

Economic Mobility: Research and Ideas on Strengthening Families, Communities, and the Economy

January 26, 2017

Organized by the Federal Reserve Bank of St. Louis

The **Connecting Communities**[®] audio conference series is a Federal Reserve System initiative intended to provide timely information on emerging and important community and economic development topics with a national audience. The audio conference series complements existing Federal Reserve Community Development outreach initiatives that are conducted through our regional Reserve Bank offices and at the Federal Reserve Board of Governors in Washington, D.C.

Welcome

Thank you for attending today's session. How to join (remember, this session is being recorded):

- Call-in number: 888-625-5230
- Conference code: 4622 9369#
- Webinar link: <https://www.webcaster4.com/Webcast/Page/584/19046>

You have two options to ask questions today (these questions may be part of the recorded archive of this session):

- Email us at: communities@stls.frb.org
- Type your question into the chat box of the webinar

An archived recording of this session will be available on the *Connecting Communities*[®] website shortly after the session ends. Please visit <https://bsr.stlouisfed.org/connectingCommunities#58/conversations-from-thought-leaders-on-economic-mobility-reflections-and-insights-on-recent-research-and-ideas>.

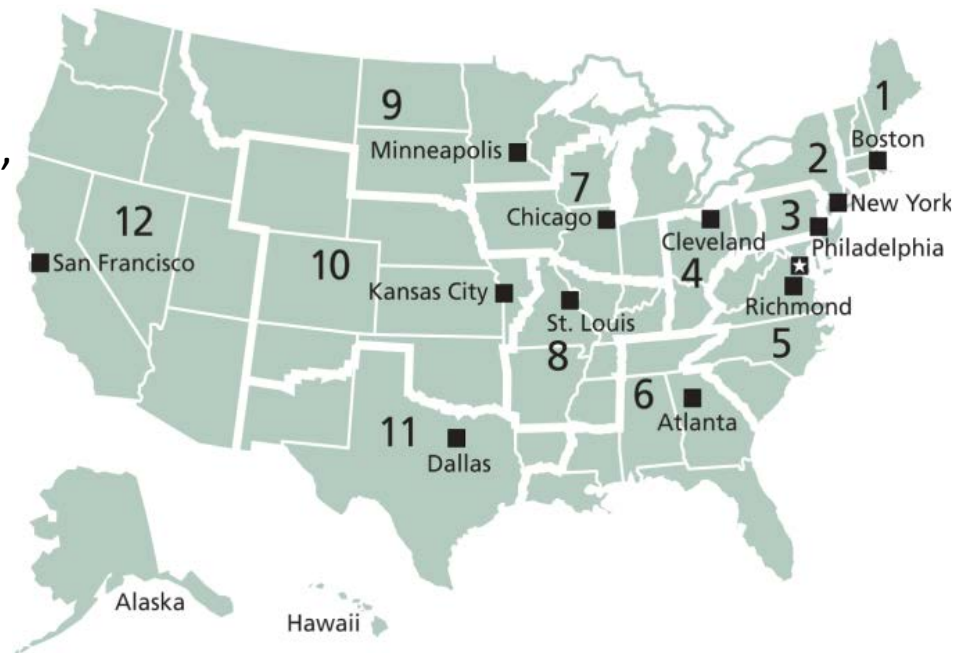
In connection with this session, you can find a variety of additional resources on this topic at www.fedcommunities.org. We encourage you to browse through this site and contact your regional office if you would like additional information on any of these items.

Legal Notices and Disclaimer

The information, analyses, and conclusions set forth are those of the presenters and do not necessarily indicate concurrence by the Board of Governors of the Federal Reserve System, the Federal Reserve Banks, or members of their staffs.

Community Development (CD)

- The CD function within the Federal Reserve System (FRS)—consisting of individual departments at each of the 12 Federal Reserve Banks (FRBs), as well as at the Board of Governors of the FRS (Board)—promotes economic growth and financial stability for low- and moderate-income (LMI) communities and individuals through a range of activities, including:
 - **Convening stakeholders**, including practitioners, financial institutions, nonprofits, governmental agencies, and the philanthropic and private sectors
 - **Conducting and sharing research** to examine economic challenges facing LMI communities and attendant policy implications
 - **Identifying emerging issues**



Today's Presenters and Agenda

- **David Buchholz** – Deputy Associate Director, Board
- **Ray Boshara** – Director, Center for Household Financial Stability, FRB of St. Louis
- **Erin Currier** – Director, Financial Security and Mobility Project, The Pew Charitable Trusts
- **Nisha Patel** – Executive Director, US Partnership on Mobility from Poverty
- The following will be discussed:
 - What is the state of economic mobility, and why is this important?
 - What challenges remain as we look to the future?
 - What opportunities exist to help shape a better future for those affected by economic inequality?

Why Economic Mobility?

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ECONOMIC MOBILITY

RESEARCH & IDEAS
ON STRENGTHENING
FAMILIES
COMMUNITIES
& THE
ECONOMY

- Subject of the national Community Development Research Conference
- Showcases leading research that has practical implications
- The idea of economic mobility is at the core of America's society and economy.

Economic Mobility: An Overview

Ray Boshara and David Buchholz

- Starting point matters – individuals and families:
 - Family wealth
 - Race and ethnicity
 - Generation factors
 - Family structure
 - Public policy and household balance sheet conditions
- Place matters – the role of communities and other nexus points:
 - Metropolitan areas
 - Resource-rich locales and related dynamics
 - Economic segregation
 - Education availability and quality and related class dynamics
 - Labor unions

Economic Mobility: An Overview (continued)

- The macroeconomy matters – opportunity and growth:
 - Mobility, inequality, and macroeconomic dynamics
 - Inequality of opportunity and effort
 - Human capital accumulation and development
- Public policy matters – how proactive a role?
 - Public policy and individual and family starting points
 - Public policy and communities
 - Public policy and the macroeconomy

Economic Mobility: An Overview (continued)

- In summary – the case for optimism or pessimism:
 - Two perspectives
 - Reasons for optimism:
 - Understanding of mobility drivers
 - Zero-sum games applicability
 - Seeds of innovation and experimentation
 - Reimagining of the mobility definition

Mobility Happens at the Kitchen Table

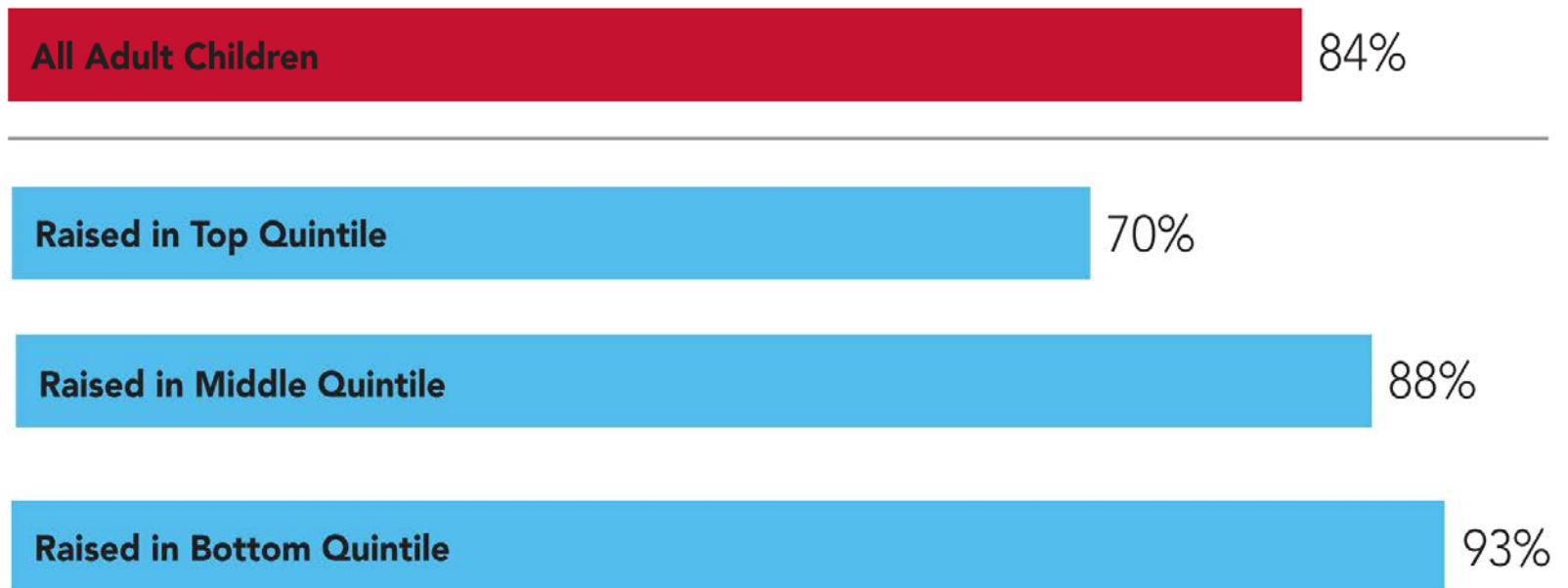
Erin Carrier

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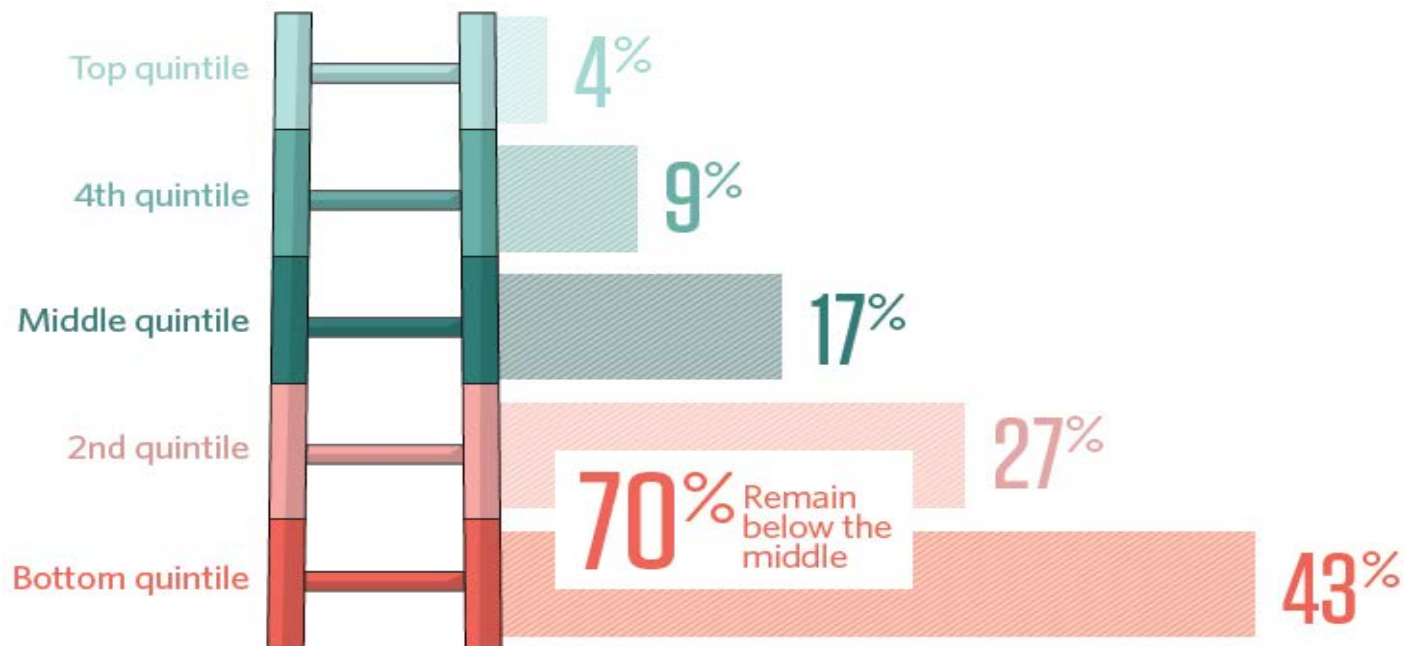
Is the American Dream Alive and Well?

- Glass half full:
 - Most Americans have higher family incomes than their parents did.



Is the American Dream Alive and Well? (continued)

- Glass half empty:
 - Americans raised at the top and bottom are likely to remain there.



What Affects Mobility: Takeaway One

- Place matters (Raj Chetty):
 - There are significant variations in economic mobility by metropolitan area.
 - The earlier in life a child moves to a high-mobility place, the better.
 - Economic segregation is a key factor.

What Affects Mobility: Takeaway Two

- Americans' perceptions matter as much as the statistics (Katherine Newman).
 - Economic mobility not only affects financial well-being, but also feelings of self-worth and dignity.
 - These perceptions affect the policies voters will support and deem necessary.
 - What is our definition of success?

Pew's Focus: Financial Capital

Families will not be upwardly mobile if they're not first economically secure.



Pew's Focus: Financial Capital (continued)

American families are walking a financial tightrope.



57%

Are not financially prepared for the unexpected



55%

Break even each month or spend more than they make



33%

Have no savings

What Would It Take to Dramatically Increase Mobility from Poverty?

Nisha Patel

Executive Director

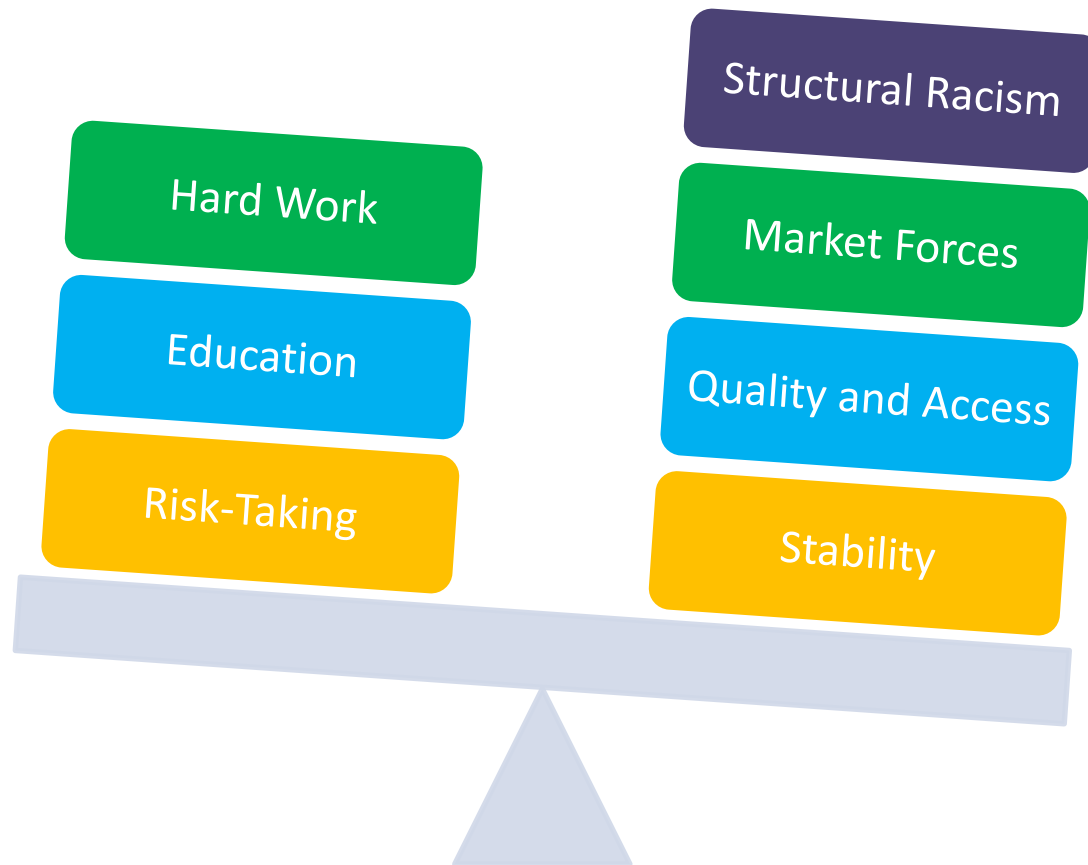
US Partnership on Mobility from Poverty

Washington, D.C.

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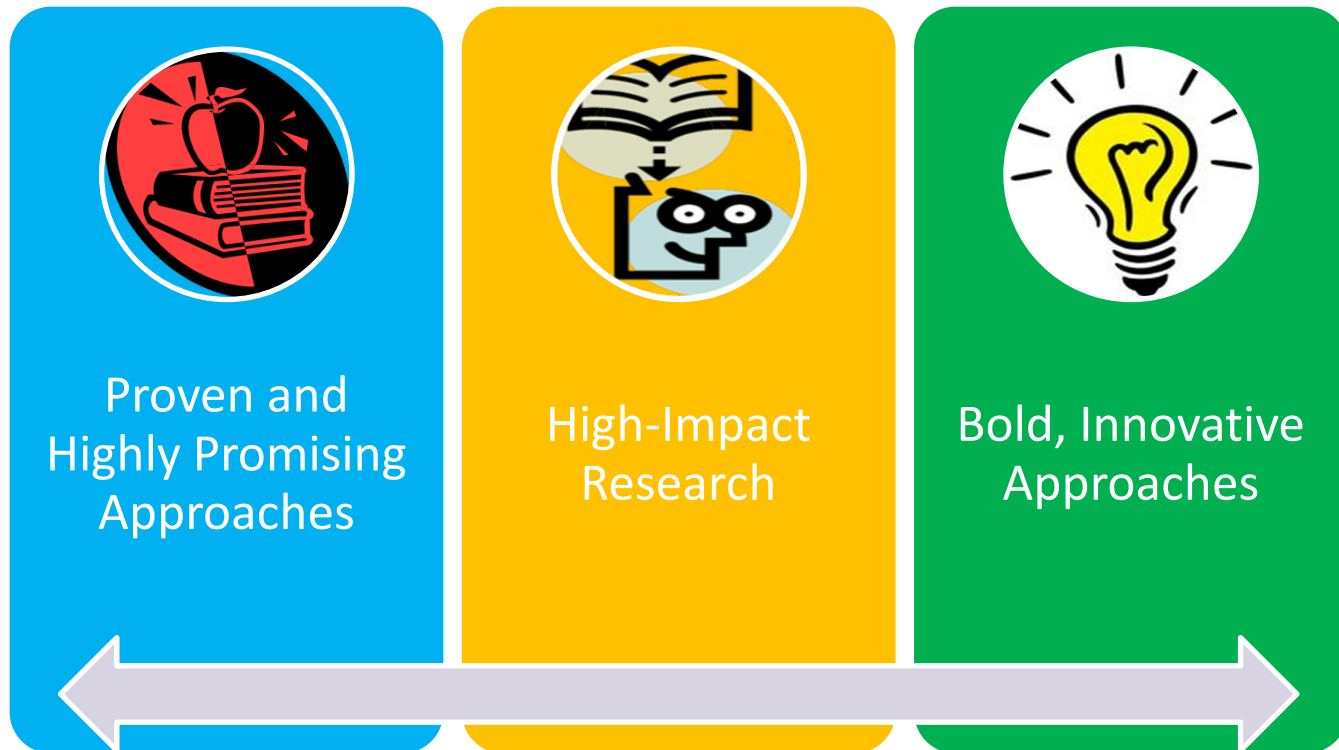


Reflections



Partnership Goal

Identify breakthrough strategies that can be put into action by philanthropy, practitioners, and the public and private sectors to dramatically increase mobility from poverty



The Partners

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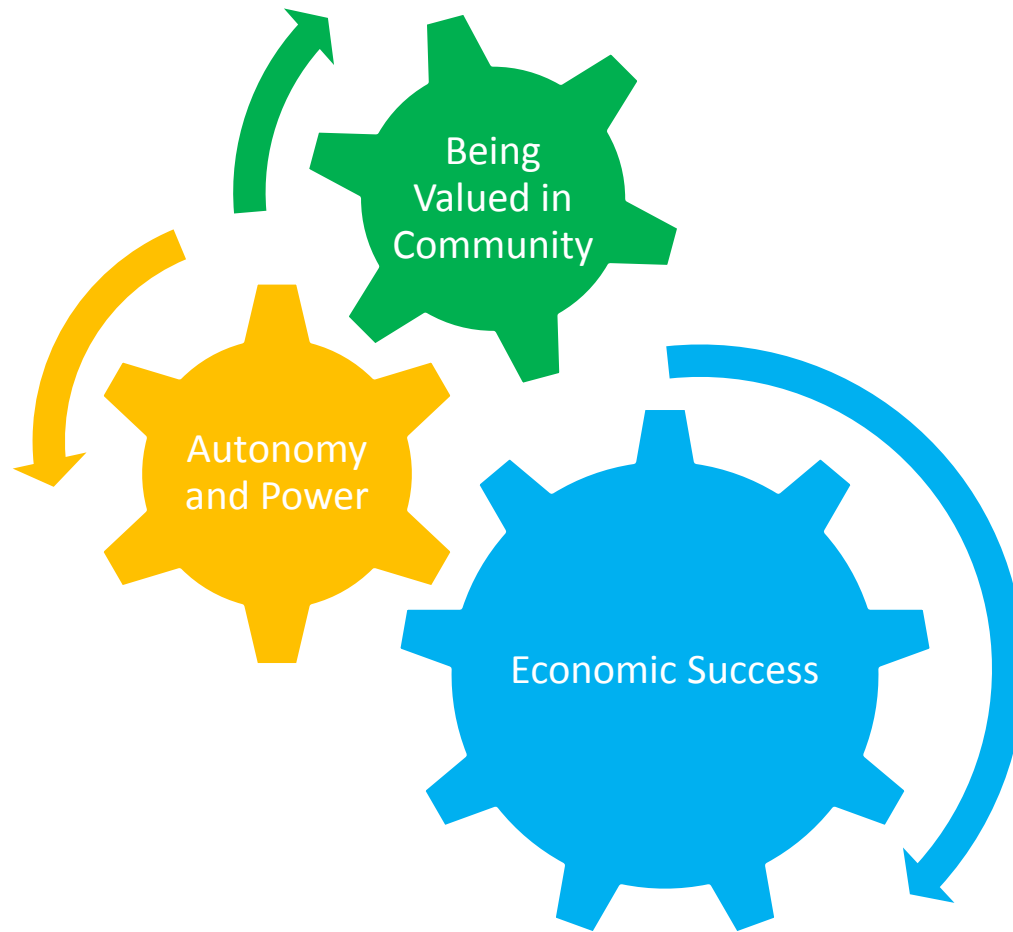
Overview

- **Our approach:**
 - Independent
 - Open dialogue and shared findings as we go
 - Be a resource for the field – public and private
 - No forced consensus
- **How we are learning:**
 - Four meetings over two years (with site visits)
 - Small group site visits to promising and proven initiatives
 - Listening and brainstorming sessions with diverse groups
 - Consultations with experts

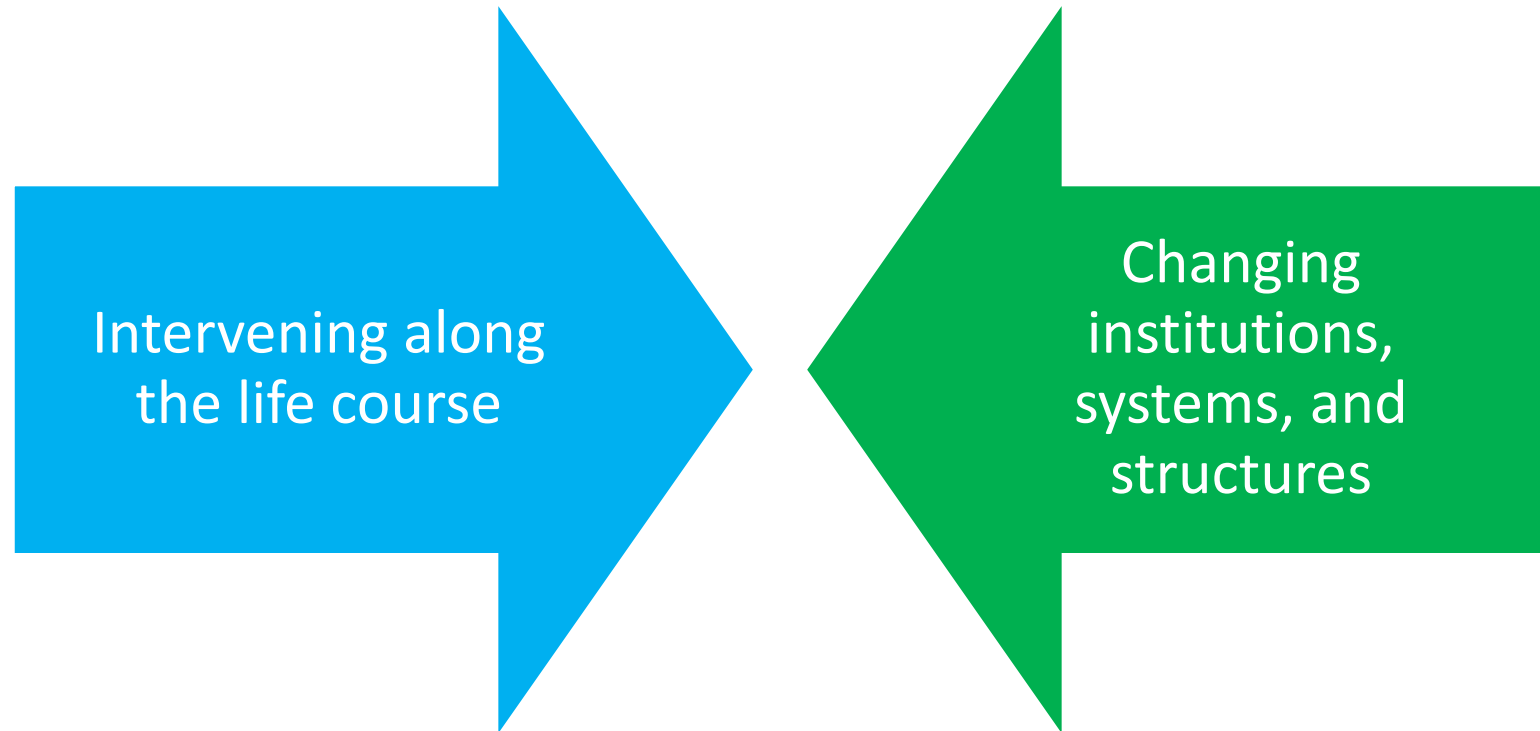
Emerging Framework: Mobility Aspiration

For anyone living in poverty or deprivation, our collective aspiration is that he or she will ultimately achieve a reasonable standard of living with the dignity that comes from having power over one's own life and being engaged in and valued by one's community.

Emerging Framework: Three Principles



Emerging Framework: A Mix of Ideas



Ideas in Development

Changing the Narrative

Young Children

Family Formation,
Stability, and Structure
and the Transition to
Adulthood

The Labor Market

Personal Mobility
Pathways

Place-Conscious
Strategies and Access to
Capital

Greater Safety with a
Reduced Criminal
Justice Footprint

Using Data for Effective
Policies

Share Your Ideas



MobilityPartnership.org

MARCH 23-24, 2017 | WASHINGTON, D.C.



STRONG FOUNDATIONS

THE ECONOMIC FUTURES OF KIDS AND COMMUNITIES

Federal Reserve System Community Development Research Conference

<https://minneapolisfed.org/community/tenth-biennial-federal-reserve-system-community-development-research-conference>

Acronyms/Abbreviations

- Board – Board of Governors of the Federal Reserve System
- CD – community development
- FRB – Federal Reserve Bank
- FRS – Federal Reserve System
- LMI – low- and moderate-income

Questions?

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1. Email us at: communities@stls.frb.org
2. Type your question into the chat box of the webinar

Wrap-Up/Closing

Thank you to today's presenters and to all participants for joining this session.

Next steps:

- All session materials are available on our website and, in the next few days, we will post an audio file of today's session.
- If you have topical suggestions for future sessions or any questions about this program, please feel free to contact us at communities@stls.frb.org.
- Information about future sessions, along with archived materials from past sessions, will be posted on our website: www.stlouisfed.org/connectingcommunities/.

Related Resources



In connection with this session, you can find a variety of additional resources on this topic, available at **www.fedcommunities.org**.

It provides an array of practical resources to help you in your role as a community development professional, whether your work involves supporting people, places, the policy and practice of community development, or small business development.