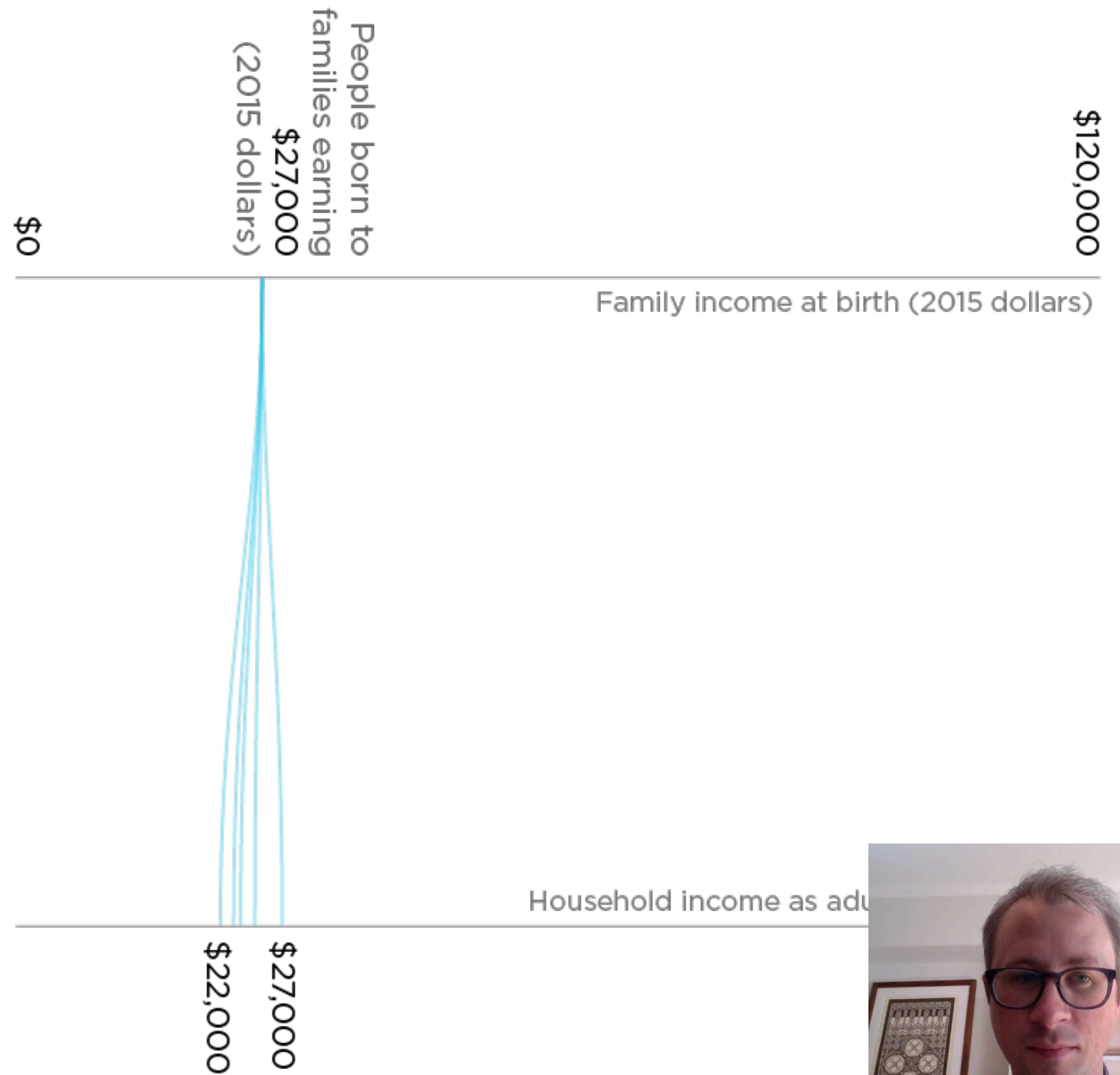
Each line represents a Census Tract, showing the average path of individuals growing up in that neighborhood



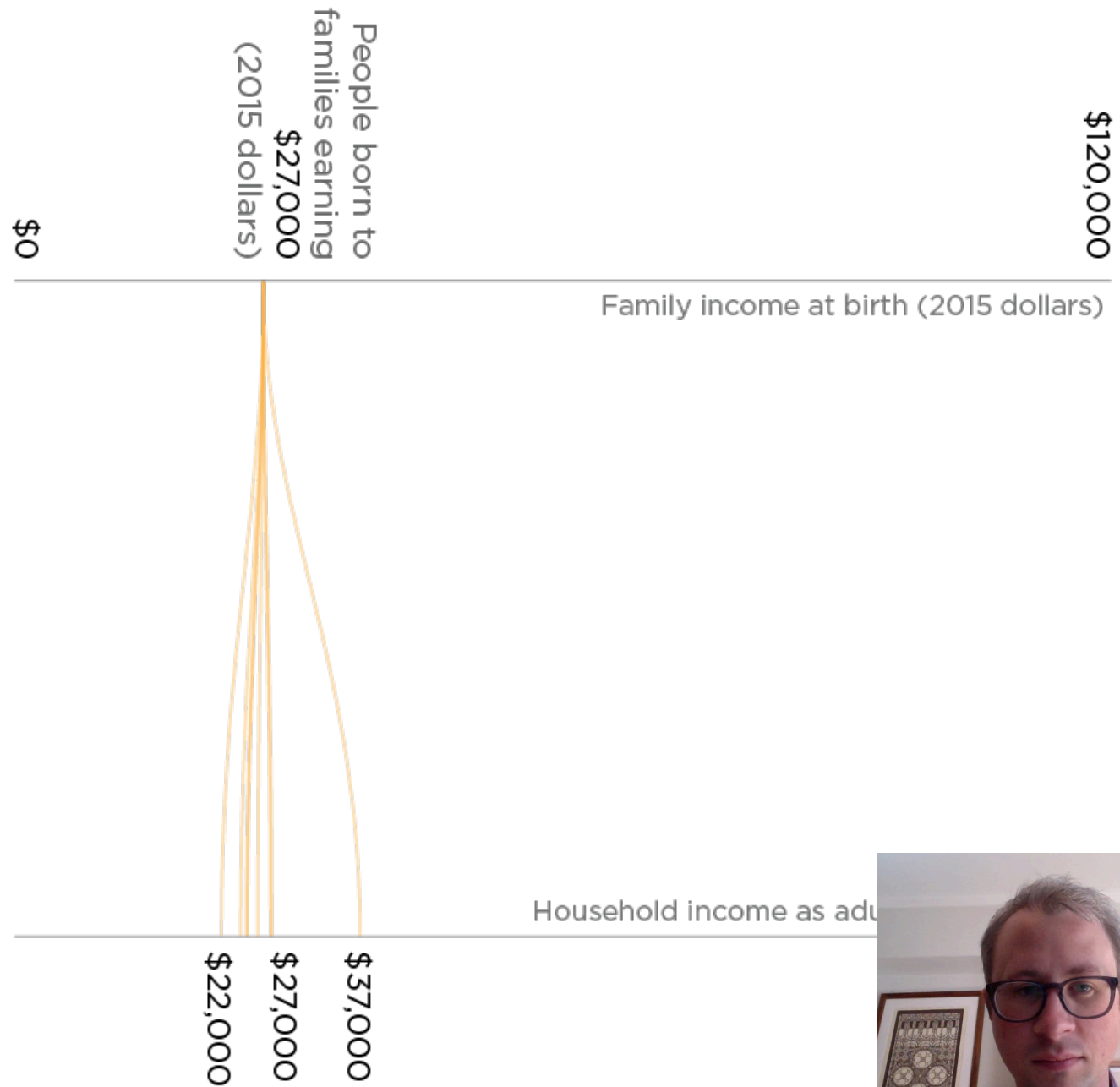
ADULT HOUSEHOLD INCOME
percentile of national distribution at age 29
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Economic opportunity in Northeast neighborhood

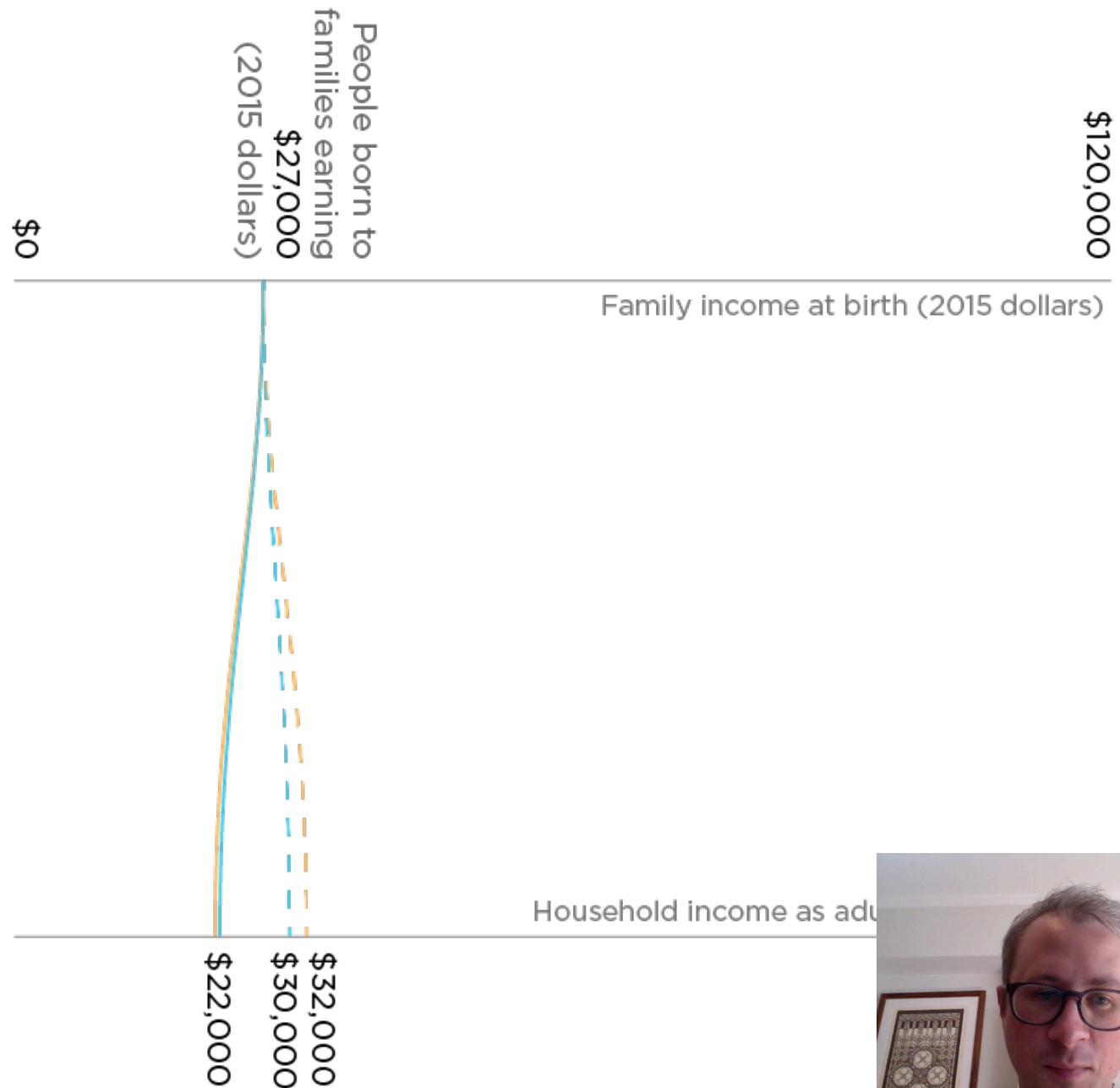


Economic opportunity in Northwest neighborhood



Equity of opportunity in Northeast and Northwest neighborhoods

- Black children born in Northeast
- White children born in Northeast
- Black children born in Northwest
- White children born in Northwest



Building Economic Opportunity: Approach and Solutions



Communities already have what they need for growth

- Endogenous Growth Theory:
 - Human capital
 - Physical capital
 - Labor
 - Technology



Communities already have what they need for growth

- The importance of social capital in communities
 - Bonding
 - Bridging
 - Linking



Taking action by fostering growth

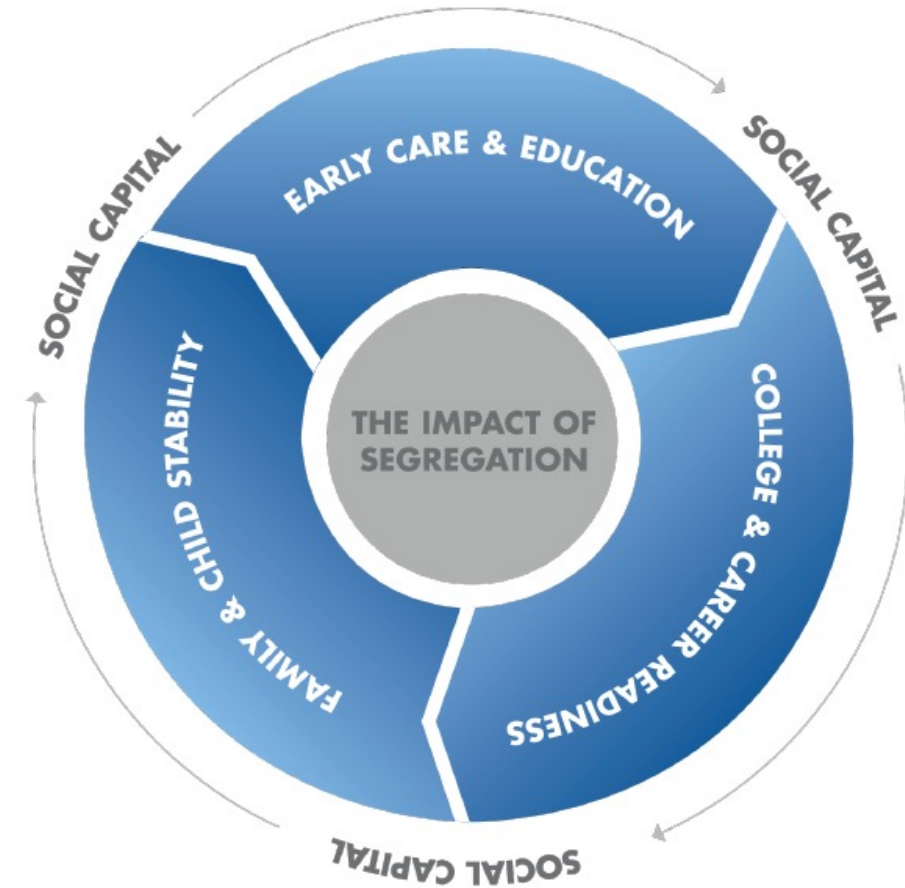
- Early law and policy impacted areas that are lower-opportunity today
- We need to invest in communities and their existing strengths
 - Purposeful planning
 - Partnerships
 - Resources



Planning for equitable growth

Case study:

Charlotte-Mecklenburg Leading
on Opportunity



Leveraging partnerships and resources

