



Expanding Economic Opportunity

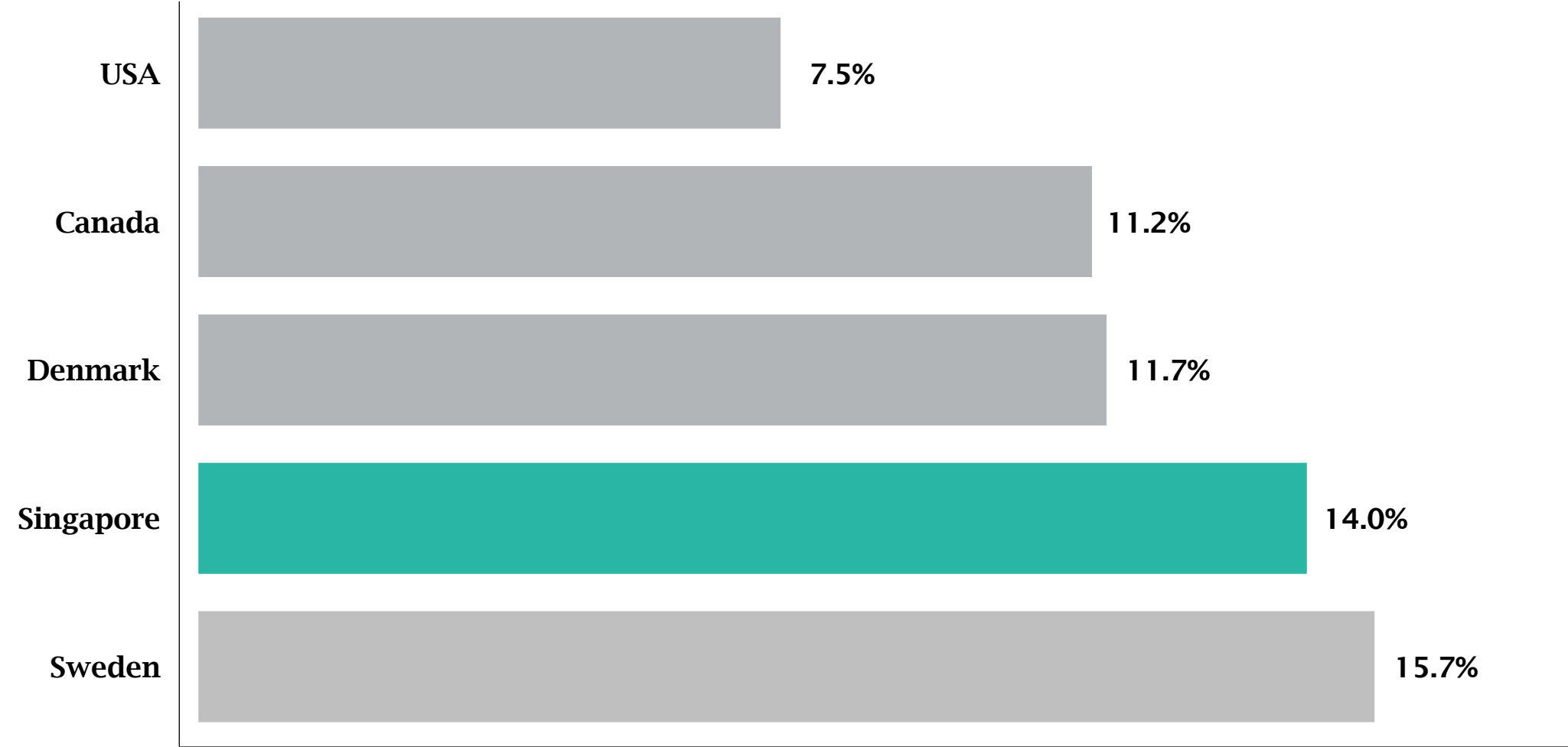
Insights from Big Data

Raj Chetty
Harvard University



2025 International Conference on Societies of Opportunity | April 2025

Rates of Upward Mobility Across Countries



Fraction of children born to parents in bottom fifth of income distribution who rise to top fifth

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**

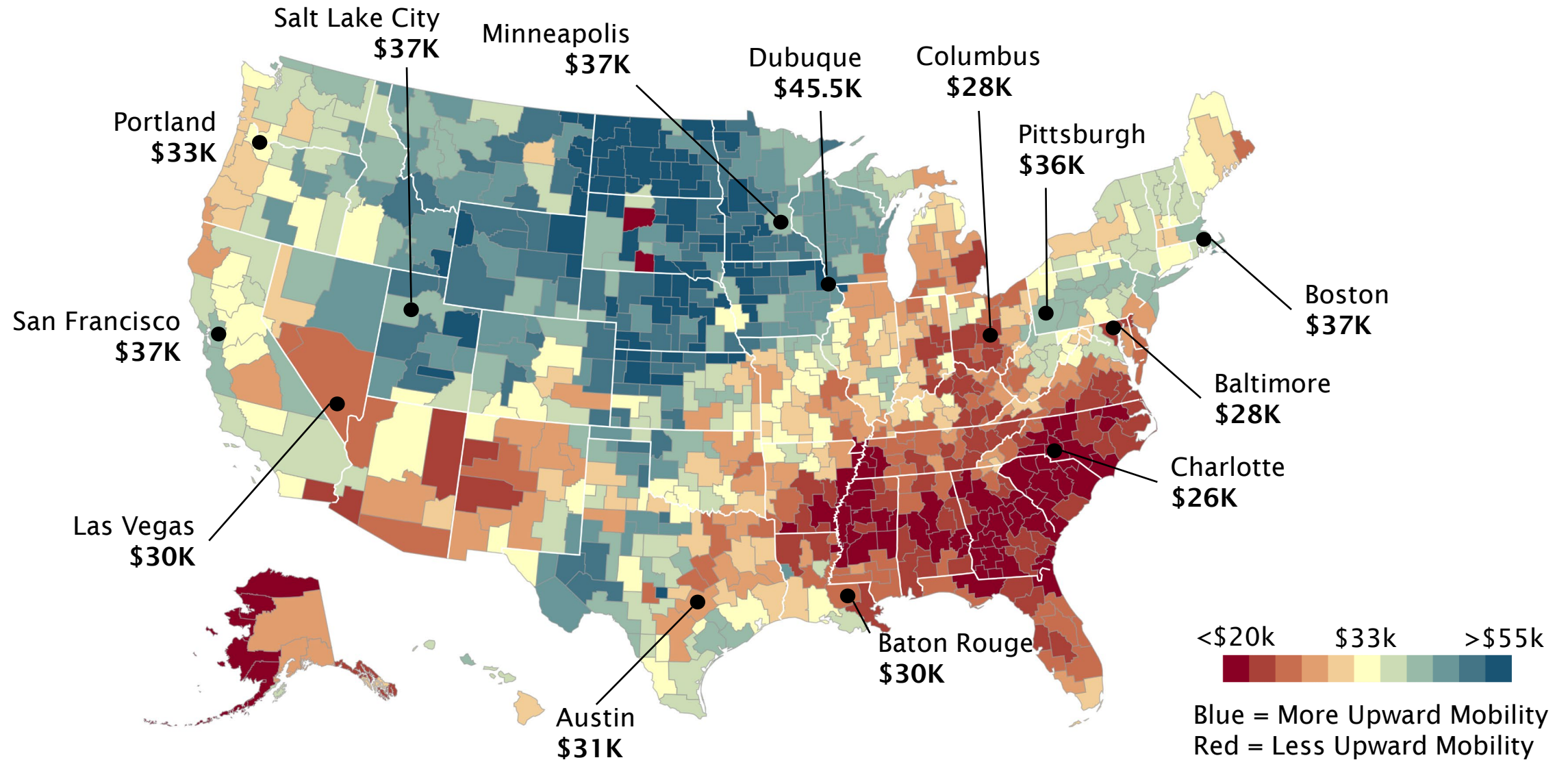


Starting point: sharp **local** differences in rates of upward mobility



The Geography of Upward Mobility in the United States

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

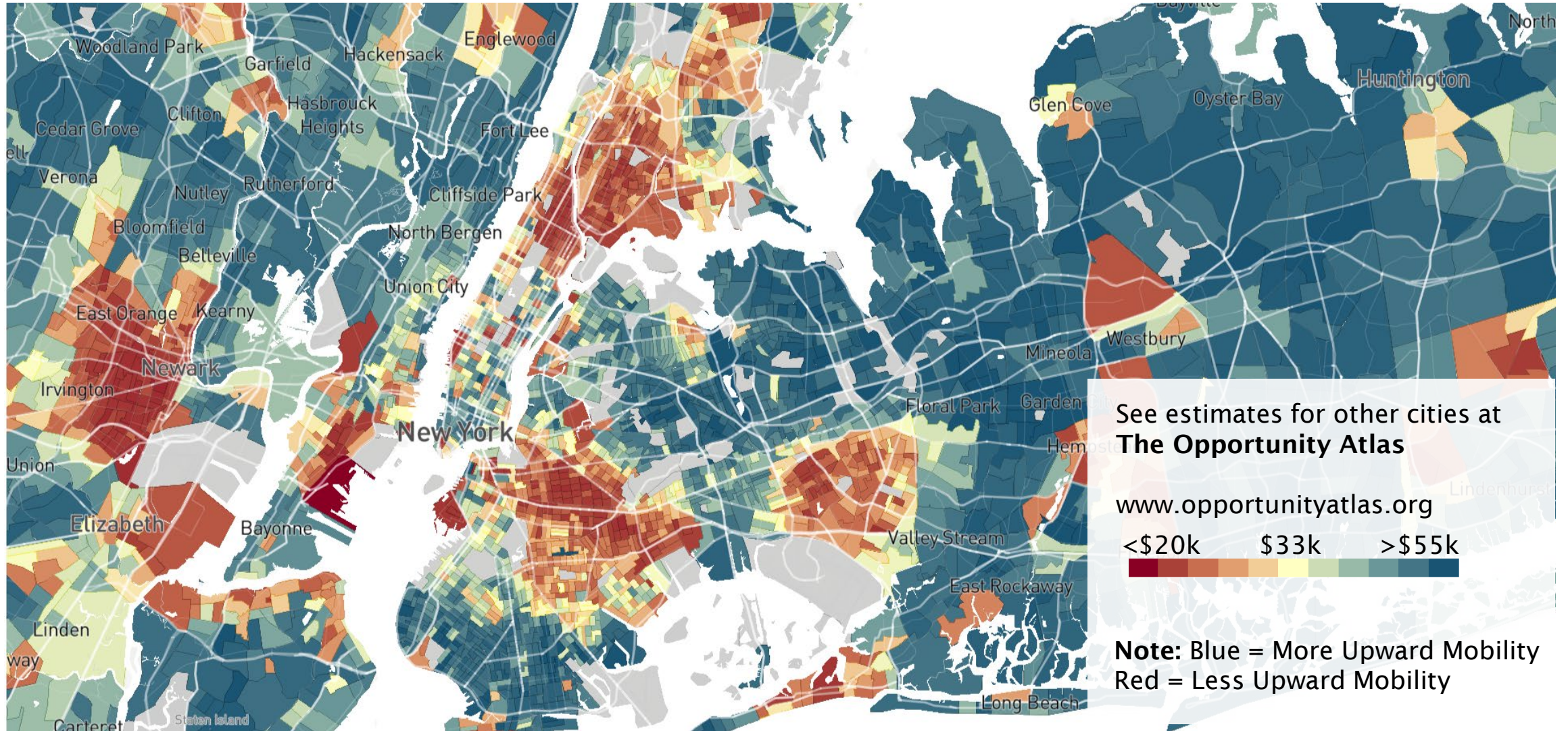


Source: Chetty, Hendren, Kline, Saez (QJE 2014)



The Geography of Upward Mobility in New York

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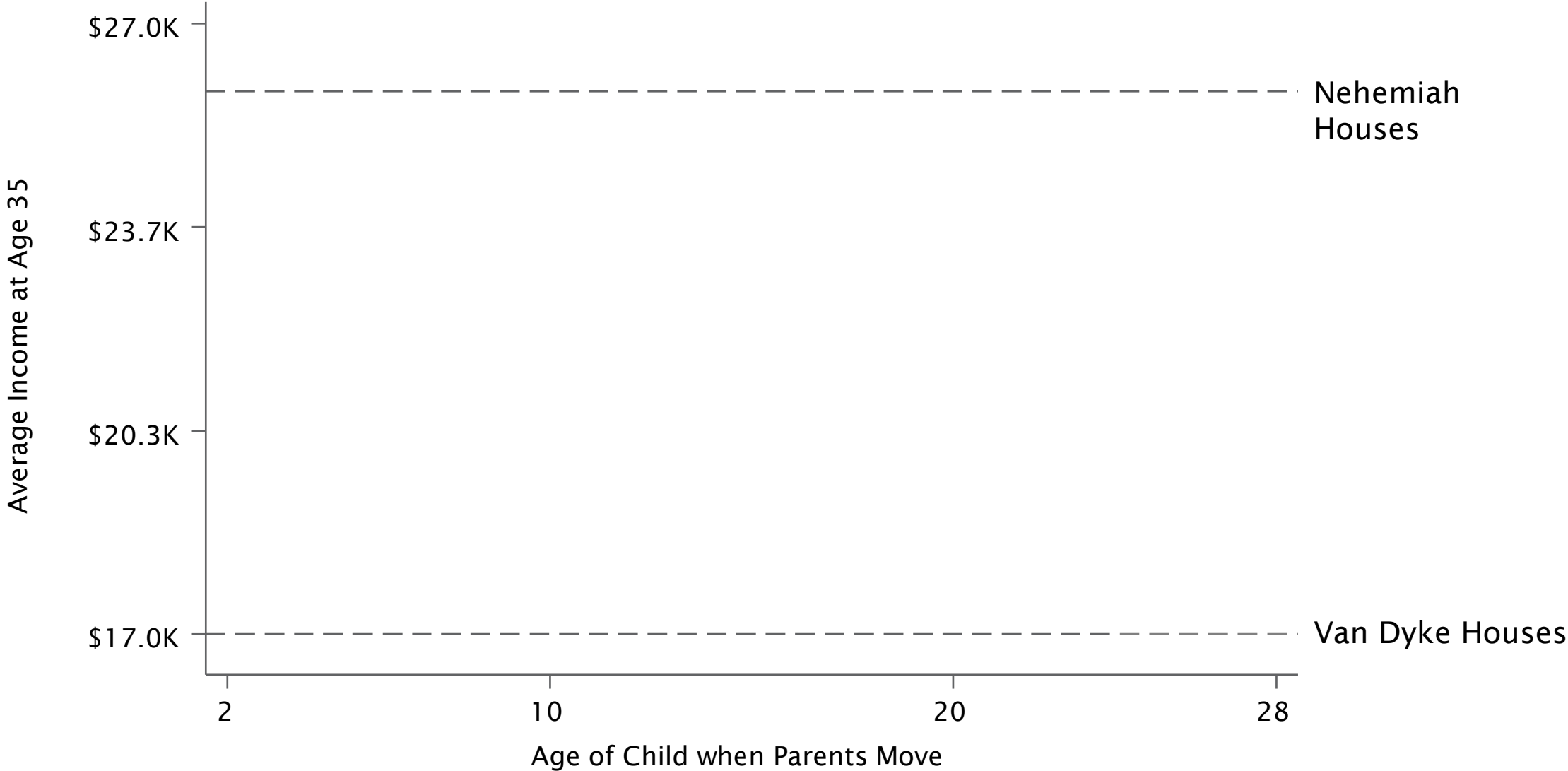


Source: Chetty, Friedman, Hendren, Jones, Porter (AER forthcoming 2025)



Income Gain from Moving to a Better Neighborhood

By Child's Age at Move

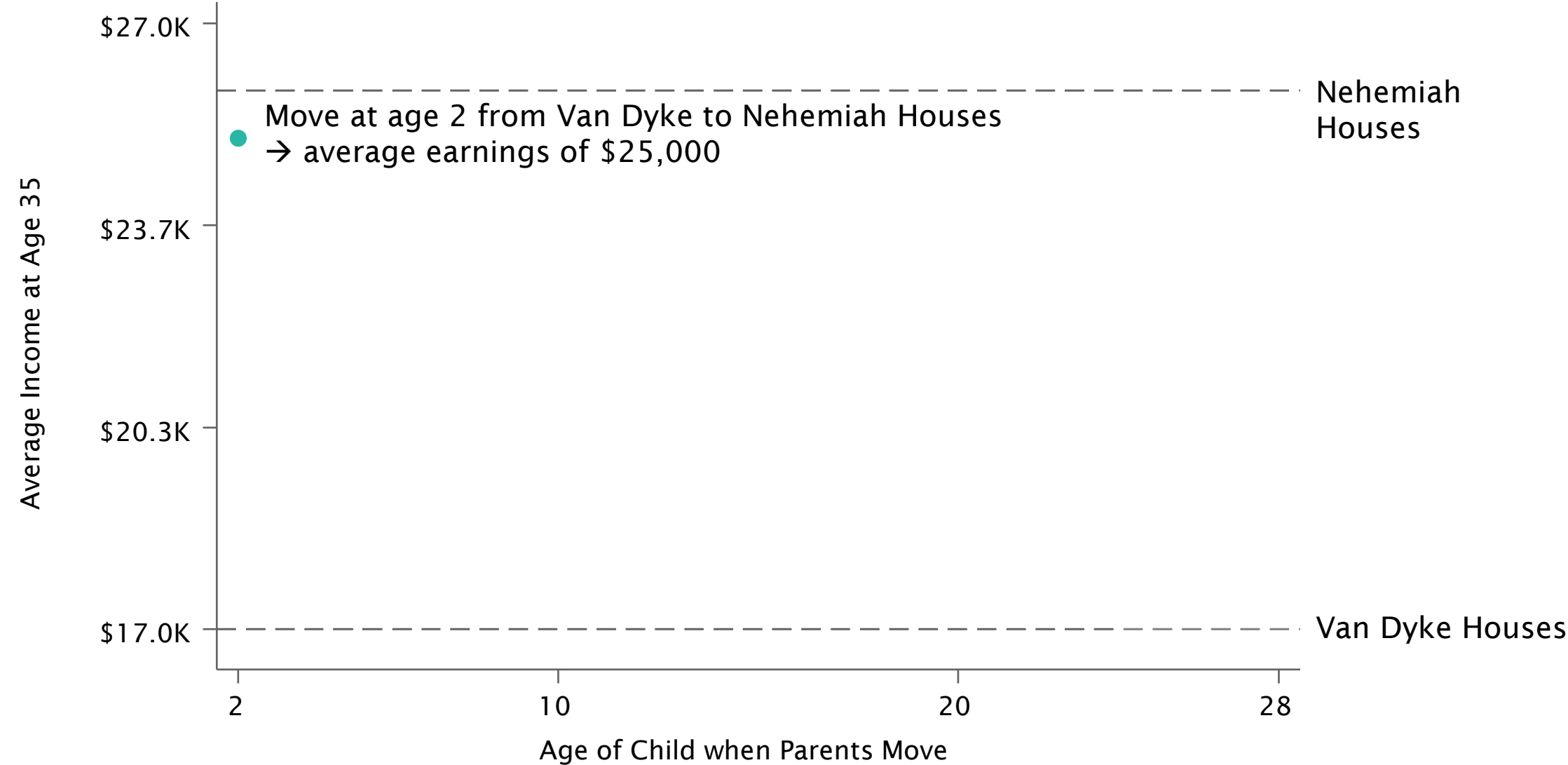


Source: Chetty and Hendren (QJE 2018)



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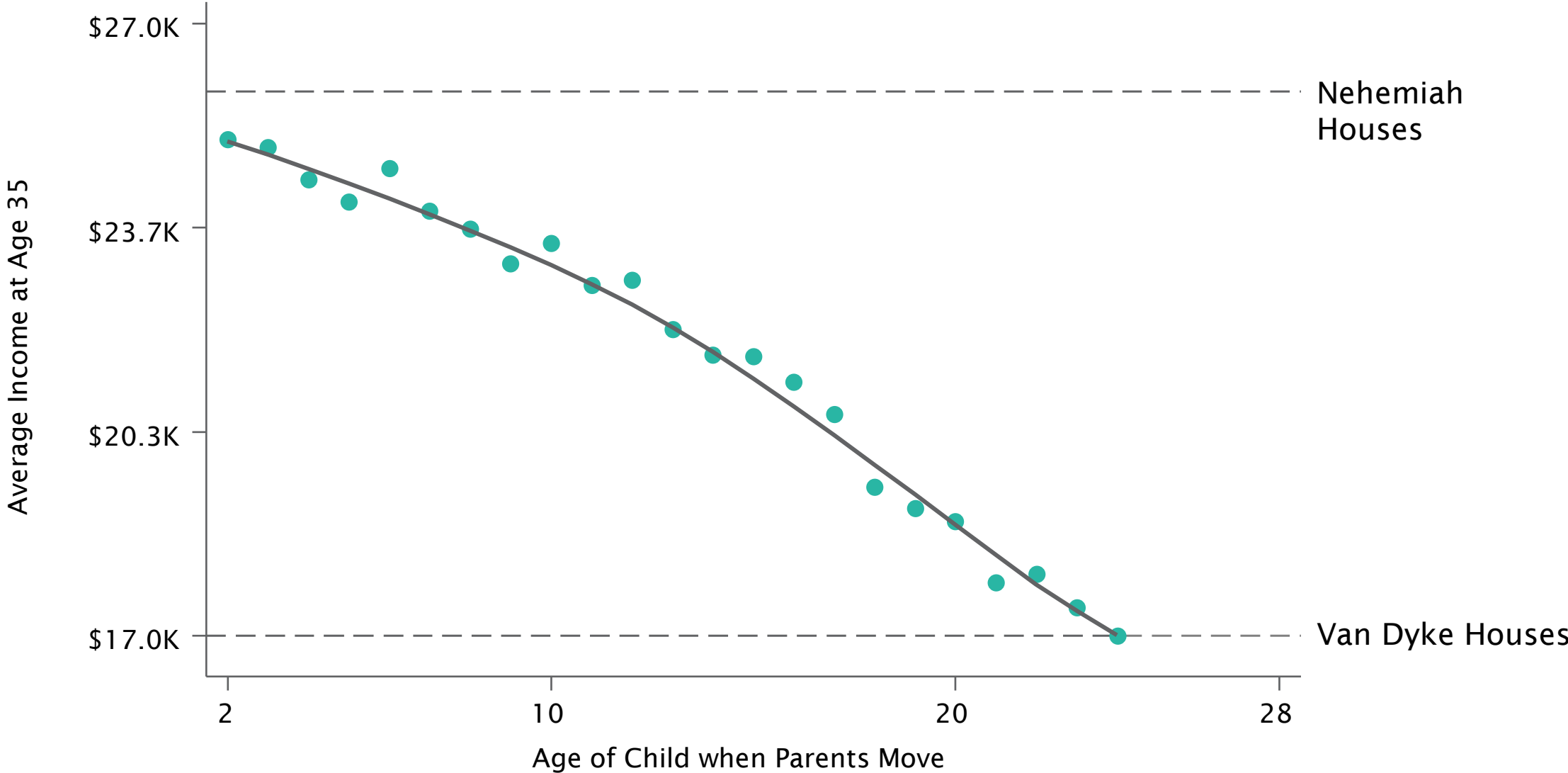


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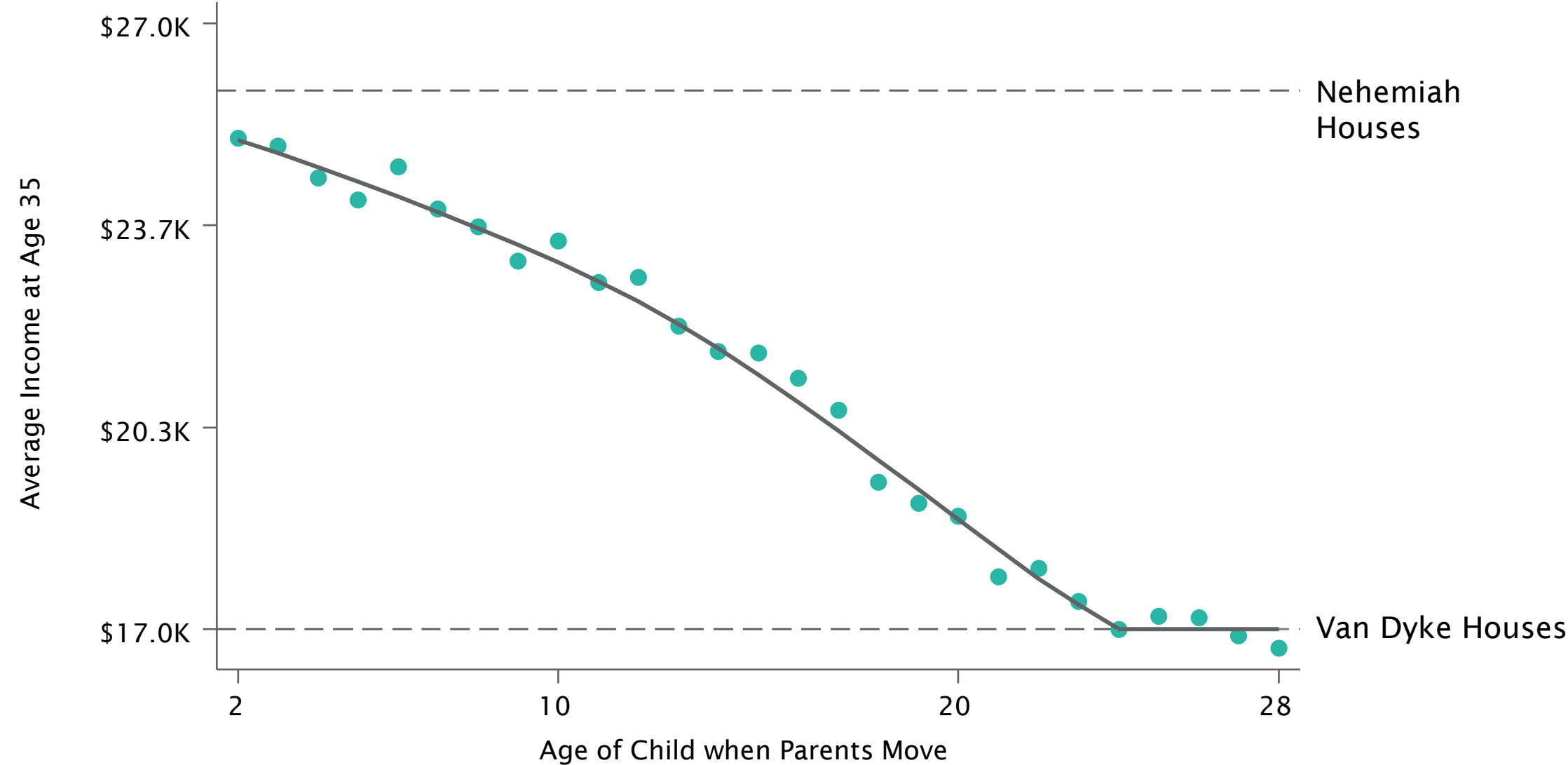


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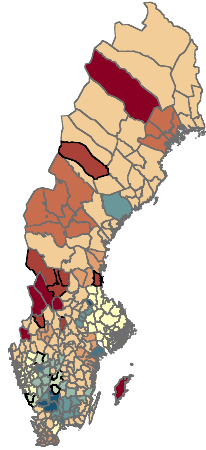


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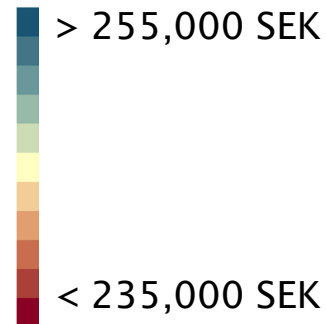


The Geography of Economic Opportunity Around the World

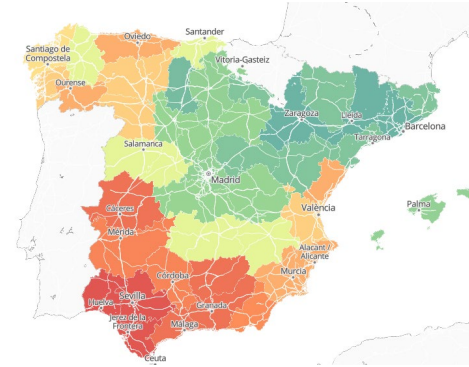
Sweden



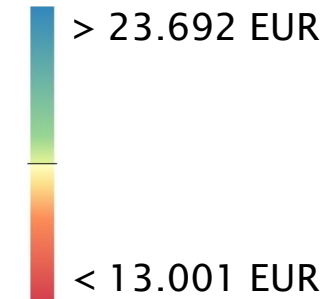
Annual Individual Income
at Age 32-34 (2010)



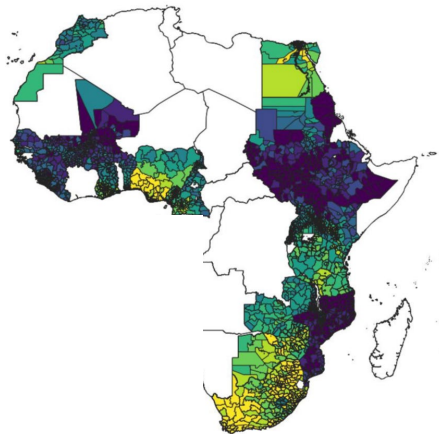
Spain



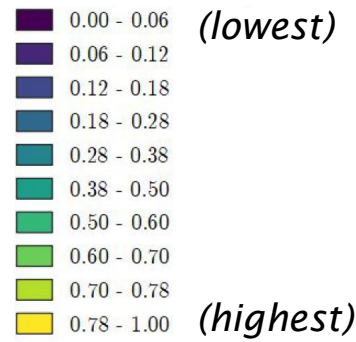
Median Income at Age 31 for
Children from Low-Income
Households



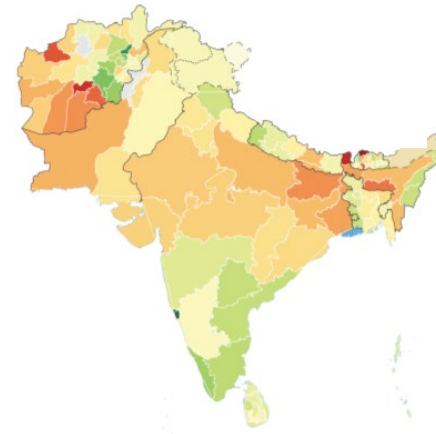
Africa



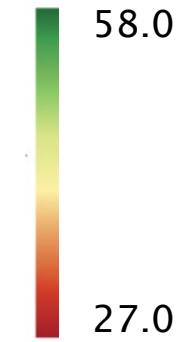
Upward Mobility



South Asia



Mean Education Rank for Children
with Less-Educated Parents



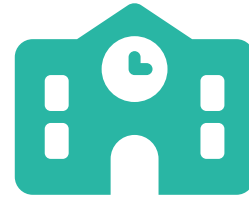
Characteristics of High-Mobility Neighborhoods



**Less
Inequality**



**More Stable
Family Structure**



**Better
School Quality**

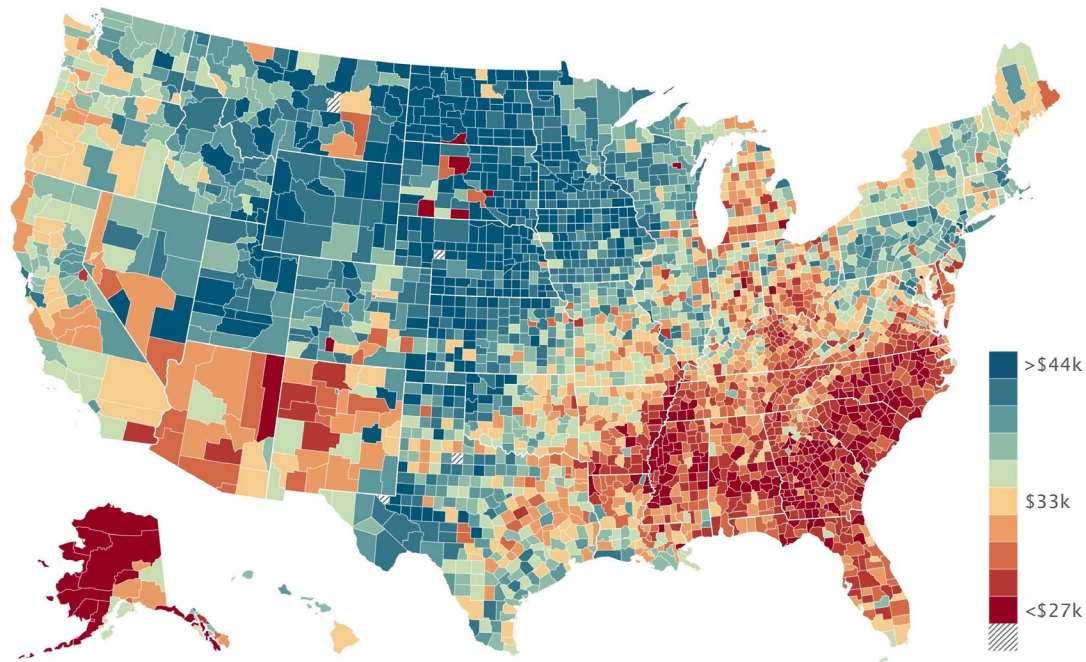


**Greater
Social Capital**



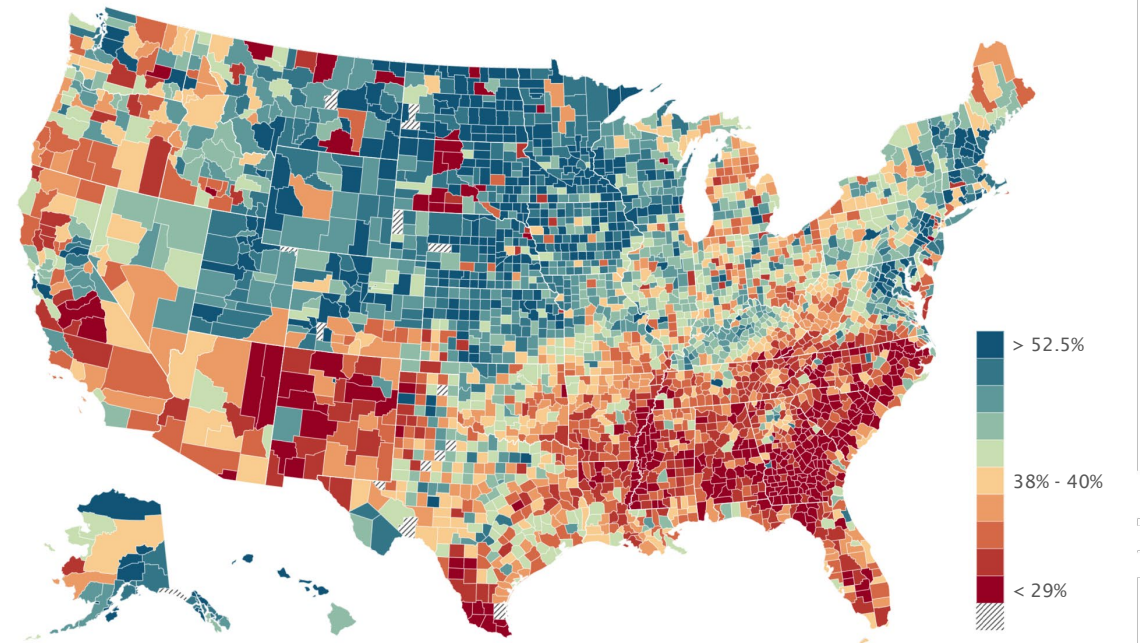
Economic Opportunity and Social Capital

Upward Mobility
Based on Tax Records



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

Economic Connectedness
Based on Facebook Data



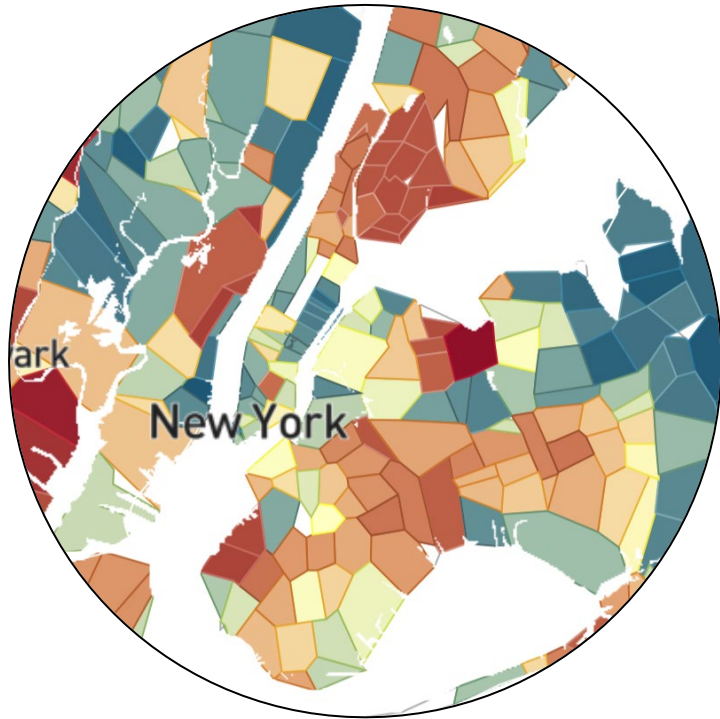
Share of Above-Median-Income Friends
among Below-Median-Income People



Economic Opportunity and Social Capital

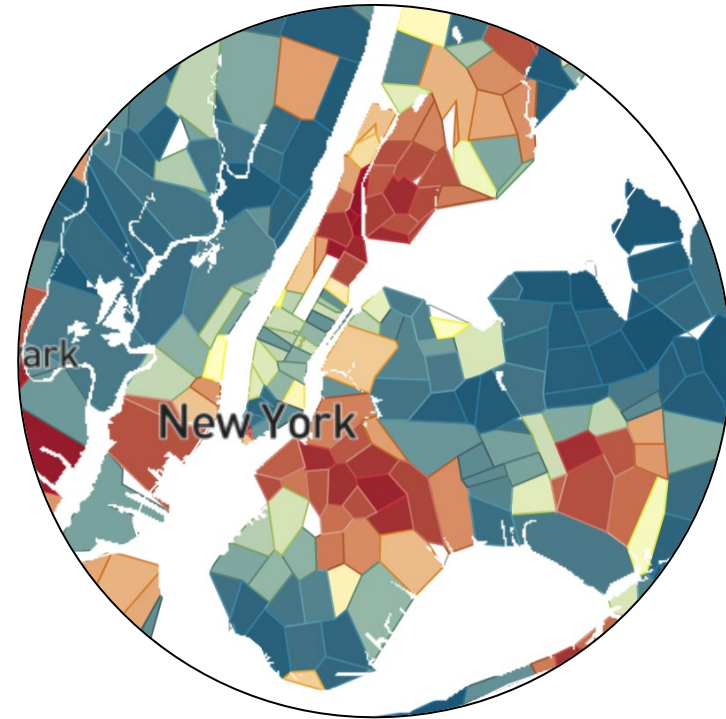
New York City Metro Area

**Upward Mobility
Based on Tax Records**



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**Economic Connectedness
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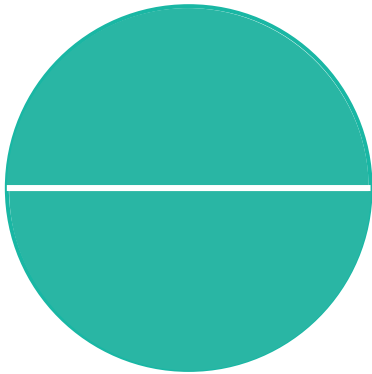
Share of Above-Median-Income Friends
among Below-Median-Income People



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



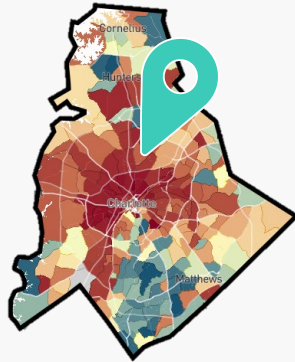
Three Policy Approaches to Increasing Upward Mobility

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



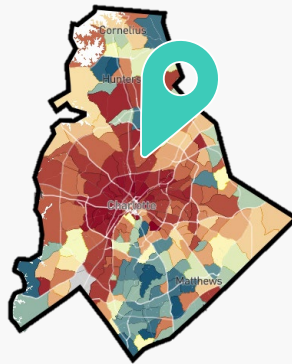
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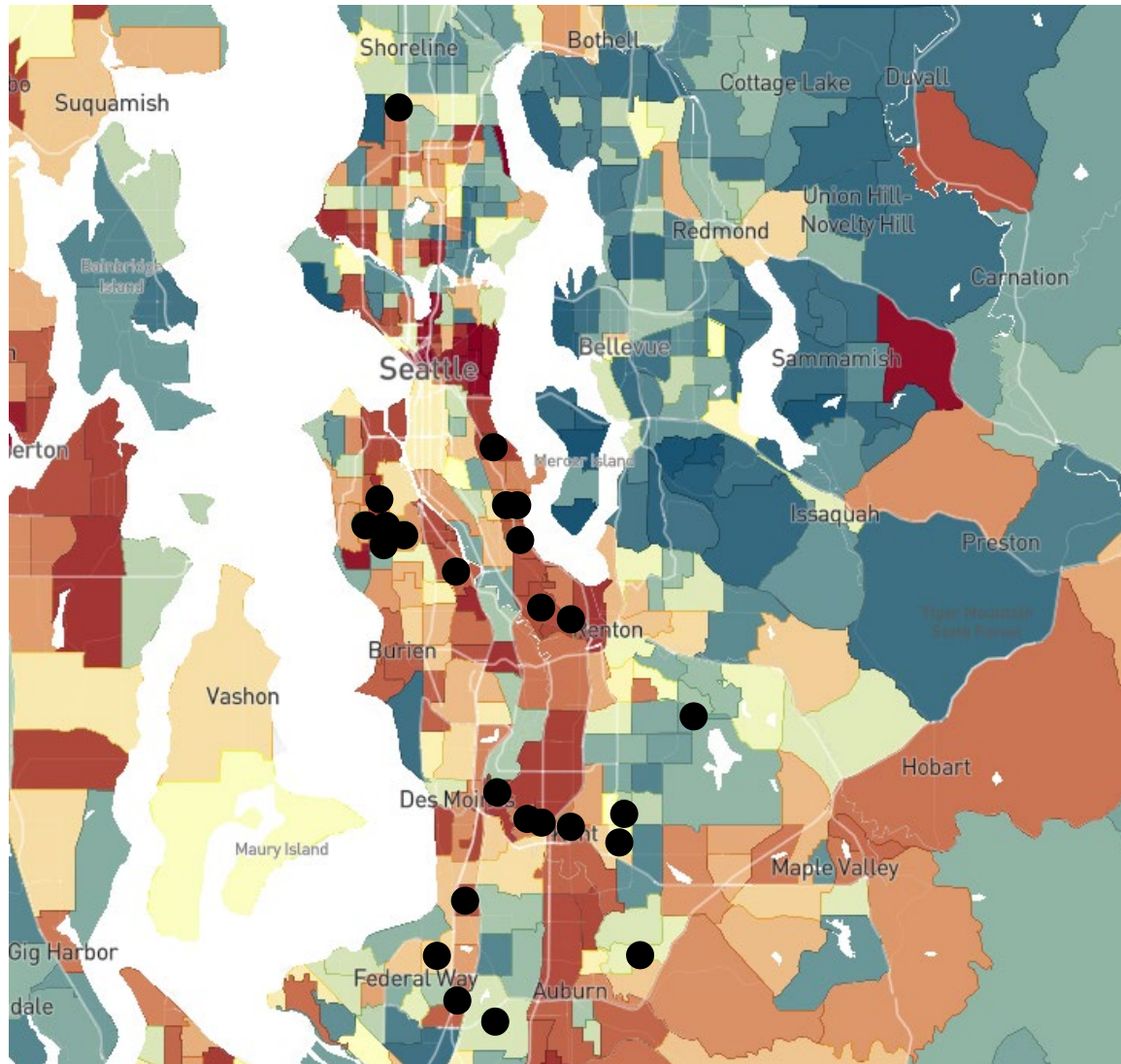
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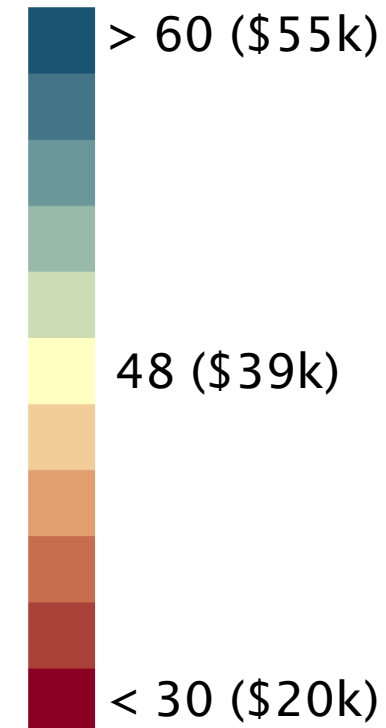


Where Housing Voucher Holders Live in Seattle



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

Percentile Rank in Adulthood



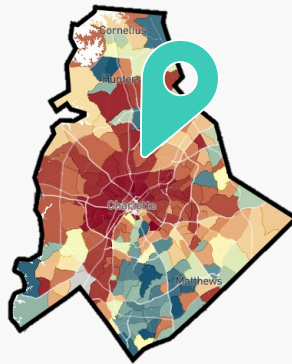
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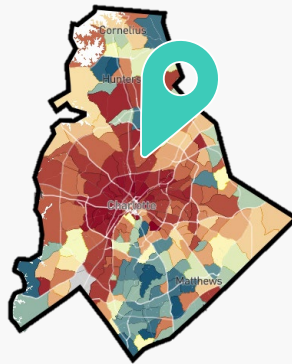
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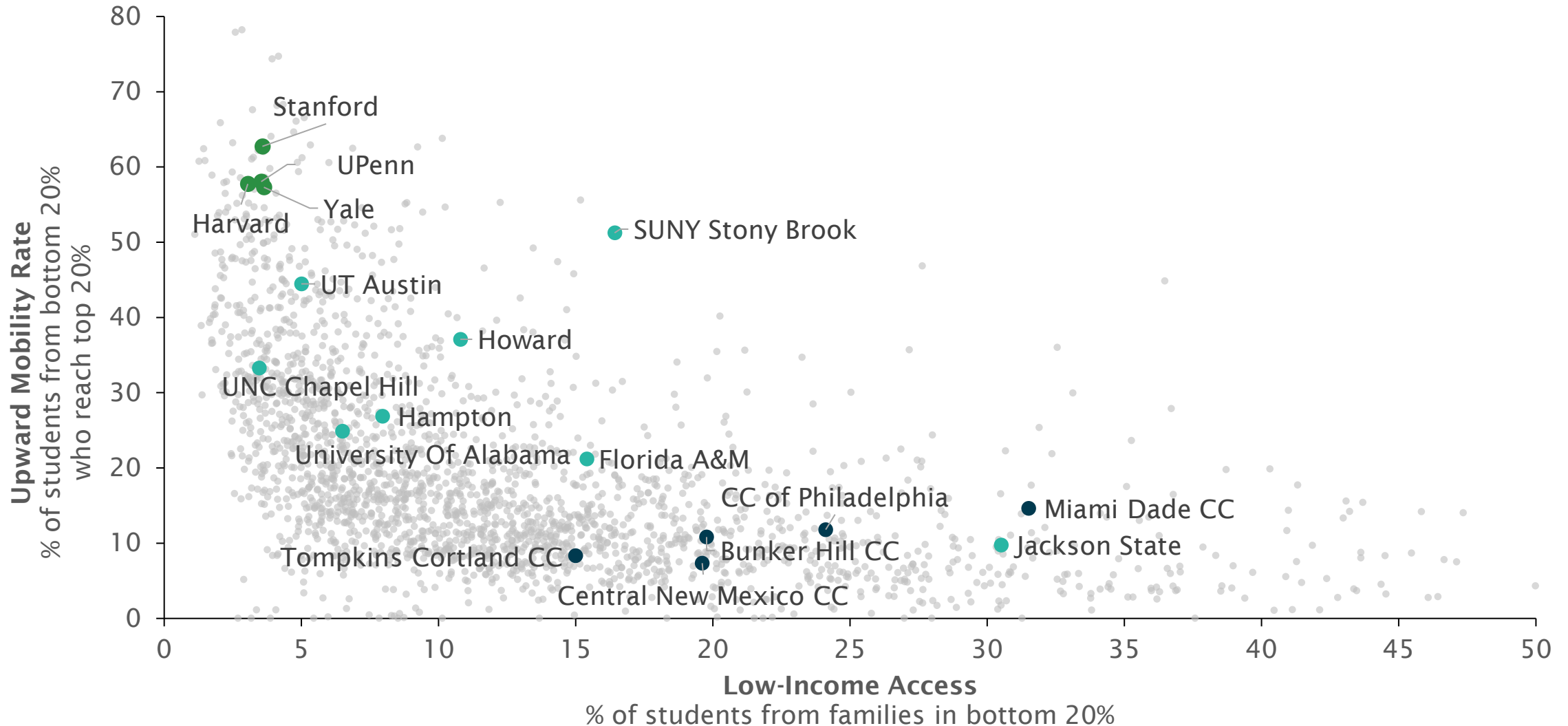


Invest in Higher Education and Job Training Programs



The Contribution of Colleges to Economic Mobility

Upward Mobility vs. Low-Income Access

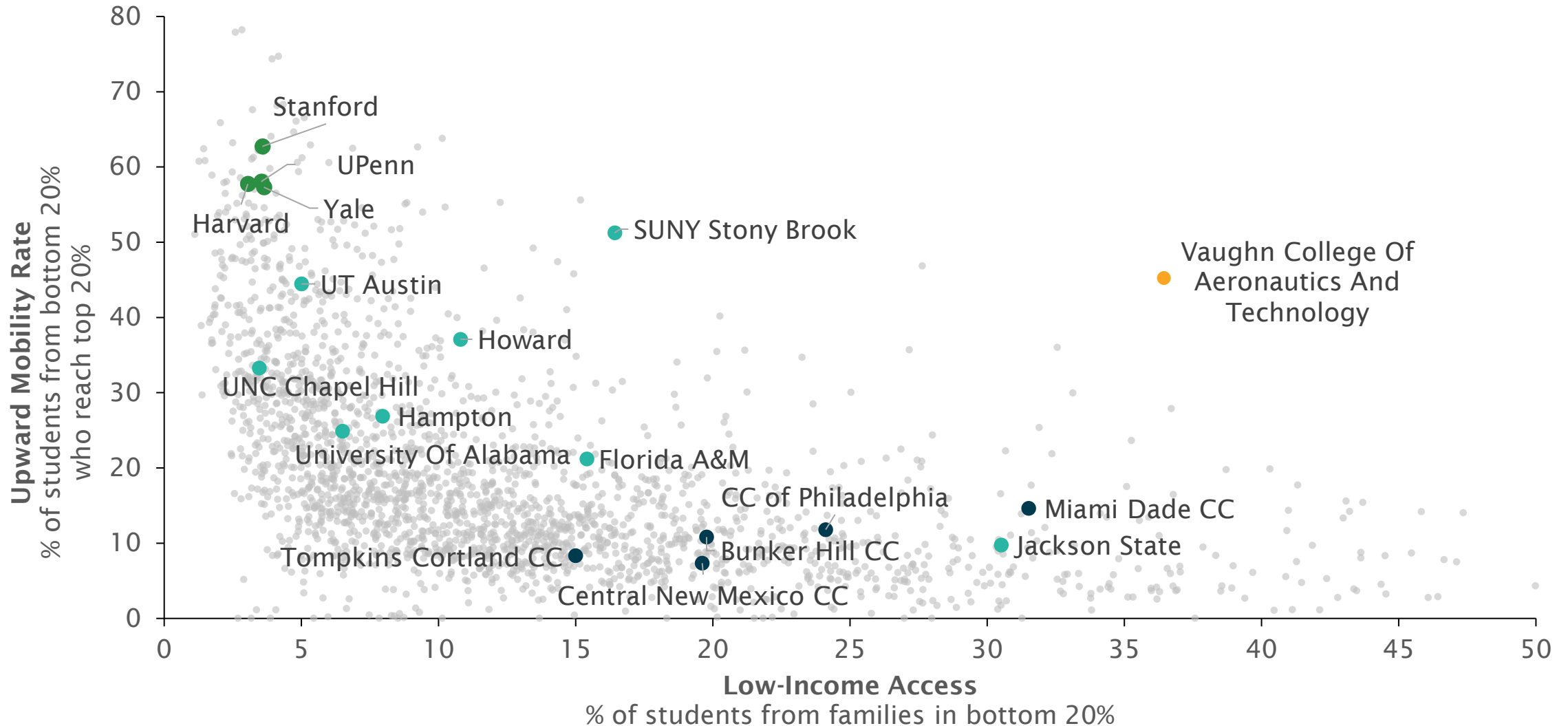


Source: Chetty, Friedman, Saez, Turner, Yagan (QJE 2020)



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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



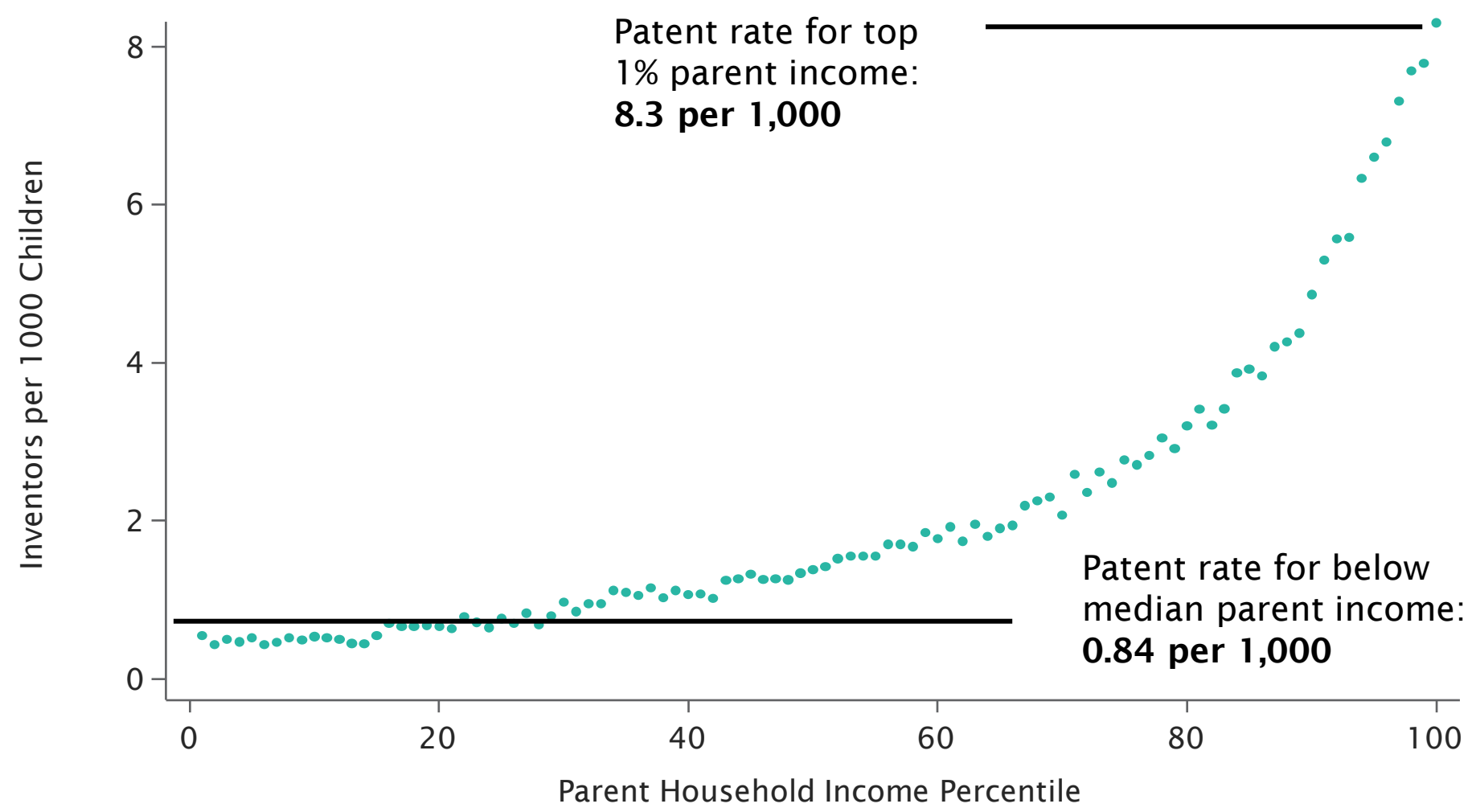
Put the skills you learned into practice! We'll match you to a hands-on internship at a top

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

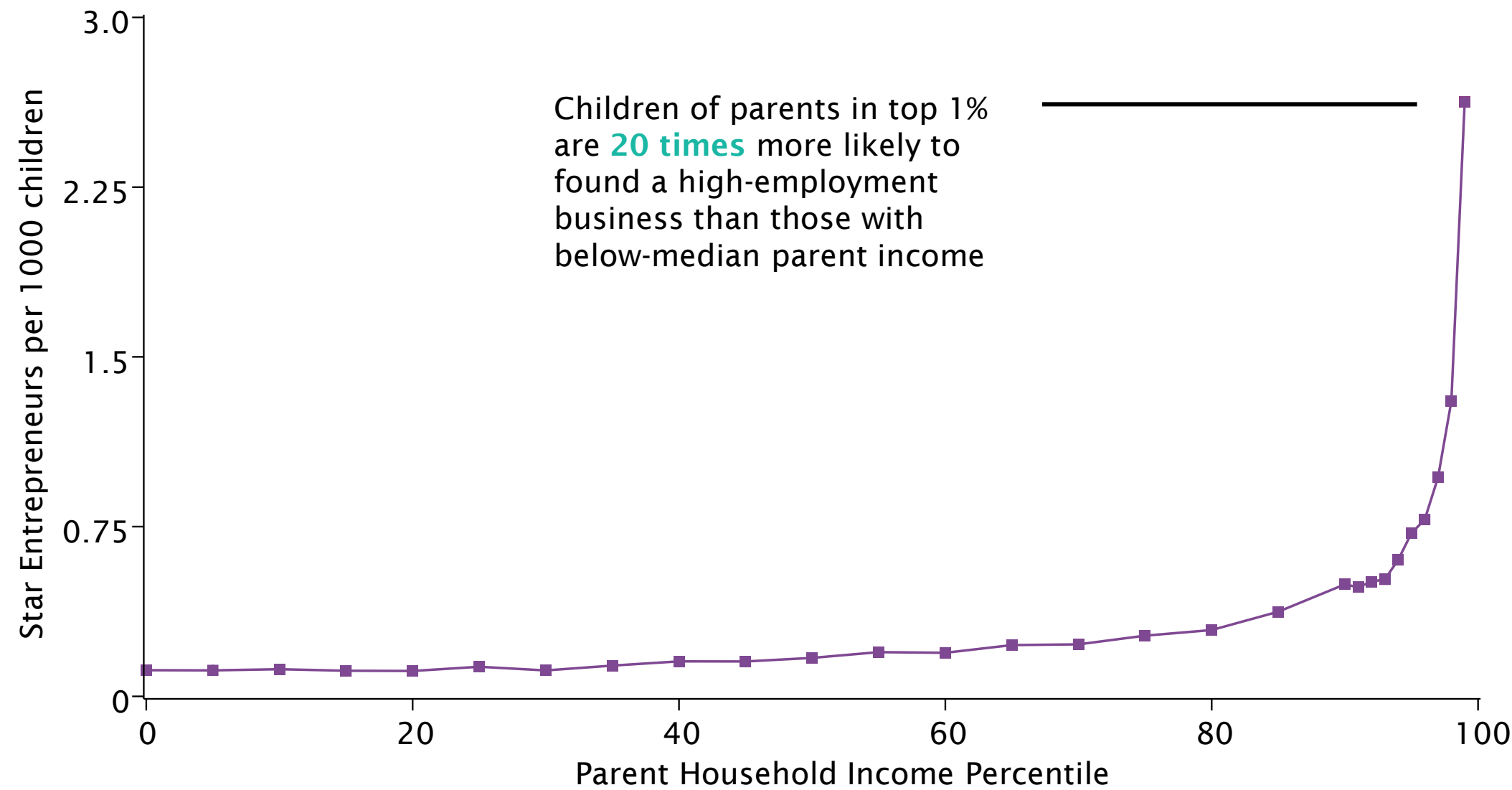


Source: Bell, Chetty, Jaravel, Petkova, van Reenen (QJE 2020)



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

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
www.opportunityinsights.org



Explore your community's data
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Social Capital Atlas: www.socialcapital.org



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