



# Expanding Economic Opportunity

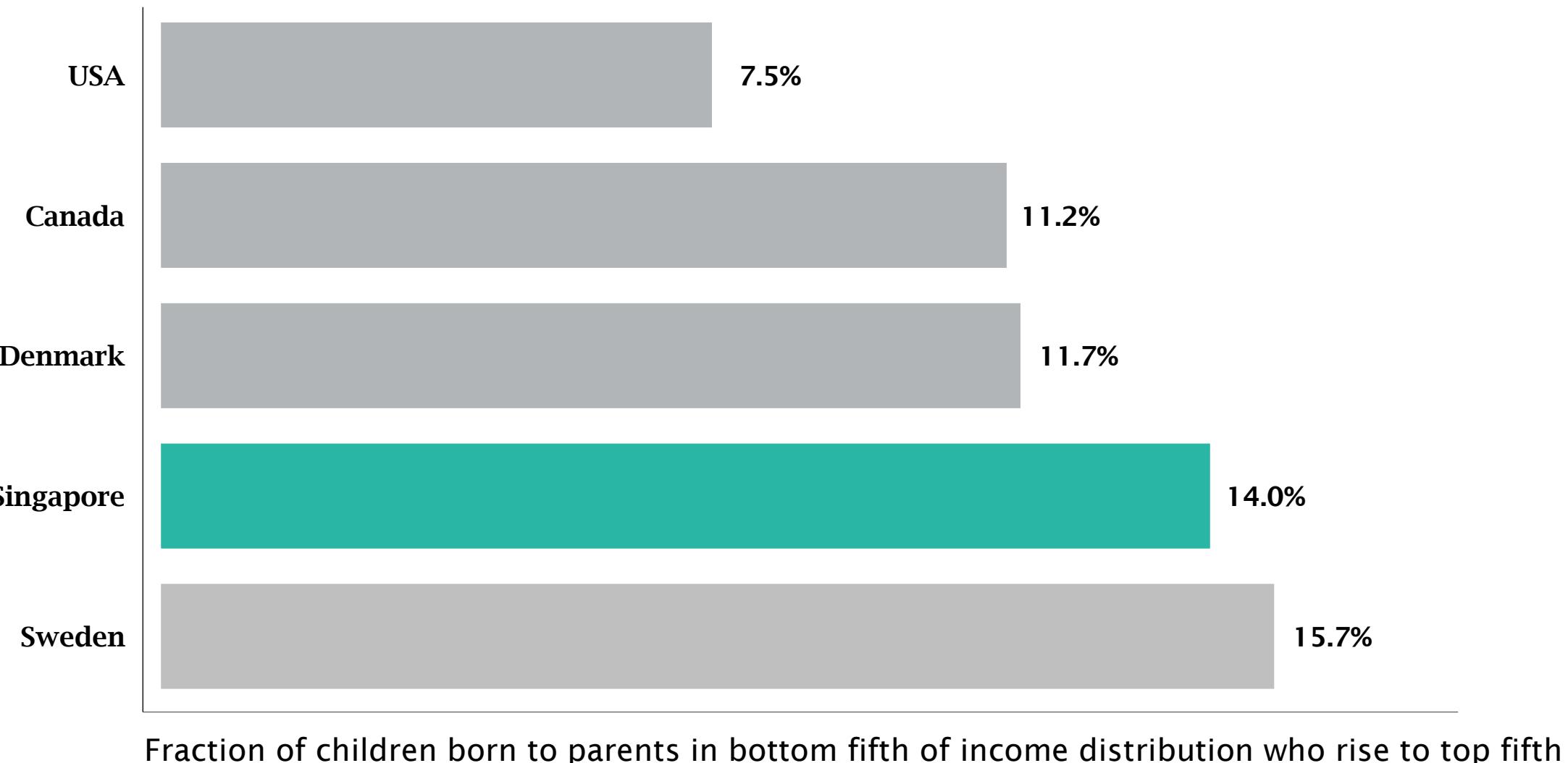
Insights from Big Data

Raj Chetty  
Harvard University

 **OPPORTUNITY  
INSIGHTS**

2025 International Conference on Societies of Opportunity | April 2025

# Rates of Upward Mobility Across Countries



Sources: Chetty et al. (2014); Connolly et al. (2019); Boserup et al. (2013); Ministry of Finance - Singapore; Heidrich (2017)



# Expanding Economic Opportunity



Use **big data** to study how to increase upward mobility



Analyze a broad range of interventions, from **childhood to adulthood**

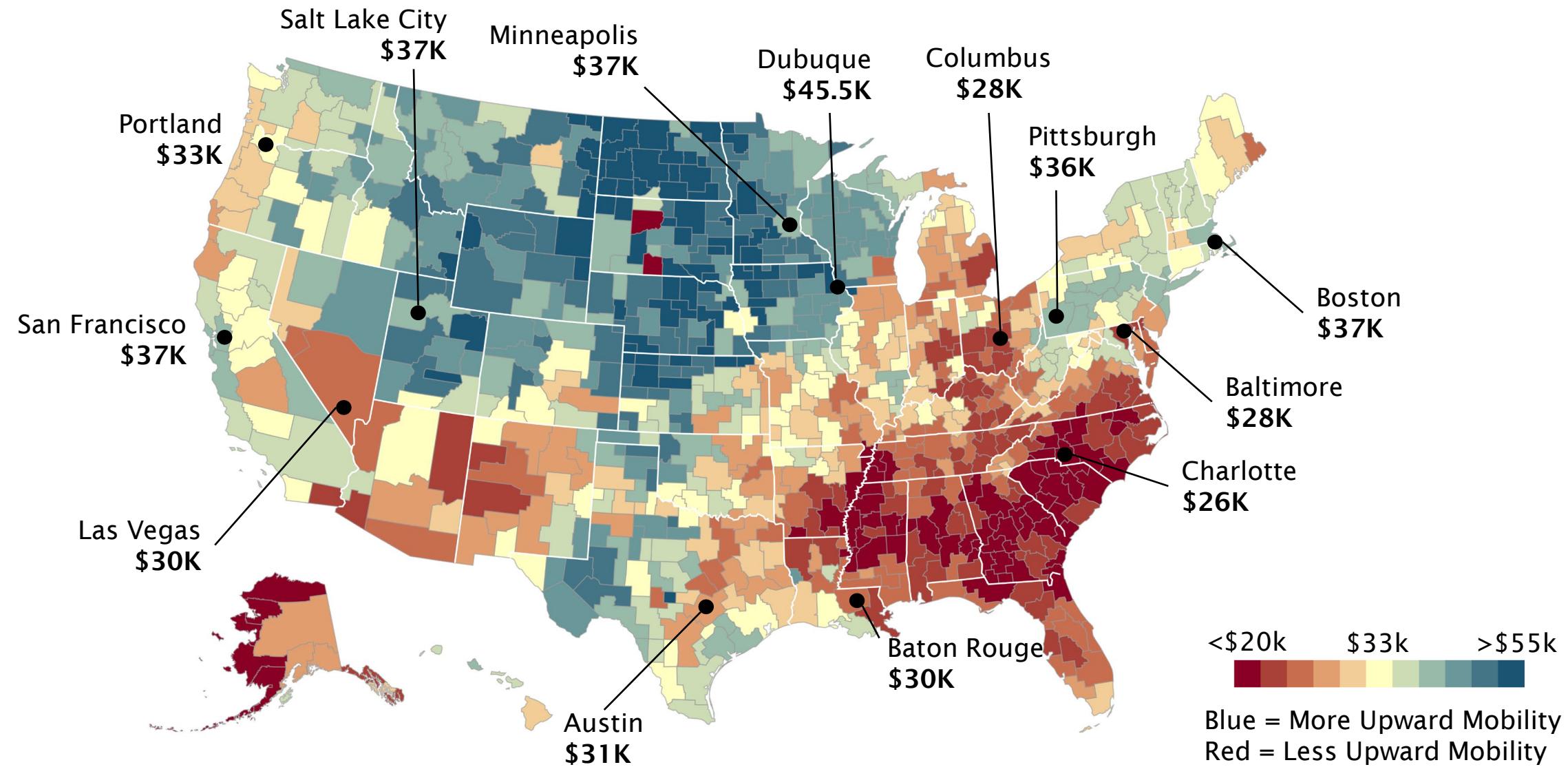


Starting point: sharp **local** differences in rates of upward mobility



# The Geography of Upward Mobility in the United States

Average Household Income at Age 35 for Children whose Parents Earned \$27,000 (25th percentile)

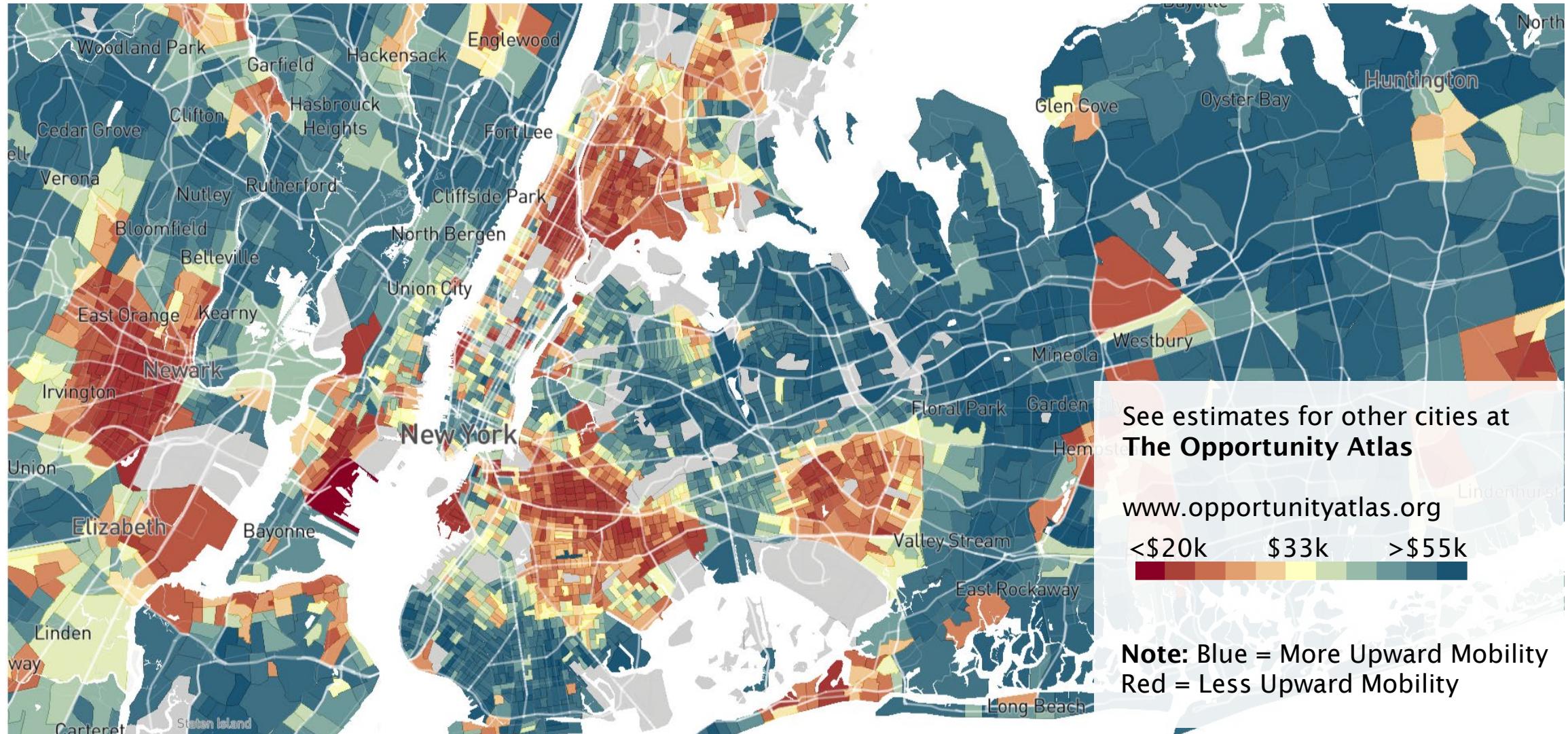


Source: Chetty, Hendren, Kline, Saez (QJE 2014)



# The Geography of Upward Mobility in New York

Average Household Income at Age 35 for Children whose Parents Earned \$27,000 (25th percentile)

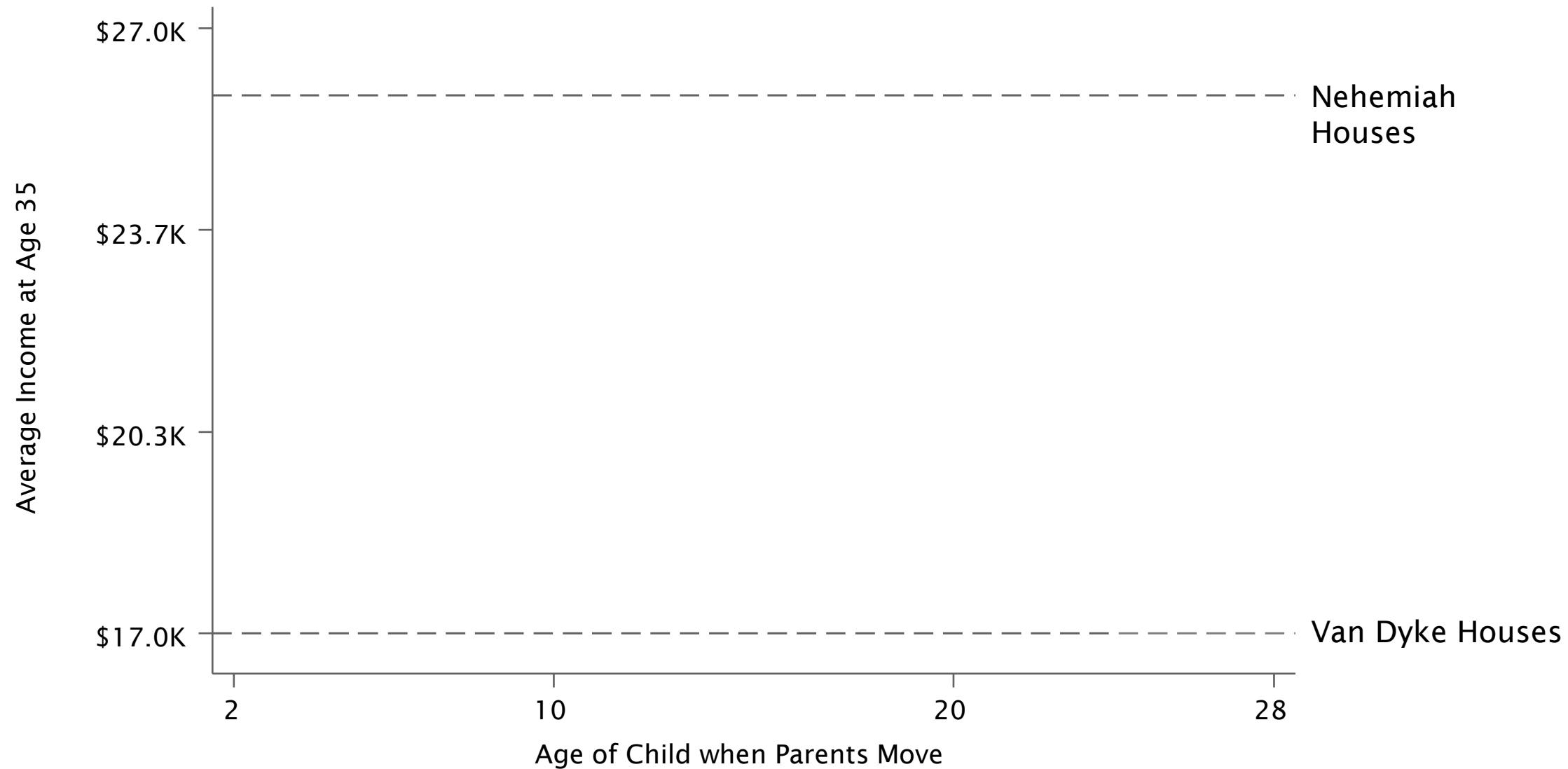


Source: Chetty, Friedman, Hendren, Jones, Porter (AER forthcoming 2025)



# Income Gain from Moving to a Better Neighborhood

By Child's Age at Move

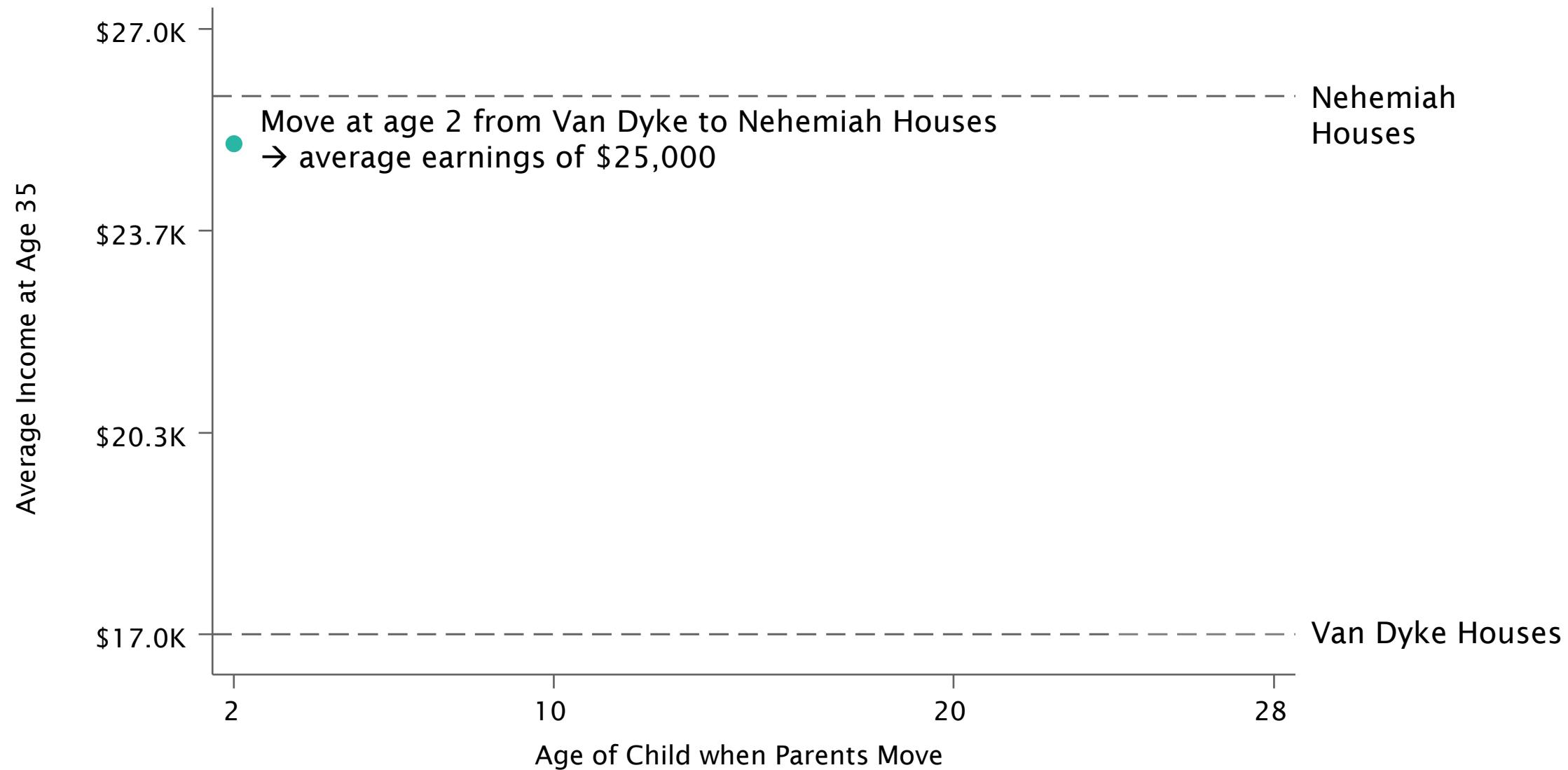


Source: Chetty and Hendren (QJE 2018)



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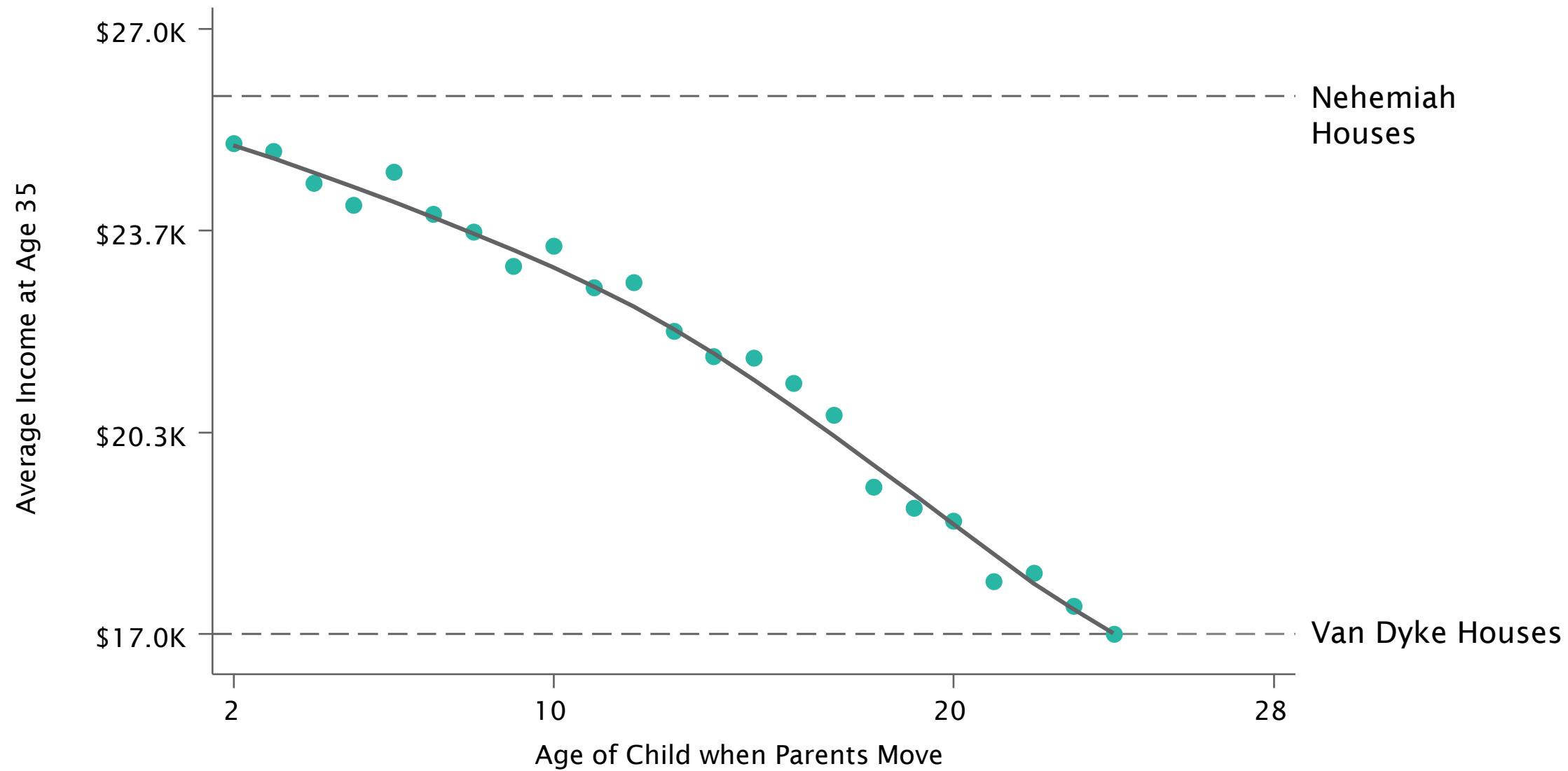


Source: Chetty and Hendren (QJE 2018)



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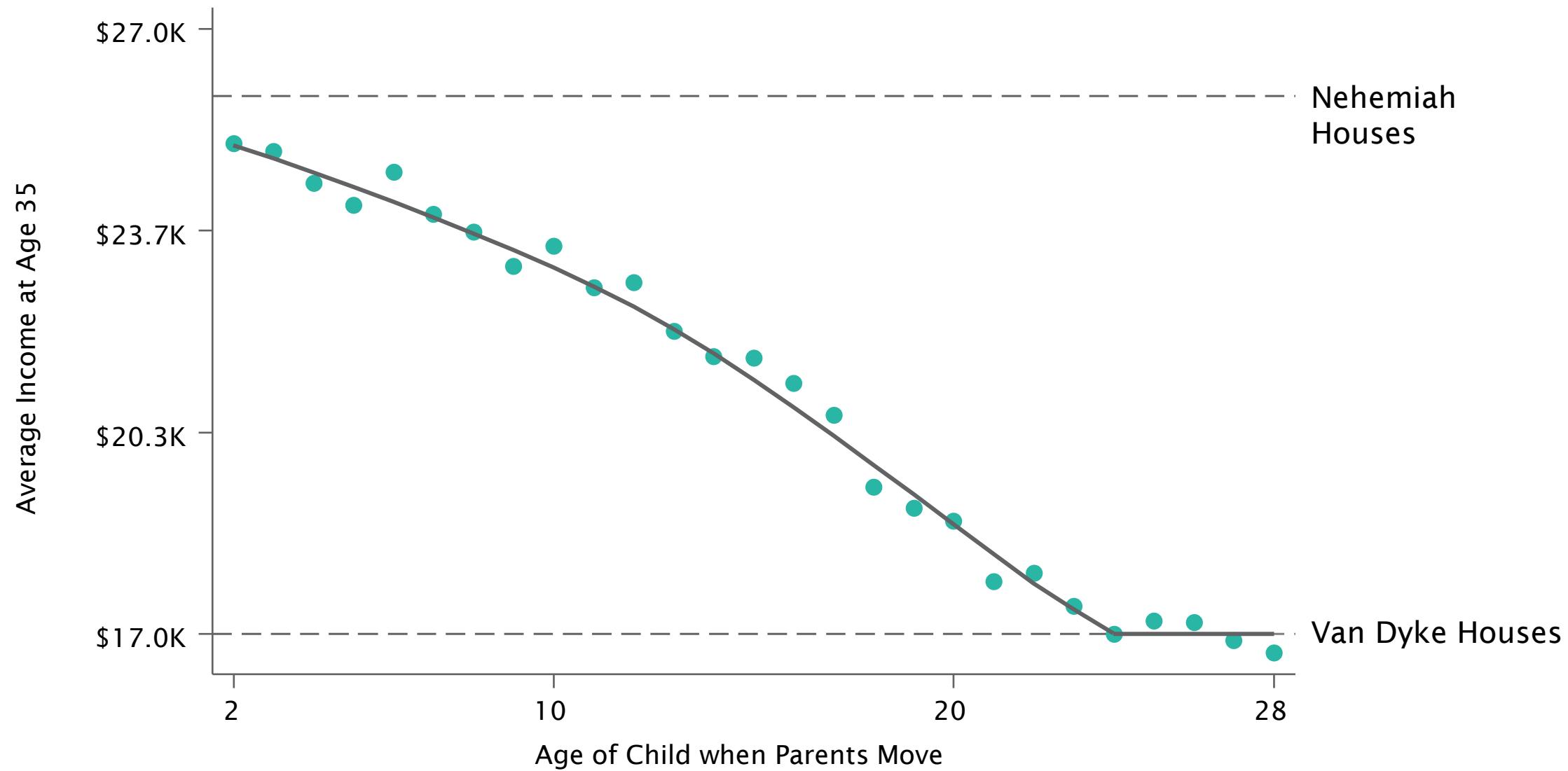


Source: Chetty and Hendren (QJE 2018)



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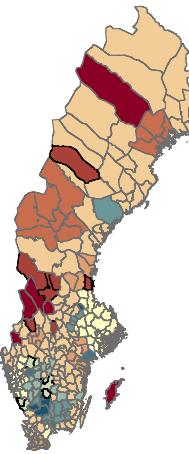


Source: Chetty and Hendren (QJE 2018)

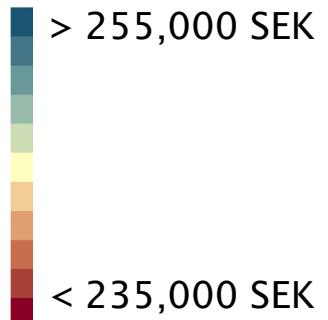


# The Geography of Economic Opportunity Around the World

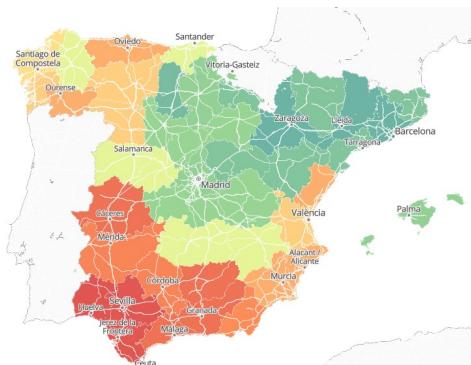
Sweden



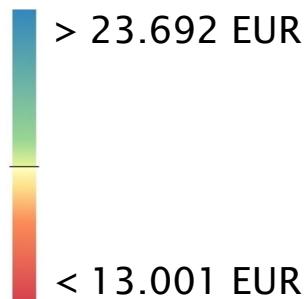
Annual Individual Income  
at Age 32-34 (2010)



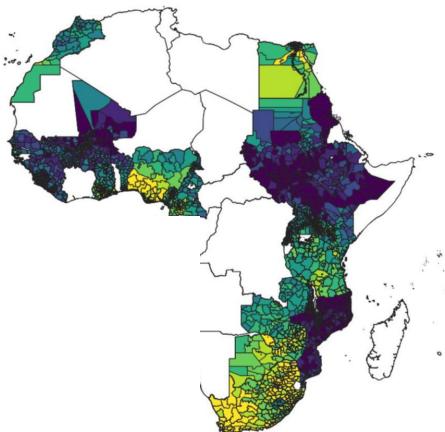
Spain



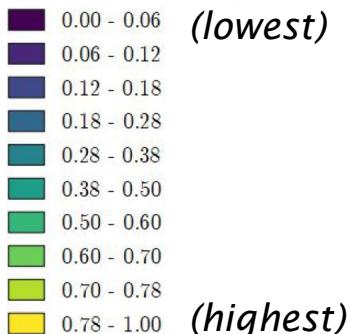
Median Income at Age 31 for  
Children from Low-Income  
Households



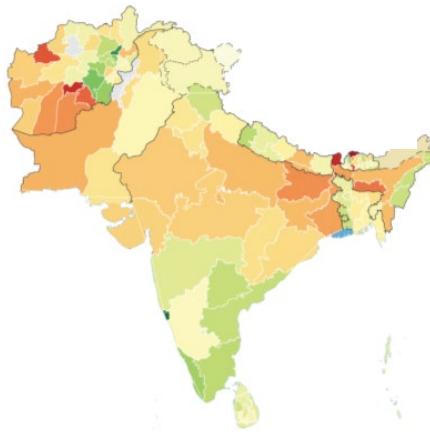
Africa



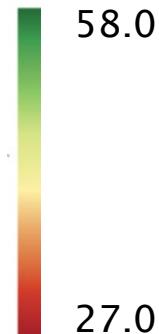
Upward Mobility



South Asia



Mean Education Rank for Children  
with Less-Educated Parents

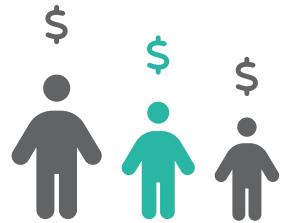


Source: Heidrich (2017); Atlas de Oportunidades (2020); Alesina, Hohmann, Michalopoulos, Papaioannou (2021); Asher, Bhowmick, Bussolo, and Novosad (2023)



# Characteristics of High-Mobility Neighborhoods

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Less  
Inequality



More Stable  
Family Structure



Better  
School Quality

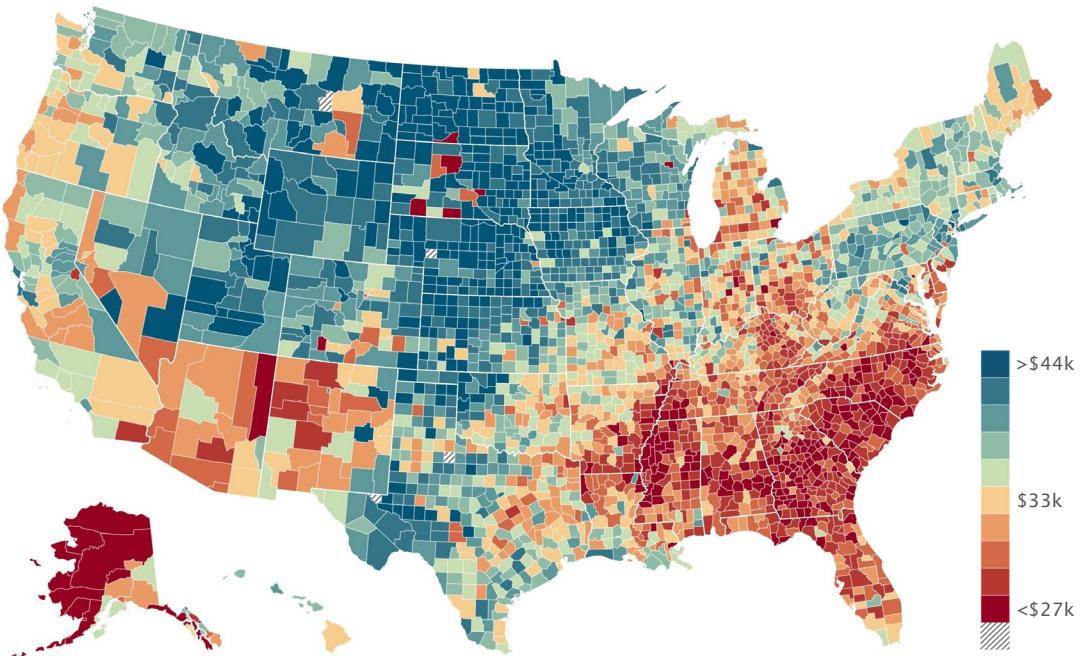


Greater  
Social Capital



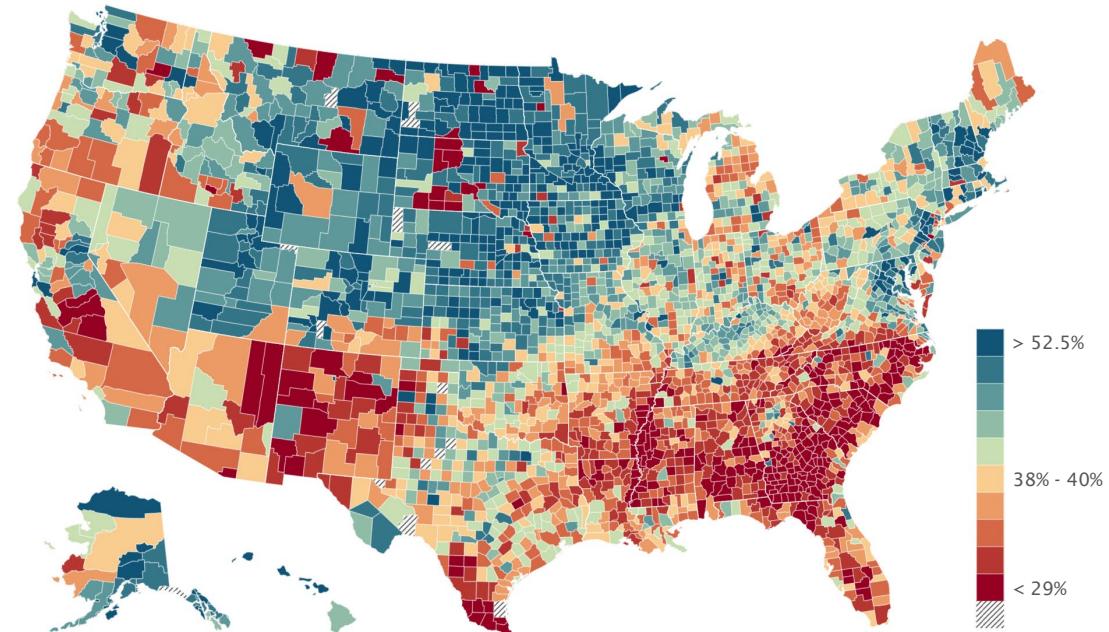
# Economic Opportunity and Social Capital

Upward Mobility  
Based on Tax Records



Average Household Income at Age 35  
for Children whose Parents Earned \$27k

Economic Connectedness  
Based on Facebook Data



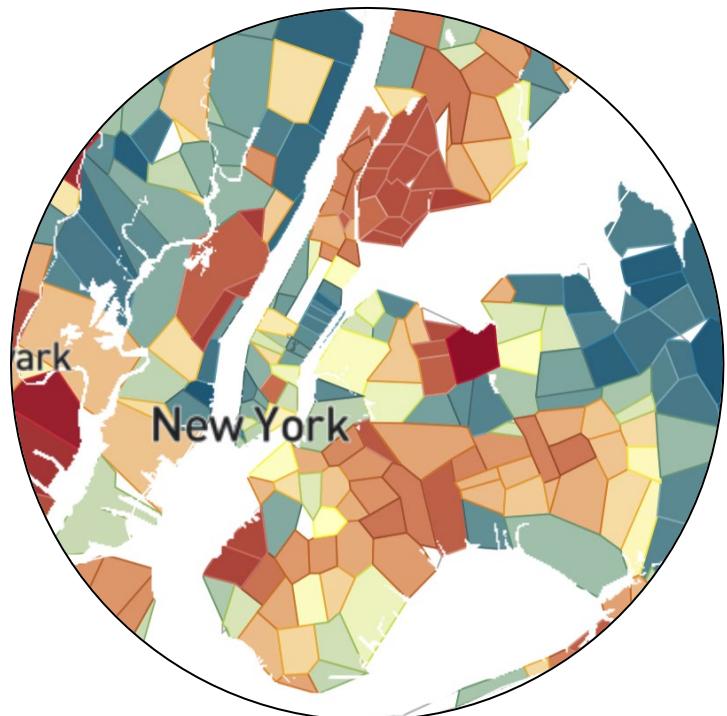
Share of Above-Median-Income Friends  
among Below-Median-Income People



# Economic Opportunity and Social Capital

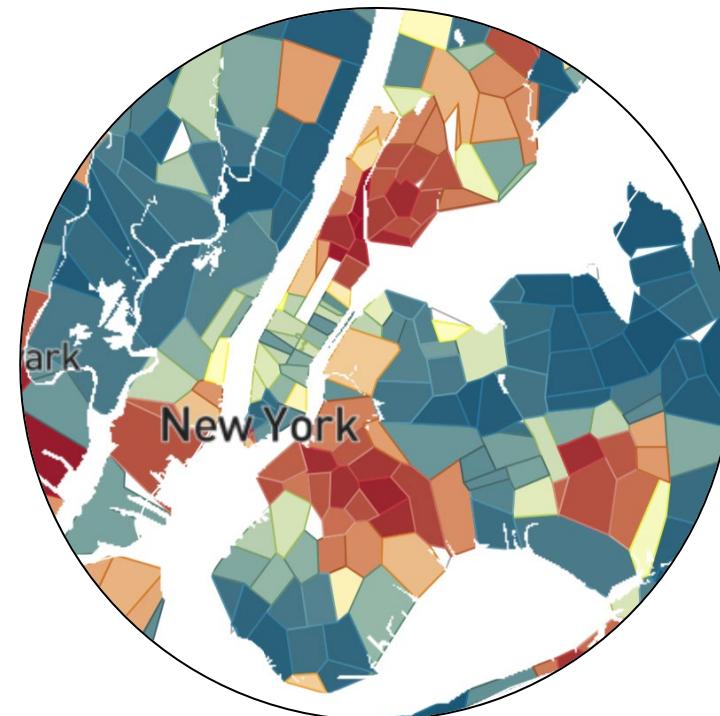
New York City Metro Area

**Upward Mobility**  
Based on Tax Records



Average Household Income at Age 35  
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**Economic Connectedness**  
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Share of Above-Median-Income Friends  
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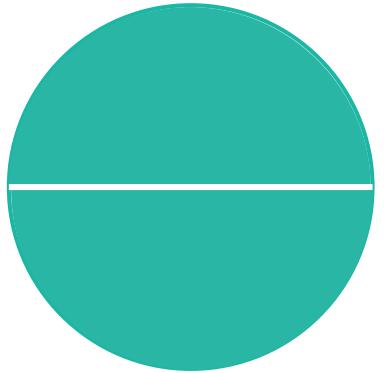
Source: Chetty, Friedman, Hendren, Jones, Porter (2020); Chetty, Jackson, Kuchler, Stroebel et al. (Nature 2022)



# Determinants of Economic Connectedness

**50% Exposure**

Segregation by income



**50% Friending Bias**

Interaction conditional on exposure

**2021**

*Every time I walked across Eutaw Street, I witnessed the exchange of realities. As I grew older, I've come to learn that this was how Baltimore works.*

*Millionaires could live on one side of a street, and the projects could be on the other side.*

*Those two worlds would never cross, never make friends, never acknowledge each other. Everybody was OK with it, especially the rich.*

- Carmelo Anthony



# Three Policy Approaches to Increasing Upward Mobility

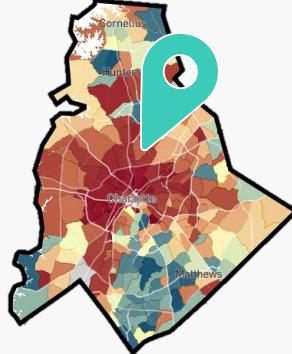
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## Reducing Segregation



Help Low-Income Families Move to High-Opportunity Areas

## Place-Based Investments



Increase Upward Mobility in Low-Opportunity Areas

## Higher Education & Workforce Training



Invest in Higher Education and Job Training Programs



# Three Policy Approaches to Increasing Upward Mobility

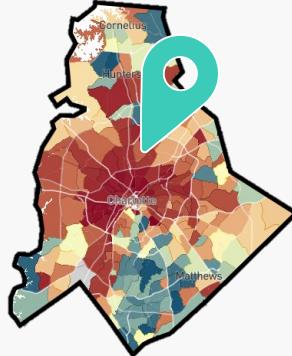
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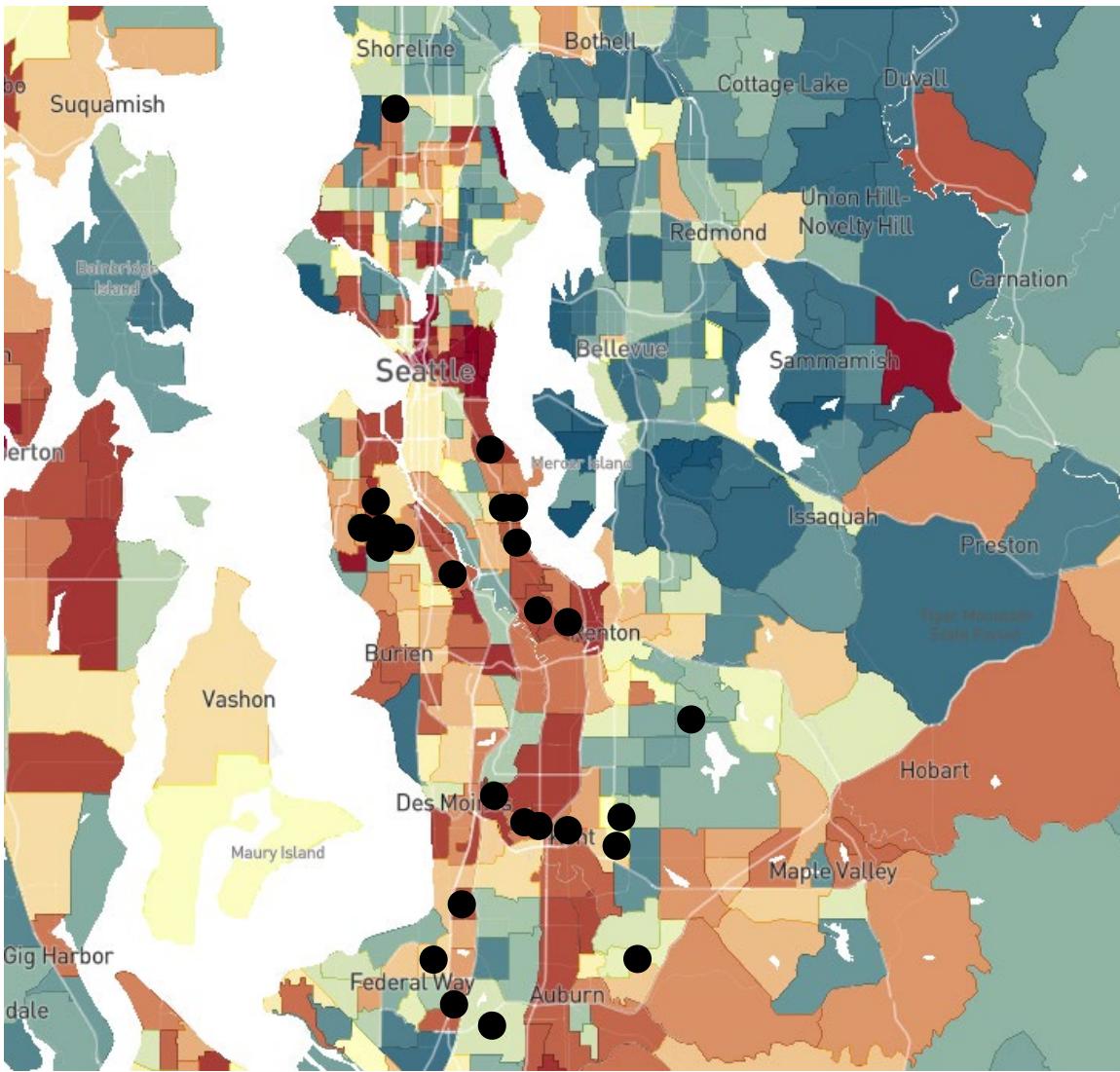
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Invest in Higher Education and Job Training Programs



# Where Housing Voucher Holders Live in Seattle



- 25 most common tracts where voucher holders lived in 2015-17

**Percentile Rank  
in Adulthood**

> 60 (\$55k)

48 (\$39k)

< 30 (\$20k)



# Three Policy Approaches to Increasing Upward Mobility

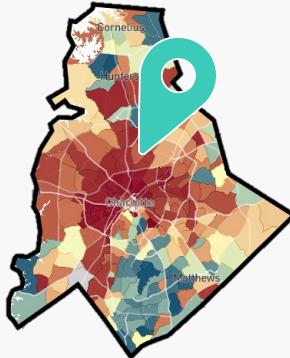
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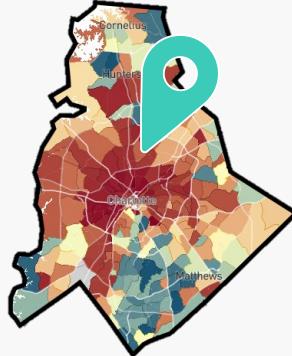
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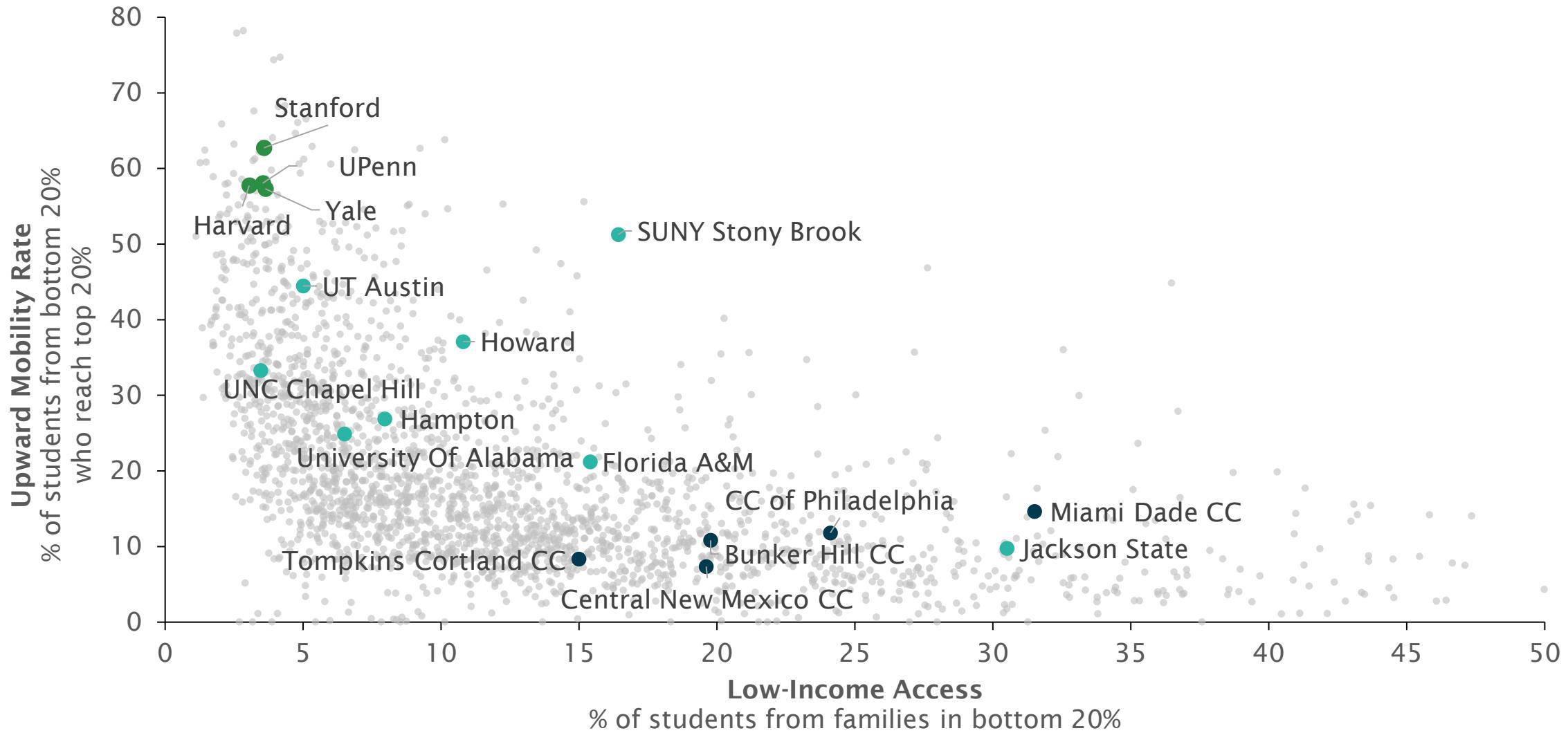


Invest in Higher Education and Job Training Programs



# The Contribution of Colleges to Economic Mobility

Upward Mobility vs. Low-Income Access

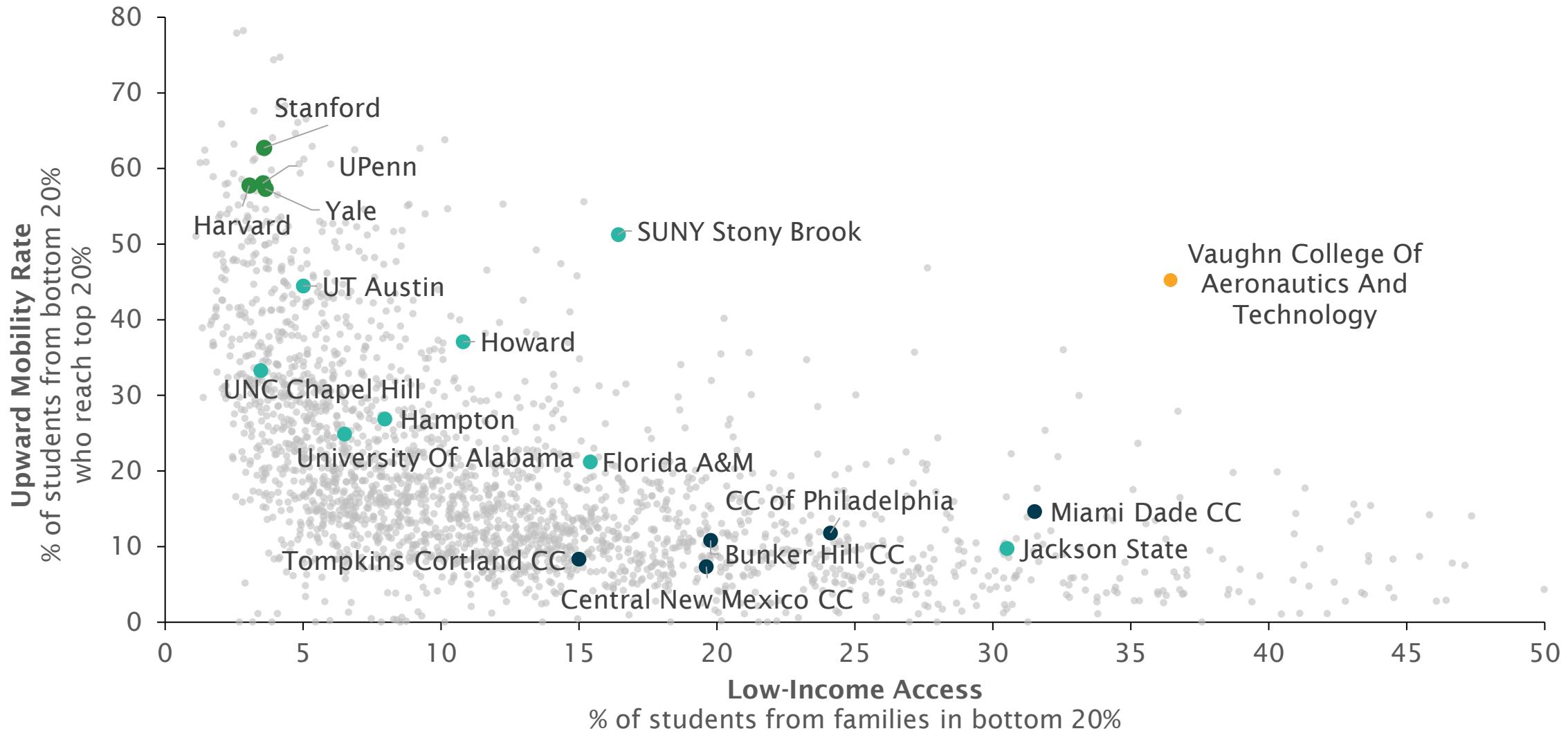


Source: Chetty, Friedman, Saez, Turner, Yagan (QJE 2020)



# The Contribution of Colleges to Economic Mobility

Upward Mobility vs. Low-Income Access



Source: Chetty, Friedman, Saez, Turner, Yagan (QJE 2020)



# Learn new skills to launch your career.

Year Up's job training program is tuition free, and offers access to today's best companies and a proven path to career success.

[FIND TRAINING](#)

## Our approach

### Three steps to a new job

#### 1 Learn



The Learning & Development phase of our program provides you with skills based training from expert

#### 2 Intern



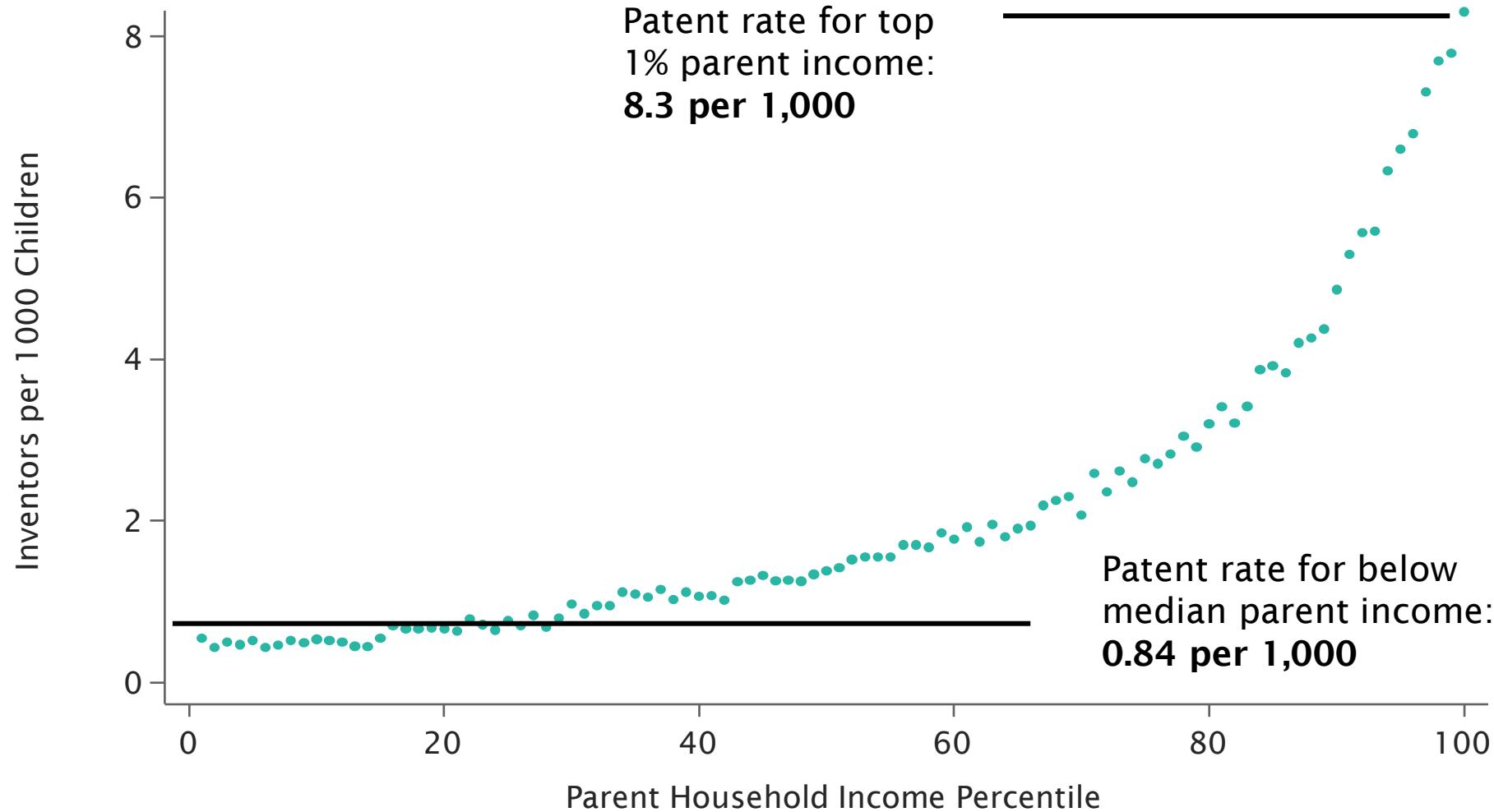
Put the skills you learned into practice! We'll match you to a hands-on internship at a top

#### 3 Land a job



80% of alumni are employed and/or enrolled in college within 4 months of graduation. Our support staff will

# Patent Rates vs. Parent Income

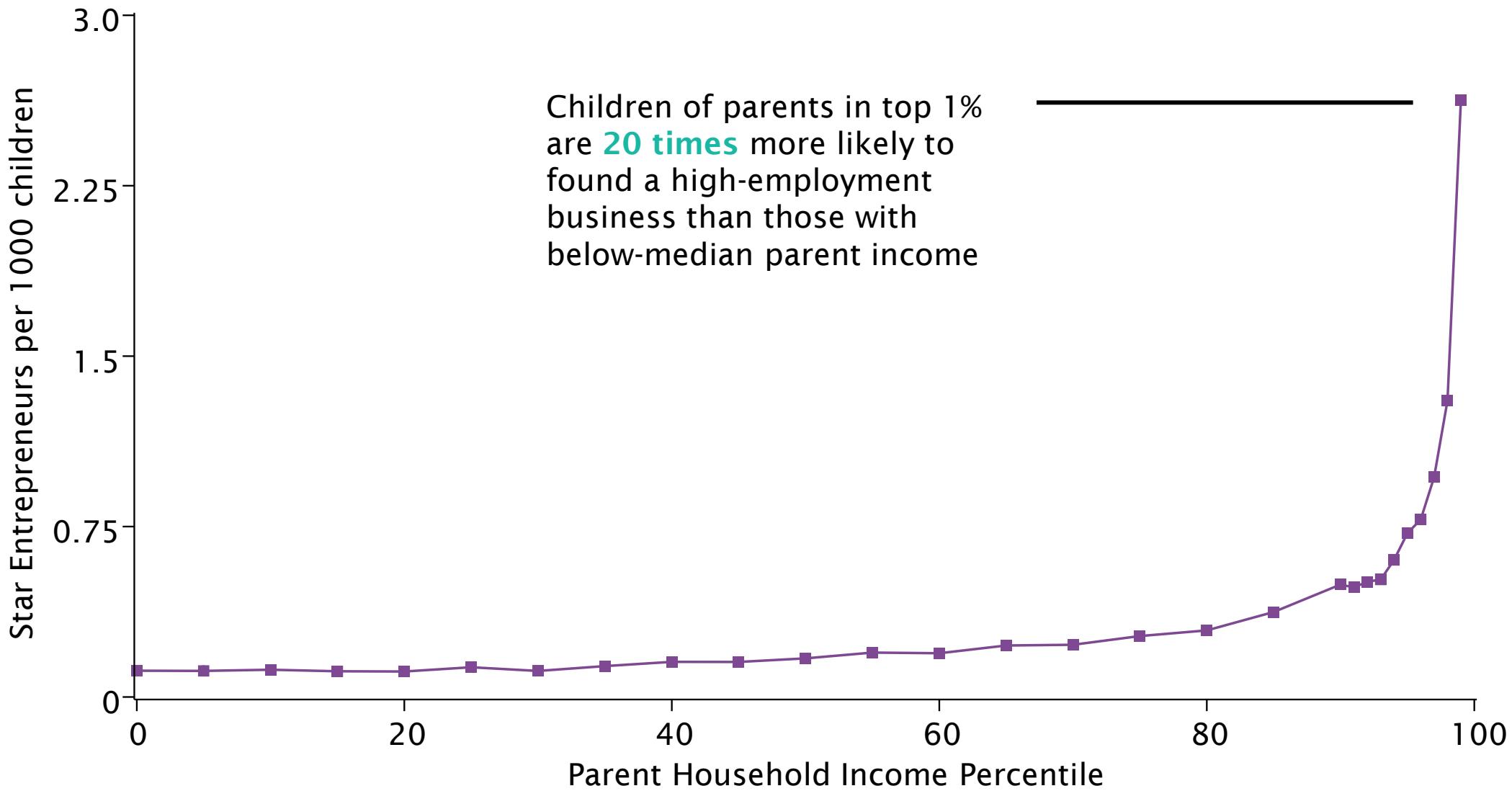


Source: Bell, Chetty, Jaravel, Petkova, van Reenen (QJE 2020)



# Entrepreneurship Rates by Parental Income

Share of Individuals who Found High-Revenue, High-Employment Businesses

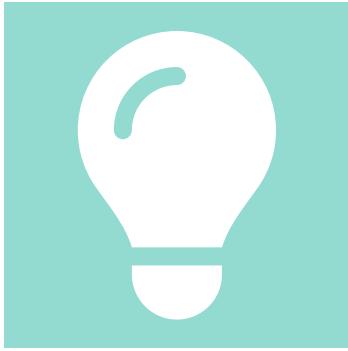


Source: Chetty, Dossi, Smith, van Reenen, Zidar, Zwick (2025)



# Lost Einsteins

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4x

If women, minorities, and children from low-income families invent at the same rate as high-income white men, the number of inventors in America would **quadruple**

# Creating Economic Opportunity: The Path Forward



Improve **local environment** from childhood to early adulthood to create upward mobility



Provide **social capital** beyond financial resources in government programs



Use **big data** to target interventions and monitor their impacts





*From Jasmine, 7 years old, whose family moved to a high-opportunity area in Seattle in the Creating Moves to Opportunity study*



**Research studies and summaries**  
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