

SOCIAL MOBILITY RESEARCH WITH THE AOS

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MY CHARGE

HOW WILL THE AOS IMPROVE THE COUNTRY'S CAPACITY TO MONITOR AND UNDERSTAND SOCIAL MOBILITY?

WHY IS THERE AN INTEREST IN IMPROVING COUNTRY'S RESEARCH CAPACITY?



THE BACKDROP: GROWING WORRIES ABOUT A DECLINE IN SOCIAL MOBILITY

BUT SUCH WORRIES CAN'T BE ADDRESSED WELL WITH EXISTING DATA

BECAUSE EXISTING DATA AREN'T ADEQUATE TO THE TASK, WE'VE BEEN LEFT WITH CLEVER ATTEMPTS TO MAKE DO

CLEVER ATTEMPT #1: EXPLOIT TAX DATA

“IS THE UNITED STATES STILL A LAND OF OPPORTUNITY?” 2014. RAJ CHETTY, NATHANIEL HENDREN, PATRICK KLINE, EMMANUEL SAEZ, NICHOLAS TURNER

THE SINGLE MOST IMPORTANT AND INFLUENTIAL RECENT ANALYSIS OF TREND (WHICH CONCLUDED THAT THERE IS NO TREND BETWEEN 1971 AND 1993 COHORTS)

MAIN PROBLEM: AVAILABLE TAX DATA DON’T EXTEND VERY FAR BACK INTO TIME (I.E., APPROXIMATELY TWO DECADES OF TREND ANALYSIS THAT ENTAILED PROXYING FOR INCOME IN MOST RECENT YEARS)

CLEVER ATTEMPT #2: SIMULATION

RAJ CHETTY, DAVID GRUSKY, MAX HELL, NATHANIEL HENDREN, ROBERT MANDUCA, JIMMY NARANG, “THE FADING AMERICAN DREAM”

QUESTION: WHAT PROPORTION OF CHILDREN MAKE MORE THAN THEIR PARENTS?

ESTIMATE RATES OF ABSOLUTE MOBILITY BY APPLYING A TRANSITION MATRIX BASED ON PRESENT-DAY TAX DATA TO THE PARENTAL AND CHILD INCOME DISTRIBUTIONS OF THE PAST

ADVANTAGE: CAN REACH BACK INTO MORE DISTANT PAST

BUT SOME MIGHT BE WORRIED THAT IT RESTS ON THE ASSUMPTION THAT THE TRANSITION MATRIX IS CONSTANT

CLEVER ATTEMPT #3: STATISTICAL FIXES

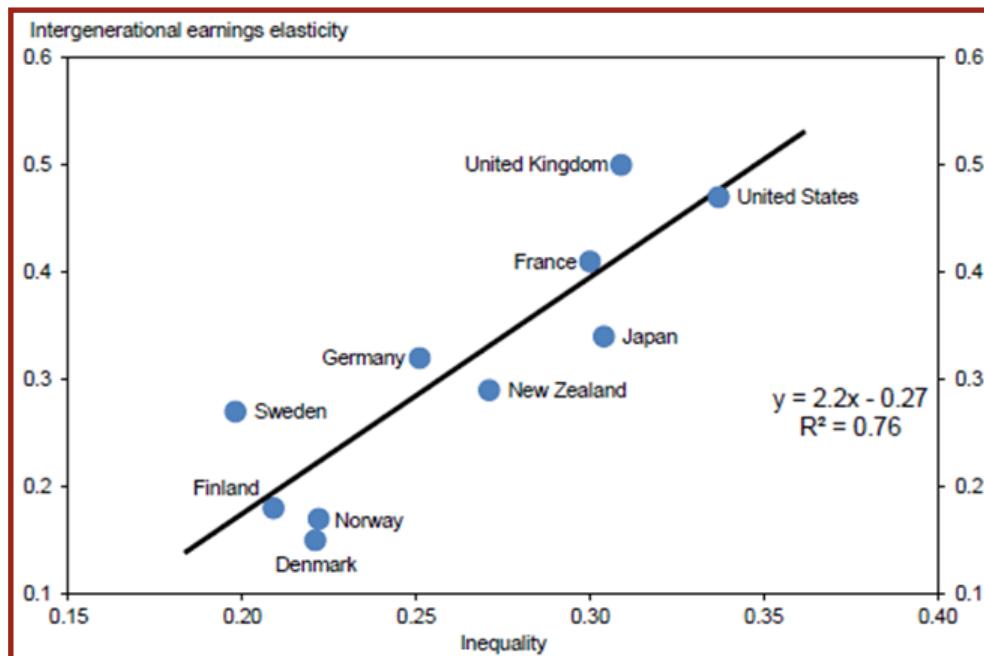
ATTEMPT TO TEASE OUT RECENT TRENDS WITH HIGHLY PARAMETERIZED MODELS FIT TO SMALL SAMPLES (E.G., GARY SOLON, MICHAEL HOUT, ANDREA BELLER, BHASH MAZUMDER, PABLO MITNIK, FABIAN PFEFFER, DAVID GRUSKY, AND MANY OTHERS)

RESULTS: MODELS ARE VERY CLEVER BUT RESULTS ARE OFTEN INCONCLUSIVE BECAUSE OF PROBLEMS WITH STATISTICAL POWER

OTHER PROBLEMS

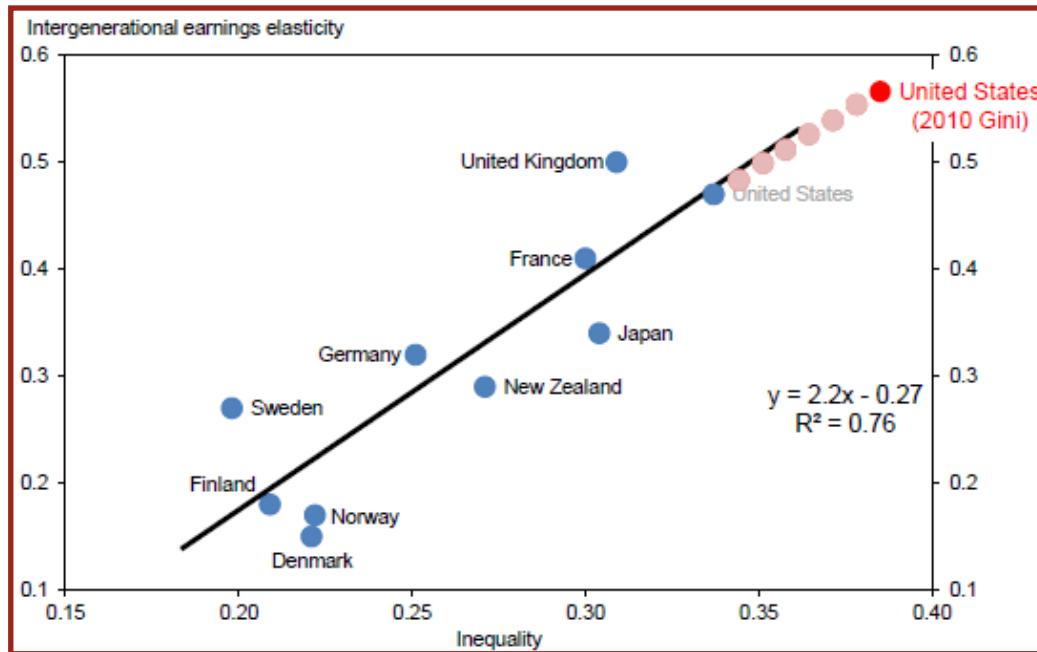
- POOR COVERAGE OF UPPER END OF INCOME DISTRIBUTION
- SUBSTANTIAL ATTRITION
- INSUFFICIENT YEARS OF PARENTAL INFORMATION
- IMMIGRANTS NOT WELL REPRESENTED

CLEVER ATTEMPT #4: USE CROSS-SECTIONAL RELATIONSHIP TO IMPUTE TREND (ALAN KRUEGER)



Note: Adapted from Miles Corak (2011) and Alan Krueger (2012). The data are drawn from OECD and CEA estimates.

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THE UPSHOT

AMERICAN INGENUITY CAN GO ONLY SO FAR

HOW DOES AOS ADD VALUE?

THE ADVANTAGE RELATIVE TO SURVEY DATA IS OBVIOUS (AS WILL BE SHOWN)

BUT WHAT ABOUT TAX DATA?

THREE ADVANTAGES (EVEN IF NEW LINKED PANEL DOES NOT INCORPORATE TAX DATA)

- GREATER ACCESS
- AVAILABILITY OF KEY VARIABLES (RACE, ETHNICITY, COMPLETED EDUCATION, OCCUPATION*)
- CAPACITY TO MONITOR *LONG-TERM* TREND

MOBILITY RESEARCH THAT THE AOS WILL MAKE POSSIBLE

IMPROVED MEASUREMENT OF OCCUPATION MOBILITY

MULTIDIMENSIONAL MEASUREMENT OF MOBILITY

BETTER MEASUREMENT OF RACIAL AND ETHNIC HETEROGENEITY

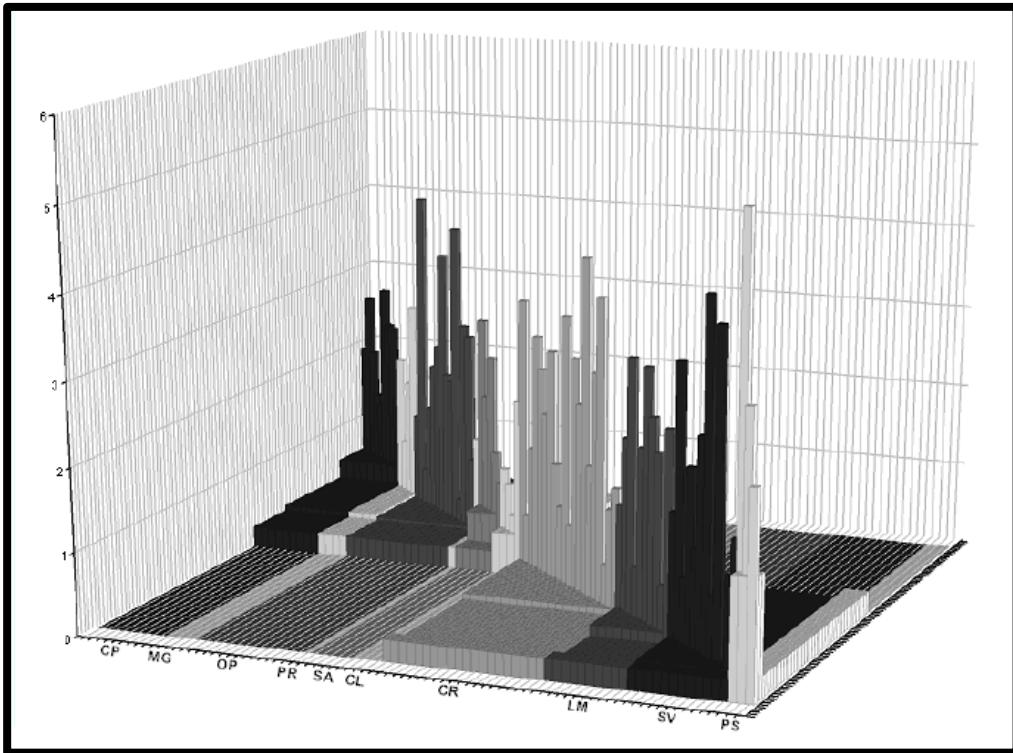
ANNUAL MEASUREMENT PROTOCOL

NEIGHBORHOOD HETEROGENEITY (SEE NATHAN HENDREN)

IMPROVED REPRESENTATION OF FAMILY EFFECTS (SEE LAURA TACH)

BETTER MEASUREMENT OF THE REPRODUCTION OF POVERTY

DETAILED OCCUPATION MOBILITY



HIGHLY AGGREGATE CLASSES
TYPICALLY USED (BECAUSE
AVAILABLE SAMPLES ARE SO SMALL)

BUT MUCH OF THE ORIGIN-
DESTINATION ASSOCIATION HAS
BEEN GENERATED AT THE VERY
DETAILED OCCUPATION LEVEL

IS THIS STILL A MAIN MECHANISM
FOR CLASS REPRODUCTION? FOR
ECONOMIC REPRODUCTION?

MULTIDIMENSIONAL MEASUREMENT OF MOBILITY

AOS WILL MAKE IT POSSIBLE TO SIMULTANEOUSLY MEASURE EDUCATION, OCCUPATION, INCOME MOBILITY

ADVANTAGES OF SIMULTANEOUS MEASUREMENT

- ESTIMATE *NET* TRENDS
- CORRECT FOR POSSIBLE OVERESTIMATES OF MOBILITY: COMPENSATING DIFFERENTIALS COULD LEAD TO SUBSTANTIAL UNDERESTIMATES OF PERSISTENCE (I.E., POOR CHILDREN MAY FOCUS ON MONEY WHILE WELL-OFF CHILDREN MAY TRADE OFF MONEY FOR AUTONOMY, OPPORTUNITIES TO BE CREATIVE, AND SO FORTH)

BETTER MEASUREMENT OF RACIAL AND ETHNIC HETEROGENEITY

SURVEY-BASED ANALYSES OF MOBILITY: SAMPLES ARE TOO SMALL TO MEASURE GROUP-SPECIFIC TRENDS (ESPECIALLY FOR RELATIVELY SMALL GROUPS)

TAX DATA: INDIVIDUAL-LEVEL MEASURES OF RACE AND ETHNICITY ARE UNAVAILABLE

AOS IS THE ANSWER

ALLOWS FOR ANNUAL MEASUREMENT

SHOULDN'T MOBILITY BE MEASURED ANNUALLY (LIKE POVERTY)?

ANNUAL ASSESSMENT THAT REFLECTS EFFECTS OF INCREMENTAL DEMOGRAPHIC AND LIFECOURSE CHANGES

- ADDING A NEW COHORT: ARE NEW ENTRANTS EVINCING A LOW OR HIGH LEVEL OF EARLY-LIFECOURSE PERSISTENCE (RELATIVE TO THAT OF PREVIOUS ENTRANTS TO THE LABOR FORCE AS WELL AS THE EXITING COHORT)?
- LIFECYCLE EFFECTS OF OLDER COHORTS: ARE LIFECYCLE EFFECTS AMONG OLDER COHORTS WORKING TO INCREASE OR DECREASE OVERALL PERSISTENCE?

NEIGHBORHOOD EFFECTS ON MOBILITY

WAIT FOR NATHAN!

FAMILY EFFECTS

THREE-GENERATION ANALYSES CAN BE CARRIED OUT BY LINKING ACROSS MULTIPLE LONG-FORM CENSUSES (OR ACS)

SIBLING MODELS OF MOBILITY AND EVEN TWIN MODELS ARE ALSO VIABLE
EFFECTS OF FAMILY COMPLEXITY: SEE LAURA TACH!

MONITORING PARTICULAR TYPES OF MOBILITY (E.G., REPRODUCTION OF POVERTY)

LARGE-SAMPLE ESTIMATES OF TREND IN INTERGENERATIONAL AND INTRAGENERATIONAL PERSISTENCE OF POVERTY

THREE-GENERATION ANALYSES OF POVERTY

SIBLING AND TWIN MODELS OF POVERTY

INTERGENERATIONAL INHERITANCE OF PROGRAM PARTICIPATION (ASSUMING PROGRAM ARE BROUGHT IN)

CONCLUSION

SOCIAL MOBILITY IS ABOUT MEASURING *LONG-RUN EFFECT* OF ONE TYPE OF TREATMENT (I.E., THE “FAMILY” TREATMENT)

THIS TYPE OF LONG-RUN EFFECT IS ESPECIALLY IMPORTANT TO MONITOR BECAUSE OF THE COUNTRY’S STANDING INTEREST IN IT

BUT THE CASE FOR DATA LINKAGE BECOMES EVEN STRONGER WHEN OTHER LONG-RUN EFFECTS ARE CONSIDERED (EFFECTS OF POLICIES, INSTITUTIONAL PARTICIPATION, RECESSIONS)