



# A DCI Deliberation Guide

## Economic Mobility:

*How can the American dream be more achievable for everyone?*

### Format for Deliberation

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#### Before the Deliberation

- I. Read this document's Background, Expected Outcomes, and Conversation Agreements sections
- II. Watch [this short video](#) on absolute versus relative economic mobility from Pew Charitable Trusts
- III. (Optional) Review the [Charlotte-Mecklenburg Opportunity Task Force Report \(p. i-ix\)](#) to understand local conversations about economic mobility
- IV. (Optional) Review the sources listed in the footnotes of this document

#### During the Deliberation

- I. Setting Expectations and Exchanging Perspectives - 10 min.
- II. Articulating Goals - 10 min.
- III. Identifying Obstacles - 10 min.
- IV. Evaluating Policies - 15 min
- V. Generating Ideas - 10 min.
- VI. Reflections - 10 min.

### Background

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In November 2020, Harvard-based research group Opportunity Insights, led by Professor Raj Chetty, issued a report ranking **Mecklenburg County** 96th overall among the nation's 100 largest counties for upward economic mobility, as measured by the income a child from a low-income household can expect at age 34.<sup>1</sup> This came after a 2013 study from the same researchers named **Charlotte** last in economic mobility among the 50 largest metro areas in the United States.<sup>2</sup> Nationally, people across the United States are beginning to question the concept of the American dream as income inequality rises, poverty deepens, and access to

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<sup>1</sup> Boraks, *WFAE 90.7*, "[Report Confirms Charlotte's Lack of Upward Mobility, Offers Priorities](#)"

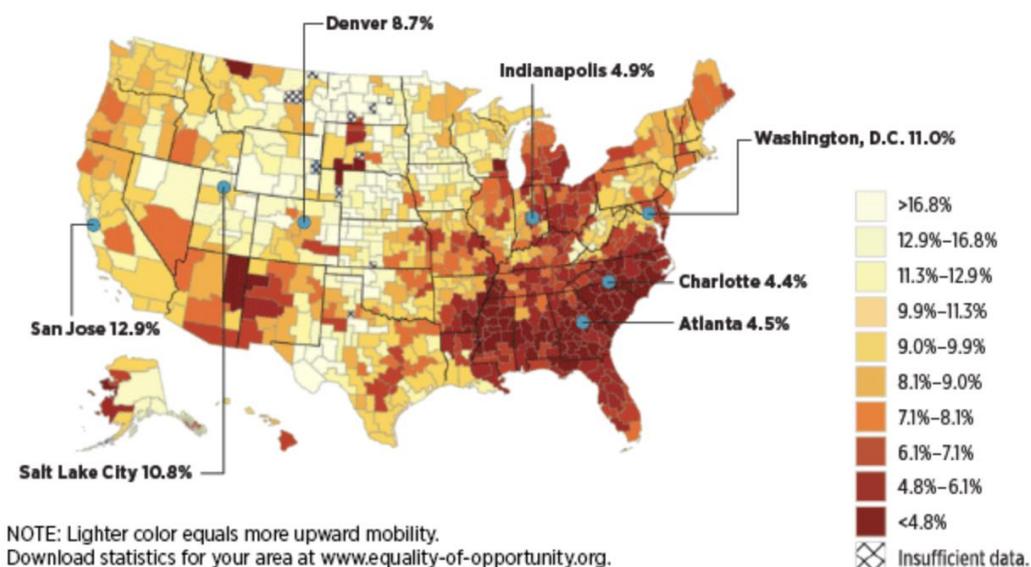
<sup>2</sup> Leading on Opportunity, "[The Charlotte-Mecklenburg Opportunity Task Force Report](#)"

education and healthcare opportunities appear unequally distributed.<sup>3</sup>

If the American dream does exist, how might we begin to understand this abstract concept? In our everyday lives, how do we define this idea of economic mobility, and what different ideas have been proposed to make it more achievable for everyone?

Broadly defined, economic mobility is “a measure of how much a person’s income changes over time.” Changes in a person’s or group’s level of income over time is called **absolute mobility**, and changes to a person’s or group’s level of income compared to others is called **relative mobility**.<sup>4</sup> One metric of relative mobility is how likely it is for a child from the bottom 20% of the income bracket to reach the top 20% over the span of their lifetime. As the image below shows, this metric varies considerably by geographic region. It also varies significantly by race and gender -- the associated report notes that the intergenerational income gap between blacks and whites for children at the same parental income level is significant and is explained primarily by differences in men’s (and not women’s) outcomes.

### The Geography of Upward Mobility in the United States: Odds of Reaching the Top Fifth Starting from the Bottom Fifth



[Source:](#) Raj Chetty, “Improving Opportunities for Economic Mobility: New Evidence and Policy Lessons,” 2016

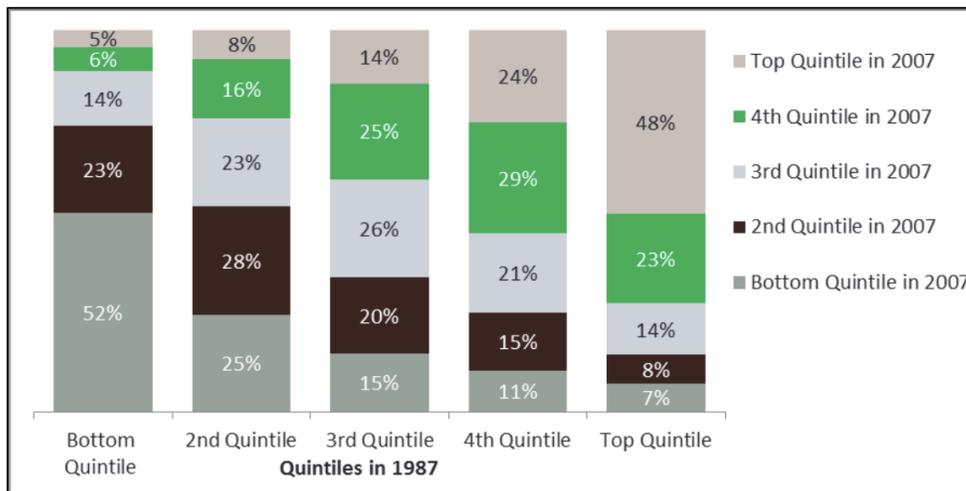
Another relative mobility metric is the percentage of those in the lower two income quintiles who move into higher income quintiles over time. As the figure below shows, 48% of taxpayers in the lowest income quintile moved to a higher quintile, while 47% of taxpayers in the second

<sup>3</sup> [“Views of the Economic System and Social Safety Net,”](#) Pew Research Center

<sup>4</sup> Butler, Beach, and Winfree, [“Pathways to Economic Mobility: Key Indicators,”](#) Pew Trusts

lowest income quintile moved to a higher quintile (25% moved to the lowest quintile).<sup>5</sup>

**Figure 10. Taxpayers Income Mobility Between 1987 and 2007**



**Source:** CRS using data from Gerald Auten, Geoffrey Gee, and Nicholas Turner, “New Perspectives on Income Mobility and Inequality,” *National Tax Journal*, vol. 66, no. 4, December 2013, Table I.

**Notes:** Quintiles in 1987 are based on primary and secondary taxpayers ages 35 to 40 in that year, and quintiles in 2007 are based on taxpayers ages 55 to 60 in 2007. Sample is based on taxpayers that appears in IRS administrative records in both 1987 and 2007.

[Source:](#) Congressional Research Service. “The US Income Distribution: Trends and Issues,,” p. 21.

Economic mobility is often tied to the concept of *the American dream*, a term coined in 1931 by writer-historian James Truslow Adams to describe a vision of a society where regardless of “fortuitous circumstances of birth or position,” it was possible to produce “a life better and richer and fuller for everyone, with opportunity for each according to ability or achievement.”<sup>6</sup> The American dream is often cited as a foundational shared belief in U.S. society, regularly invoked by media and pop culture, politicians, business leaders, immigrants, and individuals searching for opportunities to advance their economic or social position in life.

Increasingly, however, people question whether the American dream is alive and well in the United States. Recent research places *the United States well below peer upper-and middle-income countries in intergenerational economic mobility* (as measured by the strength of the tie between father and son earnings), reinforcing concerns about the state of unemployment, government safety net programs, and inequality.<sup>7</sup>

- As measured by the Gini coefficient, *income inequality* in the United States increased by approximately 20% between 1980 and 2016.<sup>8</sup> Pew Research Center reported in 2020 that the share of Americans who live in middle-income households decreased from 61%

<sup>5</sup> Congressional Research Service. “[The US Income Distribution: Trends and Issues,,”](#) p. 21.

<sup>6</sup> Barone, “[American Dream,](#)” Investopedia

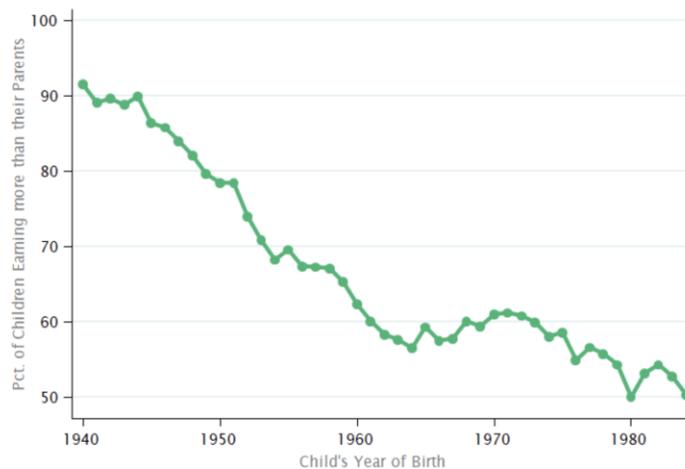
<sup>7</sup> “[Economic Mobility,](#)” Stanford Center on Poverty and Inequality

<sup>8</sup> “[Trends in Income and Wealth Inequality,](#)” Pew Research Center

in 1971 to 51% in 2019, while the share of adults in the upper-income tier increased from 14% to 20% and the share in the lower-income tier increased from 25% to 29% over the same period.<sup>9</sup>

- They also found that **the wealth gap** between America's richest and poorest families more than doubled between 1989 and 2016.<sup>10</sup>
- And according to research by Raj Chetty and Opportunity Insights, rates of absolute (intergenerational) **upward mobility** have fallen sharply over the past half century, with over 90% of children born in 1940 earning more than their parents while less than 50% of children born in 1980 have done so.

Percent of Children Earning More than Their Parents, by Year of Birth



Source: [Opportunity Insights](#), National Trends

### Creating Employment Opportunities

Some argue that in order to improve economic mobility at the local and national level, it is important to prioritize opportunities for **stable employment**. Proponents of this approach emphasize the importance of **personal responsibility** and a strong **work ethic** in advancing individual and family economic prospects. They suggest that employment is the answer to reducing poverty and inequality in the United States.<sup>11</sup>

Some ways to achieve this goal include **reducing barriers to occupational licensing** to help more people get jobs, **incentivizing employers to make long-term investments** in training, **recruiting workers** who are economically insecure or face barriers to employment such as disability and incarceration,<sup>12</sup> and **investing in worker benefits** including healthcare, retirement savings, transportation, and healthcare to help make jobs more sustainable.<sup>13</sup> However, these

<sup>9</sup> <https://www.pewresearch.org/fact-tank/2020/02/07/6-facts-about-economic-inequality-in-the-u-s/>

<sup>10</sup> <https://www.pewresearch.org/fact-tank/2020/02/07/6-facts-about-economic-inequality-in-the-u-s/>

<sup>11</sup> Haskins, "[Helping Work Reduce Poverty](#)," *Brookings*

<sup>12</sup> Hallen, "How the Right Can Make Inequality a Winning Issue," *National Review*

<sup>13</sup> "[Economic Mobility and Opportunity Strategy Overview](#)," Bill and Melinda Gates Foundation

types of solutions can be expensive for small businesses and employers, are difficult to implement in some sectors, and could result in greater unemployment if places of work are mandated to provide services they can't afford to provide to their current number of workers.

### **Strengthening Safety Nets**

Others say that it is most important to strengthen government safety net programs to help those who live in poverty or are unable to work. Proponents emphasize the importance of **providing for the day-to-day needs** of people who are struggling to experience economic mobility in the hopes that they can build a foundation for growth as a result of outside assistance.

Common ideas to strengthen or create new government-run safety net programs include **enhancing access to nutrition programs** like the Supplemental Nutrition Assistance Program (SNAP) and Women, Infants, and Children (WIC), **expanding health insurance** for those who have none<sup>14</sup>, and **increasing benefits** provided by government unemployment and long-term disability programs. However, some people express concern about investing more tax dollars in programs that they believe do not effectively incentivize people to seek more permanent solutions to their situations. Others worry programs like government-run healthcare and unemployment programs are unable to deliver on the benefits they promise,<sup>15</sup> resulting in people being “left behind” in the largely market-driven U.S. economy.

### **Reducing Inequality**

Still others make the case that reducing inequality through direct action is the best approach to improving economic mobility. Proponents of this approach focus on the intersectionality of economic mobility with issues of race, class, education, and access to traditional growth opportunities and suggest that the only way to enhance economic mobility is by directly addressing inequality.

Some ideas to reduce inequality include **raising the national minimum wage**,<sup>16</sup> **investing more in childhood education**, **desegregating neighborhoods and schools**, and **offering reparation** payments or programs to Black Americans who have experienced systemic barriers to economic mobility.<sup>17</sup> However, in addition to the political polarization connected to many of these ideas, opponents to various aspects of this approach point to the disproportionate impact a universal minimum wage could have on small businesses and those in rural states and communities with lower costs of living,<sup>18</sup> disagreement about what educational options offer the best outcomes for students, and concerns about the cost and difficulty of justly implementing reparations or similar programs for specific groups of Americans. Others object to a focus on equality of outcomes and argue for an emphasis on equality of opportunity. In this view, income inequality

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<sup>14</sup> [“The Far-Reaching Benefits of the Affordable Care Act’s Medicaid Expansion,”](#) Center on Budget and Policy Priorities

<sup>15</sup> Moffit, Haislmaier, and Owcharenko Schaefer, [“Why Expanding Obamacare is Not the Answer,”](#) *The Heritage Foundation*

<sup>16</sup> Morath, [“What Walmart Raises Mean for President Biden’s \\$15 Minimum-Wage Plan,”](#) *The Wall Street Journal*

<sup>17</sup> Darity and Mullen, [“Black Reparations and the Racial Wealth Gap,”](#) Brookings

<sup>18</sup> [“How a Federal Minimum Wage Hike Would Affect Small Businesses,”](#) *All Things Considered*, NPR

itself is not a problem and may be a necessary feature of a free society and market-based economy.<sup>19</sup> Instead we should focus on eradicating extreme poverty and eliminating political, regulatory and cultural barriers to succeeding in that economy.<sup>20</sup>

## **Setting the Table and Exchanging Perspectives (10 min)**

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We will review the “Expected Outcomes,” “Conversation Agreements,” and “Introductory Questions” sections together in order to orient today’s D Team toward the interchange of thoughts and information about some of the broader topics and issues that are relevant to today’s topic but will not be the main focus of our D Team meeting.

### **Expected Outcomes of the Conversation**

The purpose of this deliberation is to deepen participants’ understanding of the concept and realities of economic mobility in the United States as they relate to different interpretations of “the American dream.” Over the course of the deliberation, participants will explore their own experiences and beliefs about economic mobility in addition to the financial, human, and social dynamics that inform economic mobility in the United States more broadly. By the end of the conversation, they will have evaluated different strategies to increase income mobility, articulated their own preferred approach, and identified areas of both agreement and disagreement in their group.

### **Deliberative Dispositions**

The DCI has identified several “deliberative dispositions” as critical to the success of deliberative enterprises. When participants adopt these dispositions, they are much more likely to feel their deliberations are meaningful, respectful, and productive. Several of the Conversation Agreements recommended below directly reflect and reinforce these dispositions, which include a commitment to egalitarianism, open mindedness, empathy, charity, attentiveness, and anticipation, among others. A full list and description of these dispositions is available at <https://deliberativecitizenship.org/deliberative-dispositions/>.

### **Conversation Agreements**

In entering into this discussion, to the best of our ability we each agree to:

1. Be authentic and respectful
2. Be an attentive and active listener
3. Be a purposeful and concise speaker
4. Approach fellow deliberators’ stories, experiences, and arguments with curiosity, not hostility
5. Assume the best - and not the worst - about the intentions and values of others, and

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<sup>19</sup>Tammy, John. “[Income Inequality is Good](#).” Prager University.

<sup>20</sup>Henderson, David. “[Income Inequality isn’t the Problem](#).” Hoover Institution; Scheffler, Samuel, “[Is Economic Inequality Really the Problem?](#)” *New York Times*.

avoid snap judgements

6. Demonstrate intellectual humility, recognizing that no one has all the answers, by asking questions and making space for others to do the same
7. Critique the idea we disagree with, not the person expressing it, and remember to practice empathy
8. Note areas of both agreement and disagreement
9. Respect the confidentiality of the discussion
10. Avoid speaking in absolutes (e.g., “All people think this,” or “No educated people hold that view”)

### **Introductory Questions**

Each participant can take 1 minute to share their name, where they live, and then answer the following question:

1. What does the American dream mean to you? Can you provide a specific example from your own life?

### **Articulating Goals (10 min)**

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In this section, we will discuss possible goals related to economic mobility. Take 1 minute to answer the question below.

1. What should our goal be with regard to increasing economic mobility and the probability of achieving the American dream?

### **Identifying Barriers (10 min)**

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Here we will map out what we see as the key causes of income inequality and the primary obstacles to increasing income mobility. Please answer one of the questions below.

1. What do you see as the barriers to economic mobility?

### **Evaluating Policies (15 min)**

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In this section, we will discuss the three general strategies discussed in the text above to address concerns about economic mobility. Please discuss each of the questions below in turn.

1. What are the strengths and limitations of the solutions focused on increasing economic opportunity?
2. What are the strengths and limitations of the solutions focused on strengthening the social safety net?

3. What are the strengths and limitations of the solutions focused on reducing inequality?

### **Generating Ideas and Making Decisions (10 min)**

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In this section, we will first focus on discussing alternative solutions and ways of thinking related to income mobility. These new conceptions will ideally transcend some of our previously-held positions and possibly enable us to generate ideas on which more of us can agree. First address questions #1 or #2, then #3, and finally #4.

1. Have you thought of any solutions to some of our economic challenges that have not been brought up yet or are not discussed in mainstream politics? How do you think your solution(s) might improve economic mobility in America?
2. Have any new ways to frame or think about this issue occurred to you as we have talked today? Any new ideas that might transcend our current way of conceiving of the problem and its potential solutions?
3. Of all the options discussed today, which do you prefer as strategies to improve economic mobility?
4. Where are the areas of both agreement and disagreement in your group?

### **Reflections (10 min)**

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While today's conversation is an important step in the journey, making progress on the issue of economic mobility will take time and commitment. Please reflect on the insights from your discussion with your fellow participants today, and then take ~2 minutes each to answer a question below without interruption or crosstalk. After everyone has answered, the group is welcome to take a few minutes for clarifying or follow up questions/responses. Continue exploring additional questions as time allows.

1. In one sentence, share what was most meaningful or valuable to you during this deliberation.
2. Was there anything that was said or not said that you think should be addressed with the group?
3. Are there any perspectives missing from this conversation that you feel would be important to hear?
4. What did you hear that gives you hope for the future of conversations on issues related to economic mobility?
5. Is there a next step you would like to take based upon the deliberation you just had?
6. What questions remain?

## About This Guide

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### The Deliberative Citizenship Initiative

The Deliberative Citizenship Initiative (DCI) is dedicated to the creation of opportunities for Davidson students, faculty, staff, alumni, and members of the wider community to productively engage with one another on difficult and contentious issues facing our community and society. The DCI regularly hosts facilitated deliberations on a wide range of topics and organizes training workshops for deliberation facilitators. To learn more about these opportunities, visit [www.deliberativecitizenship.org](http://www.deliberativecitizenship.org).

### DCI Deliberation Guides

The DCI has launched this series of Deliberation Guides as a foundation for such conversations. They provide both important background information on the topics in question and a specific framework for engaging with these topics. The Guides are designed to be informative without being overwhelming and structured without being inflexible. They cover a range of topics and come in a variety of formats but share several common elements, including opportunities to commit to a shared set of Conversation Agreements, learn about diverse perspectives, and reflect together on the conversation and its yield. The DCI encourages conversations based on these guides to be moderated by a trained facilitator. After each conversation, the DCI also suggests that its associated Pathways Guide be distributed to the conversation's participants.

### DCI Pathways Guides

For every Deliberation Guide, the DCI has also developed an associated Pathways Guide, which outlines opportunities for action that participants can consider that are related to the covered topic. These Pathways Guides reinforce the DCI's commitment to an action orientation, a key deliberative disposition. While dialogue and deliberation are themselves important contributors to a healthy democracy, they become even more valuable when they lead to individual or collective action on the key issues facing society. Such action can come in a range of forms and should be broadly understood. It might involve developing a better understanding of a topic, connecting with relevant local or national organizations, generating new approaches to an issue, or deciding to support a particular policy.

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