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Upward Mobility in the American Mountain West

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Abstract

Upward economic and social mobility is an intrinsic element of American society. Data from the Equality of Opportunity Project (EOP) demonstrates that upward mobility is a critical issue for our nation’s metros. An analysis of Mountain West metros and the performances of colleges and universities in this region reveal how the differing economic, demographic, and social characteristics affect mobility. This brief explores upward mobility rates, measures of diversity, levels of domestic and foreign migration, and students’ family household income and their eventual individual incomes. The comparison of postsecondary institutions in Mountain West metros serves as a microcosm to better understand how metros and their universities can best serve our nation’s ever diversifying population.

Introduction

The idea of upward mobility figures vividly in the American imagination. Each individual has the opportunity, in a quintessentially American phrase, to “make something of themselves.” Birth is not destiny. Or at least, that is the idea – and the ideal.

In this paper, I argue that upward mobility is an intrinsic element of American identity, even if as a nation we have so often failed to live up to its promise. Drawing on data from the Equality of Opportunity Project, I show that upward mobility is a metro issue, with significant variation in mobility rates across different cities. Next, I show that upward mobility is a mountain metro issue, presenting data on the mobility performance of the four major cities in the Mountain West – Salt Lake City, Denver,
Phoenix and Las Vegas - as well as some of the different economic, demographic, and social characteristics of these cities. I cite data showing that Las Vegas is perhaps the quintessential “melting pot” metro in terms of diversity. Lastly, I show that upward mobility is a mountain metro college issue, presenting data on the eight largest four-year universities in the Mountain West.

A note on the data used for most of this paper: the dataset assembled by the Equality of Opportunity Project, led by Professor Raj Chetty, is based on federal administrative data, specifically anonymized tax records. It is big data. Big data allows us to look at small geographies and at specific institutions. Thanks to the Project, we now have much finer-grained detail on how different places and different institutions perform in terms of upward mobility. Since all the data presented here is descriptive, it provides no final answers on what lies behind differences in upward mobility. But it can offer some clues.

One of the most consistent themes is the importance of cities that are home to a sizable middle class, such as Salt Lake City and Las Vegas; and of universities like UNLV that serve students from lower-income and middle-income backgrounds and help them to succeed in the labor market.

**Upward Mobility is an American Issue**

The very idea of the American Dream is associated with self-development and advancement. As Truslow Adams wrote in his book *The Epic of America* (he wanted *The American Dream* as a title, but his publisher refused):

“The American Dream is [...] that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement...It is not a dream of motor cars and high wages merely, but a dream of social order in which each man and each woman shall be able to attain to the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position.”

The writer whose work has become virtually a byword for upward mobility, however, is Horatio Alger. In his most famous book, *Ragged Dick; or, Street Life in New York with the Boot Blacks*, published in 1868, the kindly mentor Mr. Whitney explains to the eponymous hero, a shoeshine boy on the streets of New York: “in this free country poverty in early life is no bar to a man’s advancement.” Again, the message is clear: being born poor does not mean staying that way. Mr. Whitney has some specific advice too: Save your money, my lad, buy books, and determine to be somebody.” Right there, in a 150-year-old novel, are some of the ingredients of upward mobility. *Save your money:* in other words,
accumulate some financial capital. Assets and wealth can be important aids to upward mobility, by allowing investments in the future. As well as a buffer against downturns. *Buy books*: a good enough proxy for education, for human capital, which turns out to be very important indeed for upward social mobility. *Determine to be somebody*: here Alger captures the ideas of aspiration and agency; making something of ourselves.

In practice, of course, America has very often failed to live up its own ideal, most obviously in the systematic oppression and exclusion of certain groups because of their race and ethnicity. But the ideal remains.

Americans are used to thinking of the nation as a land of opportunity, with higher rates of upward mobility than other countries, especially those of the Old World in Europe. But at a national level, upward mobility rates are no higher in the U.S. than in many other nations – and lower than in many, including Denmark and Canada.

**Upward Mobility is a Metro Issue**

National comparisons only take us so far, however. In some ways, comparing a huge nation like the U.S. with tiny one like Denmark (which has a population of just 5.8 million, less than Massachusetts), is nonsensical.

This is particularly true given what we now know about the significant variation in mobility rates within the U.S. – which is greater than the variation between the U.S. and other nations. A child born poor in some parts of the country, or even some neighborhoods within a city, may have much higher chances of escaping poverty as an adult than a child born equally poor, but in a different zip code (Chetty et al., 2014).

Figure 1 shows a map of the variation in upward mobility rates in different parts (Community Zones) across the U.S.

The lowest rates of upward mobility can be seen in the Deep South and the Rust Belt (note that the geographical unit here is the commuting zone). Western cities – typically newer, and faster growing, show much higher rates of upward mobility. As Chetty et al. (2014) write: “A key question is why some areas of the U.S. generate higher rates of mobility than others.” Again, the descriptive data does not allow for the identification of clear causal factors. But there are some suggestive associations. Chetty and his team find that intergenerational mobility is strongly correlated with five factors: residential segregation, by race especially; income inequality; school quality; social capital; and family structure. There is much more work to be done to understand the nuances of local opportunity structures and their relationship with upward mobility.
Figure 1
Metro Mobility, Variation U.S.: Relative Mobility, Rank-Rank Slopes by CZ

Corr. with baseline $\bar{r}_{25} = -0.68$ (unweighted), -0.61 (pop-weighted)

What is in no doubt is that mobility is a metro issue. As Chetty puts it: “The main lesson of our analysis is that intergenerational mobility is a local problem” (Chetty et al., 2014). Place matters.

Looking at some specific cities highlights this point. As shown in Figure 2, kids from low-income households (the lowest 25th percentile) end up at different places on the income distribution as adults depending on where they grow up (here switching back to commuting zones).

The highlighted cities are those from the Mountain West. Salt Lake is number one for upwards mobility; Denver, Phoenix, and Las Vegas are in the middle of the pack. But as I will show, these cities face quite different, and some cases quite sharp challenges.

**Upward Mobility is a Mountain Metro Issue**

I turn now to a more detailed examination of these “big four” mountain metros. As shown in Figure 3, Salt Lake City stands out on a few metrics, including for the proportion of the population that is religious (a proxy for social capital).

Figure 4 shows that on other measures, including many of those correlated with social mobility, Salt Lake City again stands out, for example for the proportion of single parents (while Las Vegas has the highest).

As illustrated in Figure 5, Salt Lake City also has a smaller share of the population in poverty (bottom 20% of the national distribution) than other mountain metros (again Las Vegas has the most). Figure 6 shows that Denver and Salt Lake City also perform better than Phoenix and especially Las Vegas in terms of standardized test scores in Math and English, controlling for income.

Salt Lake City is also much less racially diverse than other mountain metros. One of the strong correlations that Chetty et al. (2014) found with upward mobility was the proportion of the population that is black—a reflection of structural inequalities and the legacy of segregation and racism. Figure 7 shows that on this measure, Salt Lake and Las Vegas are strikingly different.

Given these data, the surprise is not that Salt Lake City has such high upward mobility but that the other mountain metros—especially, perhaps, Las Vegas—are not too far behind. Other demographic trends point in a more positive direction for Las Vegas, especially, starting with the size of the middle—defined as the proportion from the middle 60% of the national distribution—in the city, which is comparable to Salt Lake (see Figure 8).
Figure 2
Intergenerational Mobility in the 50 Largest Commuting Zones

Expected Adult Income Rank of a Child from the 25th Percentile

Figure 3
Fraction of Population that is Religious


Figure 4
Percentage of Children with Single Mothers

Figure 5
Share of Parents from Bottom Quintile


Figure 6
Income-Adjusted Test Score Percentile

Figure 7
Percentage of Population that is Black


Figure 8
Percentage of Adults in the Middle Class in 2014

Ultimately, you cannot have upward mobility to the middle class unless there is a middle class to be upwardly mobile into. For one reason or another, Las Vegas is managing to create quite a chunky middle class.

**Las Vegas: A Mountain Melting Pot**

Las Vegas, then, clearly has some serious headwinds in terms of promoting upward mobility, but some strengths, too. One factor that is likely working in the city’s favor is that it is highly diverse – and becoming more so – but is not highly segregated. As shown in Figure 9, Las Vegas is more racially diverse than other mountain metros, and much more diverse than the U.S. as a whole.

The population expansion in Las Vegas has been fueled by a more diverse population, with just 8% of the growth between 2000 and 2010 coming from whites, and 34% from minorities (Frey, 2010). Another factor that may be at play here is that Las Vegas is an “in-migration” city, if not quite an immigrant one. Figure 10 shows that the mountain metros are drawing some population from outside the borders of the U.S., but Las Vegas is drawing thousands of new residents from within the U.S.

These new residents may be internal immigrants, but they are likely nonetheless to have moved in order to secure opportunities for themselves and for their children; they have, in other words, a “mobility mentality” (Hatalsky, 2015). Other things equal, this is likely to push up mobility rates.

There are other indicators of a “melting pot” spirit in Las Vegas, too. For example, the proportion of newlyweds who have married across race lines. While there are many measures of racial integration, including by neighborhood and occupation, rates of interracial marriage are a good signal of the social distance across race lines. Figure 11 shows that one in three marriages for Las Vegas residents between 2011 and 2015 were across race lines, twice the U.S. average and the highest national figure with the exception of Honolulu (Livingston, 2017).

This is in part a straightforward result of racial diversity, but it is a reflection too of the degree of integration. Inter-racial marriage rates can be seen a proxy for a “melting pot” culture – one that is not only diverse, but reasonably mixed, rather than strongly segregated by geography, social networks, discrimination, and social norms.
Figure 9: Percentage of Mountain Metro Population by Race in 2010

Figure 10
Rates of Net Domestic Migration and Migration from Abroad from 1995-2000


Figure 11
% of U.S. Newlyweds who are Married to Someone of a Different Race or Ethnicity

Upward Mobility is a Mountain Metro College Issue

The big cites of the Mountain West have less developed postsecondary education systems than elsewhere in the U.S. Per capita, the Mountain West metros have fewer universities, in part because population growth has simply outpaced college growth (see Figure 12).

The universities in the Mountain West also differ significantly in terms of the populations they serve and the outcomes for their students. Once again drawing on data from the Equality of Opportunity Project, we can measure both the backgrounds and destinations of students at individual institutions. As shown in Figure 13, eight main four-year institutions of higher education in the Mountain West have students from quite different family income backgrounds.

Colorado State, the University of Utah, all public universities in Arizona, and the University of Nevada, Reno (UNR) all take around half their students from families in the top 20% of the national income distribution, and very few from the bottom 20%. The other four institutions – Utah State University, Boise State University, the University of New Mexico, and the University of Nevada, Las Vegas (UNLV) take many more students from families in the middle 60% of the distribution. UNLV takes more students from the “middle class” (62%) than any other; the University of New Mexico takes the highest proportion from the bottom 20%.

While 45% of UNR students are from households in the top fifth of the income distribution, the equivalent for UNLV is 31%. This general pattern is also reflected in the median income of the households that students come from (see Figure 14). The median student at the first four institutions comes from a household with a six-figure income, compared to $73,900 for those attending the University of New Mexico, and $90,400 for those at UNLV.²

In terms of upward mobility, it matters not only where students come from, but where they end up. A university that takes affluent students and produces affluent alumni is not doing much to promote upward mobility. From a social mobility perspective, what we are looking for are universities and colleges that take students from poor or modest backgrounds and help them to secure a good income. One outcome measure is the income of individual students from particular institutions at the age of 34. Figure 14 shows these figures for the eight Mountain West institutions, as well as the parental income data discussed above.

Again, there are some clear differences in the outcomes for students attending different institutions. The median individual incomes at the age of 34 for individuals who attended Boise State, Utah State, and the University of New Mexico are in the $30,000 to $35,000 range. The other institutions post better outcomes, in the $41,000 to $46,000 range - but note that most of them were taking students from more affluent backgrounds in the first place.

Within the University of Nevada system, the median parental income of UNR students was $103,500, compared to $90,400 for UNLV students, while the outcomes for students from the two institutions are virtually identical, with median individual incomes of $45,900 and $41,500, respectively.

One important note about these data: parental income is measured as total household income for the 1980-82 birth cohort when children were 15 to 19 years old, while child income is measured as individual earnings for the 1980-82 birth cohort around age 34 (Chetty et al., 2017). These results are likely to reflect a number of factors well beyond the specific role of the colleges and universities, including trends in local labor markets, rates of in-migration and out-migration, and so on.

Nonetheless, the role of college in promoting upward mobility is critical, as a growing body of research demonstrates (Baum & Holzer, 2017; Reeves, 2017). Some universities in the Mountain West are providing more powerful upward mobility “escalators” than others, in part by taking students from a more diverse economic background, and in part by helping prepare those students for subsequent success in the labor market.
Figure 1.3

Distribution of Parental Income at Eight-Year-University West

Figure 14
Median Student and Family Incomes at Eight Four-Year Colleges in the Mountain West

Chetty and his team have formalized the impact of college on upward mobility by creating a “mobility scorecard” for each institution (Chetty et al., 2017). Their scorecard is focused specifically on students from the poorest households (i.e. the bottom fifth). The main mobility measure is the fraction of an institution’s students who come from a family in the bottom fifth of the income distribution, and end up in the top fifth of the income distribution. As Chetty et al. write, “The colleges that have the highest upward mobility rates...are typically mid-tier public schools that have both large numbers of low-income students and very good outcomes.”

In a separate paper, “Ladders, labs, or laggards? Which public universities contribute most,” with Dimitrios Halikias, I combine the Mobility Scorecards with a measure of the research contribution of universities, drawing on an independent ranking from the Carnegie Foundation (Reeves & Halikias, 2017). We place each one of a selected group of 342 selective, four-year public universities into one of four categories:

- **Ladders**: colleges and universities that do well in terms of mobility, being “successful in attracting low-income students, and pushing them up the income ladder after they graduate”, but who rank lower in terms of research.

- **Labs**: colleges and universities that are ranked in the Research 1 (very high) or Research 2 (high) categories by the Carnegie Foundation, but with weaker mobility scores.

- **Leaders**: colleges and universities that are both Ladders and Labs (i.e. perform well on both fronts: upward mobility and research).

- **Laggards**: colleges and universities that do not have a strong performance on either the mobility or research front.

<table>
<thead>
<tr>
<th>High Upward Mobility</th>
<th>LADDERS</th>
<th>LEADERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Upward Mobility</td>
<td>LAGGARDS</td>
<td>LABS</td>
</tr>
<tr>
<td>Low Research Activity</td>
<td>High Research Activity</td>
<td></td>
</tr>
</tbody>
</table>
Our goal was to highlight the two main justifications for public support for universities – mobility and research – and rank them against these two. The main finding of our paper is that there is considerable financial support from the federal government for students from high-income families attending “laggard” institutions (around $2 billion) a year. The eight Mountain West 4-year universities discussed in this paper are all included in the study, and generally emerge reasonably well (see Table 1). Only one – Boise State – is counted as a “laggard.” Four do well in terms of research, if less well on the mobility front, and so count as “labs.” Three – the University of New Mexico, UNLV, and the Arizona system - count as “leaders,” posting a relatively strong upward mobility performance, as well as making the grade in term of research.

**Table 1**

<p>| University Leaders, Labs, and Laggards in Upward Mobility in the Mountain West |
|---------------------------------|------------------|------------------|------------------|------------------|</p>
<table>
<thead>
<tr>
<th><strong>University</strong></th>
<th><strong>Mobility Rate</strong></th>
<th><strong>Median Student Income</strong></th>
<th><strong>Share of Students from Bottom Quintile</strong></th>
<th><strong>Share of Students from Top Quintile</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LEADERS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University of New Mexico</td>
<td>0.0204</td>
<td>$73,900</td>
<td>13.6%</td>
<td>25.6%</td>
</tr>
<tr>
<td>University of Nevada, Las Vegas</td>
<td>0.0189</td>
<td>$90,400</td>
<td>6.5%</td>
<td>37.0%</td>
</tr>
<tr>
<td>Arizona System</td>
<td>0.0158</td>
<td>$110,700</td>
<td>4.9%</td>
<td>49.8%</td>
</tr>
<tr>
<td><strong>LABS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University of Nevada, Reno</td>
<td>0.0117</td>
<td>$103,500</td>
<td>4.1%</td>
<td>44.7%</td>
</tr>
<tr>
<td>Utah State University</td>
<td>0.0065</td>
<td>$91,300</td>
<td>3.9%</td>
<td>33.8%</td>
</tr>
<tr>
<td>University of Utah</td>
<td>0.0113</td>
<td>$107,400</td>
<td>3.7%</td>
<td>47.7%</td>
</tr>
<tr>
<td>Colorado State University</td>
<td>0.0112</td>
<td>$115,400</td>
<td>3.2%</td>
<td>52.6%</td>
</tr>
<tr>
<td><strong>LAGGARDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boise State University</td>
<td>0.0128</td>
<td>$77,100</td>
<td>7.5%</td>
<td>25.2%</td>
</tr>
</tbody>
</table>


**Conclusion**

In this paper, I argue that upward mobility is an American issue, and that we face an important policy challenge in creating more opportunities for those from modest or middle-class backgrounds to rise up the income ladder.

Mobility is also a metro issue, and a university issue. There are wide variations in the mobility rates of different cities, and in the composition and outcomes of students at different colleges. Cities with a strong, sizable middle class seem to do better in terms of upward mobility, even when, like Las Vegas, they face strong headwinds in terms of educational outcomes at the K-12 level, family structure, and other factors.
The role of postsecondary institutions is critical. For most lower-income and middle-class students to flourish in the labor market, they need access to a good quality college education. Many of the Mountain West colleges, including UNLV, are doing well on this score, opening their doors to students from the bottom 80% of the income distribution, rather than largely serving those from the upper middle-class (top 20%).

America’s cities are going to become more diverse in the decades ahead and are likely to become even more important as incubators of upward mobility. The American Dream will live or die in American cities. Those cities that create racially integrated, economically inclusive communities are likely to flourish most.

But it is clear that those cities also need universities that cater to all their residents, rather than just the affluent, and provide high-quality research and teaching to boot. The cities and colleges of the American Mountain West face many of the same challenges as American does in the 21st century – but they provide us with some possible templates for success, too.

Endnotes

1 Richard Reeves first discussed the topic of this brief at Brookings Mountain West, as part of the Spring 2018 Brookings Scholar Lecture Series on the campus of UNLV. The presentation titled, “Melting Pots and Mountains: Upward Mobility in the Mountain West” can be viewed at unlv.edu/event/upward-mobility-mountain-west. Reeves first lectured on the topic of his 2017 book, “Dream Hoarders: How the American Upper Middle Class Is Leaving Everyone Else in the Dust, Why That Is a Problem, and What to Do About It” at the Spring 2017 Brookings Scholar Lecture Series. The talk titled, “Dream Hoarders: The Dangerous Separation of the American Upper Middle Class,” can be viewed at unlv.edu/event/dream-hoarders.

2 In the presentation titled “Melting Pots and Mountains: Upward Mobility in the Mountain West,” Reeves reported on the median parental income for the 1991 birth cohort, the most recent cohort available in the data from the Equality of Opportunity Project. In this policy brief, Reeves reports income for the 1980-82 birth cohorts, since this is the main group that Chetty et al. use to calculate mobility. Parental income data for all birth cohorts from 1980 to 1991 are publicly available online from the Equality of Opportunity Project at http://www.equality-of-opportunity.org/
References


Established in 2009 as a partnership between the Brookings Institution and the University of Nevada, Las Vegas (UNLV), Brookings Mountain West (BMW) seeks to bring high-quality, independent, and influential public policy research to the critical issues facing the dynamic metropolitan areas of the Mountain West region. BMW builds upon the work of Brookings’ Metropolitan Policy Program, which focuses on helping metropolitan areas grow in robust, inclusive, and sustainable ways through attention to the fundamental drivers of prosperity such as innovation, infrastructure, human capital, and quality of place, as well as regional governance. BMW with partners throughout the Mountain West, takes a deep interest in such areas as infrastructure improvement, economic growth, demographic change, environmental impact, alternative energy, and real estate investment. As the Mountain West emerges as a new American Heartland, it will play an increasingly significant role in shaping national policy discussions. BMW provides a forum for this dialogue and offers knowledge-based policy solutions to help improve the quality of life in the Mountain West.

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About the Author


In September 2017, Politico magazine named Richard one of the top 50 thinkers in the U.S. for his work on class and inequality. He is a member of the Government of Canada’s Ministerial Advisory Committee on Poverty, and also teaches at the McCourt School of Public Policy at Georgetown University.

Richard’s previous roles include: director of Demos, the London-based political think-tank; director of futures at the Work Foundation; principal policy advisor to the Minister for Welfare Reform; social affairs editor of the The Observer; research fellow at the Institute for Public Policy Research; economics correspondent for The Guardian; and a researcher at the Institute of Psychiatry, University of London. Richard has a B.A. from Oxford University and a Ph.D. from Warwick University.