

Opening keynote - Intro: Ray Boshara, Speaker: Chm. Yellen- The State of Economic Mobility

- Referred to “launchpad neighborhoods” - places where individuals and families are able to make strides in improving their economic situation, move out-and-up (Boshara)
- “When it comes to economic mobility, Ms. Yellen said more knowledge is needed on how one’s circumstances at birth affect earnings and wealth later. Family dynamics and expectations can also play a role, as well as events over which individuals have no control.” <http://www.federalreserve.gov/newsevents/speech/yellen20150402a.htm>
- Majority of families in US cannot endure \$400 emergency without borrowing, selling something, or not paying something else

Raj Chetty - Harvard Econ professor, studying intergenerational mobility

- Economic mobility in the US ranges widely, and one child’s success need not come at the expense of another - rather, the pie can be expanded by growing the economy specifically through small business and support for entrepreneurship
- the social policy at a very local level matters - improving a child’s environment (schools, crime, neighborhoods) leads to measurable improvements in mobility
- What can you do at a place-based level?
  - Moving to opportunity (though limited in scalability)
  - Strengthen social capital/family structure
  - Decrease degree of segregation in urban schools
- <http://www.equality-of-opportunity.org/>

Katherine Newman - UMass-Amherst, longtime scholar of mobility, author of Falling From Grace: Downward Mobility in the Age of Affluence

- Low level of understanding among struggling households on the impact of the greater economic climate on their own situation - instead self-blame exists, in a moral dimension
- Economic recession has a clash with personal agency - families lose control of their financial fate and post-recession stability is still elusive
- “Near poor” are at 100-200% of poverty line, any problem/hiccup could push them downward
- Job market: retail and less stigmatized low-wage jobs could be improved with better access to childcare/predictable scheduling, sick pay, flexible work hours, job protection in family emergency - these factors can lead to stability and mobility
- Regressive taxation (sales taxes vs. property/income taxes) compound on a very local level to affect geographic mobility
- Key factors to moving out of poverty, from her research:
  - economic growth overall
  - public sector union employment, apprenticeships and youth labor market training
  - persistence in higher education attainment
  - family structure (i.e. increased cohabitation or marriage)
  - increased ratio of earners to dependents (i.e. when 16 year olds join the workforce - but before they leave the nest)
  - improve neighborhoods (focus on safety versus having people up and move)

Robert Putnam - Harvard poli-sci, public policy prof, author (Bowling Alone, Our Kids: The American Dream in Crisis)

- Decrease in the number of households living in mixed income neighborhoods
- Decrease in number of families in both high-mid and low-mid class neighborhoods
- Class gaps in incidence of families dinners, involvement in extracurriculars, etc. which foster soft skills, give chance for adult interaction, and are causally linked to earnings
- Today there is pay to play (i.e. cost to play football vs. schools paying for sport programs)
- Social isolation of poor children is increasing, which leads to lower trust in society
- “Goodnight moon time” is essential for brain development, lacking in poorer kids lives
- All kids get into trouble. Poor kids lack an “airbag”, the adult social networks that exist in higher social classes, which benefit kids when they get in trouble

Darrick Hamilton - New School, econ, urban policy prof

- Research on the disparity in wealth and asset ownership among communities of color
- Broken down into detailed racial/ethnic categories - geographically these can range widely (ex. LA Koreans are lowest wealth, DC Koreans are among highest, “Asian alone” doesn’t tell the story)
- Policy recs/National Asset Scorecard in Communities of Color:  
[http://globalpolicysolutions.org/wp-content/uploads/2014/04/BeyondBroke\\_Exec\\_Summary.pdf](http://globalpolicysolutions.org/wp-content/uploads/2014/04/BeyondBroke_Exec_Summary.pdf)
- <http://www.bostonfed.org/commdev/color-of-wealth/color-of-wealth.pdf>

Rucker Johnson - UC Berkeley, public policy prof

- Research on school finance reform, effect of spending on outcomes  
(<http://www.nber.org/papers/w20847>)
- School funding reform can help weaken the link between property values and funding levels, increased spending garners long term success
- Shows that changes in school resources have measurable impact on student economic mobility among black/low-income students across their lifetimes
- Growing evidence that reduced violence in a child’s environment has positive impact on test scores

Panel discussion on place-based dynamics (speakers not noted for each point...)

- Neighborhood context matters - lower occupational prestige among adults in a neighborhood during a child’s adolescence leads to much higher odds of that child using public assistance as an adult (96%), as well as idleness (not in school/work) (51%)
- [http://www.huduser.org/portal/Publications/pdf/Opportunity\\_Neighborhoods.pdf](http://www.huduser.org/portal/Publications/pdf/Opportunity_Neighborhoods.pdf)
- Increasing economic diversity is important in neighborhoods, changing the environment versus incentivizing, facilitating moves to other neighborhoods (costly, complex)
- Increase the availability of affordable housing in areas of opportunity - still working on identifying what the balance of subsidized and “market rate” housing in a neighborhood ought to be for highest outcomes

Sandy Darity - Duke, public policy, econ, Af. Am studies prof (Place-Based Dynamics Panel)

- Black parents with very low wealth are found to be much more likely to assist kids in obtaining more education than white parents with higher wealth levels

Molly Metzger - Washington University, social work

- Important to find ways to help low income renters increase wealth. “Family Self Sufficiency Program” is a model through section 8 that isn’t currently funded due to other budget cuts
- Would be a built-in wealth builder than incentivizes increased earnings without being “kicked out” of HAP program - escrows the increased family contribution towards rent, so no additional subsidy cost

Joseph Stiglitz (closing plenary) - Columbia, economics, author (The Price of Inequality, Creating a Learning Society)

- Spoke about monetary policy and some macroeconomic indicators
- Noted GDP isn’t a good indicator of economic opportunity for households, in the US median incomes have been declining still during the recovery - 95% of the gains in the three years following the recession went to the top 1%
- Seems to be excessive focus on inflation in monetary policy, wages have stagnated as a result
- We would need a major wage increase to make up for the lost ground post-recession
- Low interest rates have led to a jobless recovery, and may have been less effective than hoped (i.e. investment in technology such as self checkout machinery)
- Currently the US economy is 15%/\$5 trillion below the trajectory of growth pre-recession
- Quantitative easing may have contributed to growing wealth inequality - little capital went to expand credit access in the US versus abroad and small/regional banks never benefitted, which affected lending to small/medium sized enterprises
- The losses from the crisis were in the trillions, greater than any potential inflationary effect
- Policies did not affect the 99%, let alone low-income people
- Policy ideas
  - Curb use of credit card/debit processing fees (see Australia), serve no public purpose but act as an additional sales tax that pads the bottom lines of the financial institutions
  - Overall, CRA works, and focuses attention, need focus on community and regional banks and supporting their operations
  - Expand individual homeownership while managing risk, lowering transaction costs, this is a huge issue (see: <https://books.google.com/books?id=UpOgAwAAQBAJ&lpg=PP1&dq=homeownership%20built%20to%20last&pg=PP1#v=onepage&q=homeownership%20built%20to%20last&f=false>)
  - Education access through equitable loan programs (see Australia)
  - Improve public accountability of boards at the Central Banks

- “innovation” prior to recession created “creative” products that exploited low/moderate income households
- We are no longer creating a middle class society and need fundamental restructuring of policy to turn the tide
- The Fed is starting to consider policy with an eye towards equality - big change
- The income tax system encouraged leverage and debt when what we want it to encourage is savings growth/wealth/equity (policy - match savings, etc.) (see : [http://rooseveltinstitute.org/sites/all/files/Stiglitz\\_Reforming\\_Taxation\\_White\\_Paper\\_Roosevelt\\_Institute.pdf](http://rooseveltinstitute.org/sites/all/files/Stiglitz_Reforming_Taxation_White_Paper_Roosevelt_Institute.pdf))