

A Regional Look at Single Moms and Upward Mobility

Family-Friendly Policies Can Be Linked to Greater Economic Mobility Among Single Mothers

By Carter C. Price June 4, 2014

Overview

One of the big takeaways from the recent work by Harvard economists Raj Chetty and Nathaniel Hendren and University of California—Berkeley economists Emmanuel Saez and Patrick Kline is that differences in family structure are strongly associated with differences in economic mobility.¹ Some scholars and policymakers have used these findings as an opportunity to encourage marriage promotion policies, but a deeper look at the data raises some important questions.²

For example, why is it that the West Coast states of California, Oregon, and Washington stand out for having relatively high rates of single mothers while also having relatively high rates of economic mobility? Conversely, why are other parts of America characterized by low rates of single mothers but very low rates of economic mobility?

Understanding economic mobility can yield insights into whether and how economic inequality and economic growth are linked. And scholars and policymakers across academic disciplines and political divides agree that understanding how single mothers fare in our economy is critical to future economic growth, powered by their contributions today and the future contributions of their children.

This issue brief explores where single mothers are more likely to be moving up the economic ladder, relying upon the latest research on mobility in the United States by Chetty and his colleagues.³ One of their study's key findings is that there is a strong, statistically significant relationship between a higher gap in mobility between children from high- and low-income families, which Chetty and his co-authors refer to as relative mobility, and a higher share of families headed by single mothers.

This insight enables us to look at this “mobility gap” in an area, compare the share of single-mother households, and then look at the difference between the share of single

mothers and the mobility gap.⁴ This difference tells us whether the mobility gap is higher, lower, or about what would be expected given the share of single mothers in an area. In the pages that follow, this issue brief will present these data analyses in more detail. But the upshot of this analysis is that states with more family-friendly,⁵ such as paid sick days so that parents can take care of sick children and relatively generous parental leave policies so that new parents can spend more time with their newborn children, are more likely to have a relatively high rates of economic mobility despite high rates of single mothers—among them California, Oregon, and Washington.

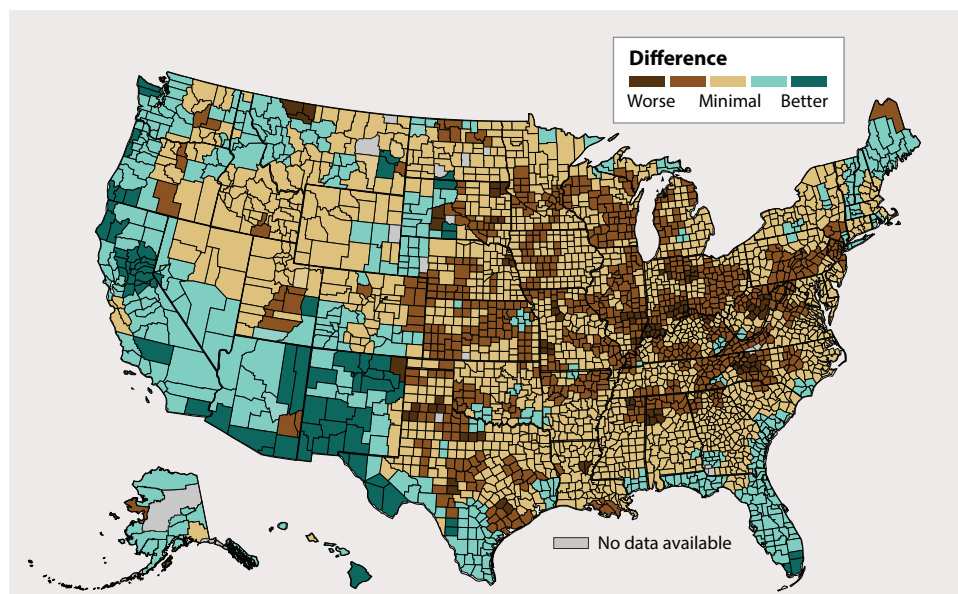
Conversely, parts of America, particularly parts of the Rust Belt, are significantly less mobile than one would expect given the relatively low share of households headed by single mothers. This analysis is far from definitive, but it does suggest that pro-family policies can improve mobility in the absence of a high rate of two-parent households.

Our first map in this issue brief tells the tale, at least for those born in the United States when the tail end of Generation X—1965-1980—gave way to the Millennials born between 1981 and 2000. (See Figure 1.)

FIGURE 1

States with Family Friendly Policies have Better Economic Mobility

The difference between the actual mobility gap and the mobility gap predicted from the share of single mothers, for people born in the last year of Generation X (1980) and the first year of the Millennial generation (1981), indicates that those states with family friendly policies tend to be more economically mobile.



Source: Author's calculations using data from Raj Chetty et al., *Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States*, Working Paper (Cambridge, MA: National Bureau of Economic Research, January 2014)
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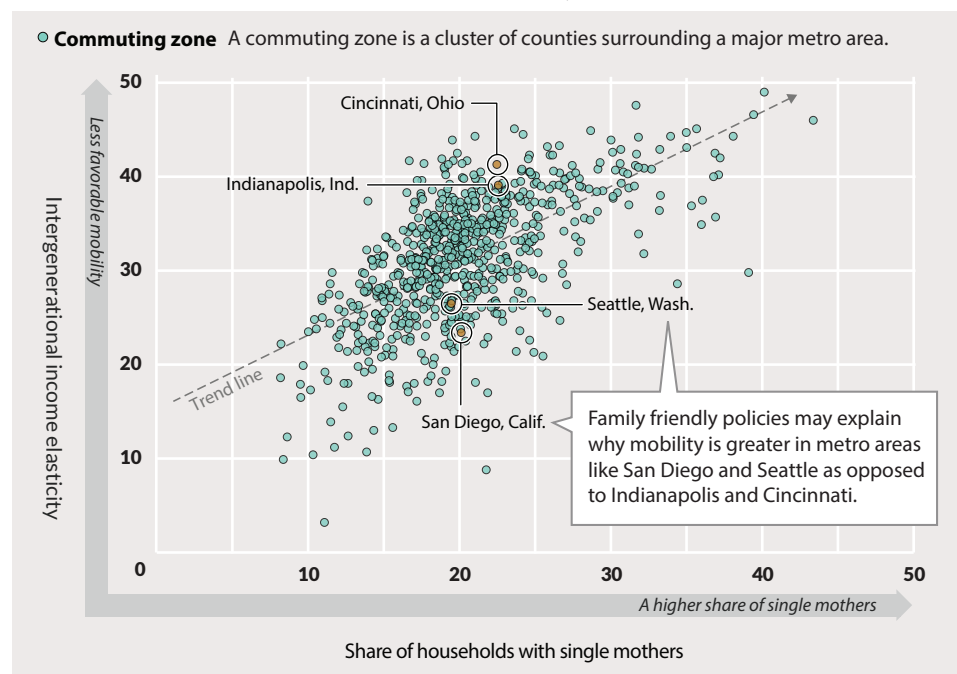
Parsing the data on mobility and single mothers

These differences in the mobility of single moms that we mapped on Figure 1 can be further refined down to metropolitan regions of the country. Figure 2 below shows the relationship between the share of households led by single mothers and the gap in mobility between the children of high- and low-income families. Each dot represents a commuting zone (areas within which people are more likely to live and work). The arrow represents the “best-fit-line” on these points and indicates that places with a higher share of single mothers also tend to have a higher gap in mobility—indicating lower relative mobility. Because of the strength of this relationship, many commentators have identified marriage promotion as the silver bullet policy to improve economic mobility.

FIGURE 2

Single Mothers Struggle with Upward Mobility

Comparing the share of single mothers with the mobility gap across U.S. commuting zones.



Source: Author's calculations using data from Raj Chetty et al., *Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States*, Working Paper (Cambridge, MA: National Bureau of Economic Research, January 2014)
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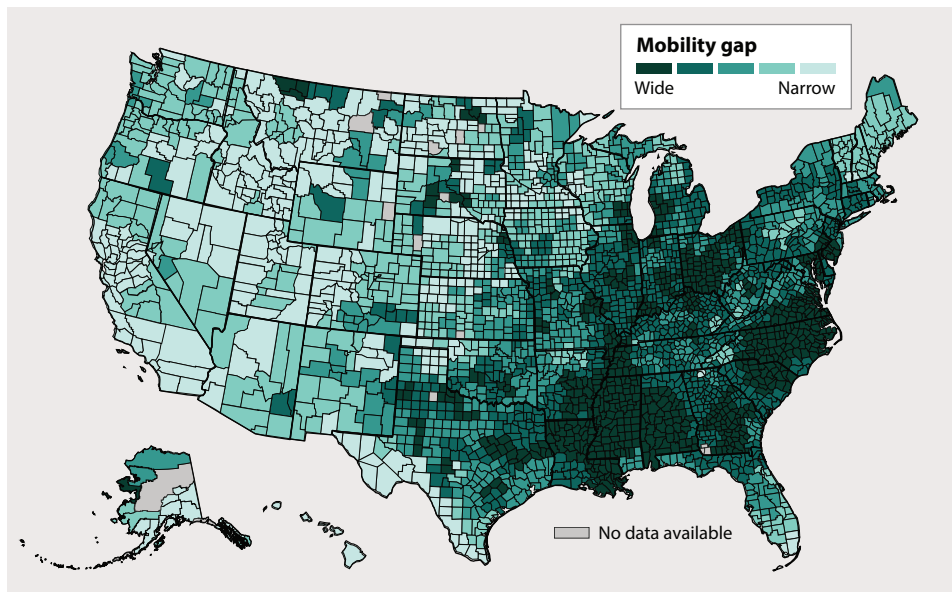
While Figure 2 provides a pretty convincing picture that a higher rate of single motherhood is associated with a higher gap in mobility between children from high- and low-income families, there may be something missing. High- and low-income children born in large West Coast cities such as Seattle and San Diego have a much smaller gap in mobility than high- and low-income children born in cities such as Cincinnati or Indianapolis, despite having a similar share of single mothers. So before making sweeping policy proclamations, we should dig a little deeper to understand this relationship.

Figure 3 is a map of the mobility gap between the children of high- and low-income families. The mobility gap is the difference in incomes as adults between people born into the lowest-earning and highest-earning households. A lower ‘mobility gap’ implies greater mobility, and vice versa.⁶ The lightly colored areas in the map are those that have a low mobility gap, while the dark green areas have a much higher mobility gap. The South and much of the Rust Belt have particularly low economic mobility, while the West Coast and many parts of the Great Plains states are particularly economically mobile.

FIGURE 3

How Hard Is It to Climb the Ladder?

The mobility gap between children from low- and high-income families, by county, for people born in the last year of Generation X (1980) and the first year of the Millennial generation (1981), with a lower gap indicating higher mobility, and vice versa.



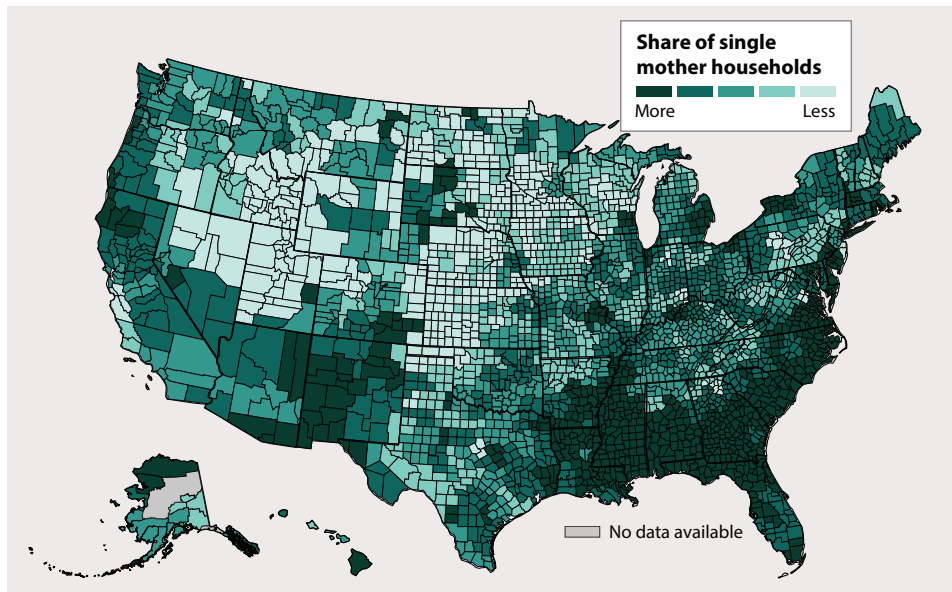
Source: Author's calculations using data from Raj Chetty et al., *Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States*, Working Paper (Cambridge, MA: National Bureau of Economic Research, January 2014)
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The mobility gap is an obviously useful measure of the chances of the children of families achieving the American Dream, but to complete our analysis presented in Figure 1, we need to calculate the share of single mothers in our nation. Figure 4 does that, with lightly colored places indicating an area in which a higher share of households are headed by single mothers than average for the country, while dark green indicates a lower share. The South and much of the West have higher shares of single mothers than the rest of the country, while the Great Plains states in particular have the lowest share of households led by single mothers.

FIGURE 4

Concentrations of Single Mothers

Share of households headed by single mothers, by county, in 2000.



Source: Author's calculations using data from Raj Chetty et al., *Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States*, Working Paper (Cambridge, MA: National Bureau of Economic Research, January 2014)

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This brings us back to the first map in this issue brief. It looks at the difference between the actual mobility gap and what one would expect the mobility gap to be based only on knowing the share of single mothers. The brown indicates those places where you would expect mobility to be better given the relatively low share of households led by single mothers, while the green indicates those places where the mobility is better than you would expect given the high share of single mothers. The geographic distribution of the colors is telling.

TABLE 1

States with Longstanding Family-Friendly Policies

Twelve states and the District of Columbia have laws protecting maternity and/or paternity leave that predate the Family Medical Leave Act of 1993.

State	Maternity Leave	Paternity Leave
California	■	■
Connecticut	■	■
District of Columbia	■	■
Maine	■	■
Massachusetts	■	
Minnesota	■	■
New Jersey	■	■
Oregon	■	■
Rhode Island	■	■
Tennessee	■	
Vermont	■	■
Washington	■	■
Wisconsin	■	■

Source: Waldfogel, Jane. 1999. "Family Leave Coverage in the 1990s." *Monthly Labor Review* 10 (October): 13–21

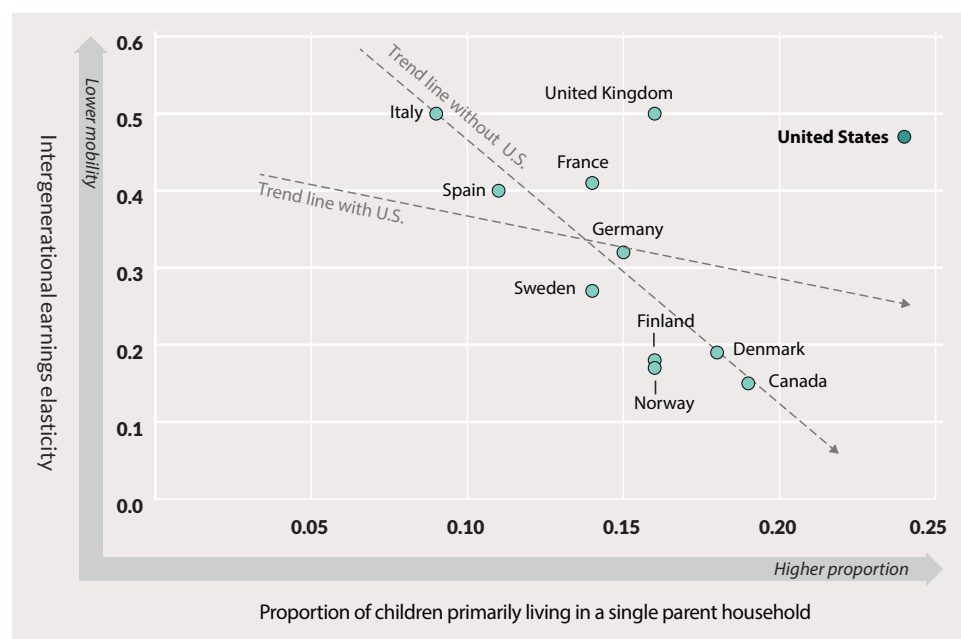
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Washington stand out for having relatively high rates of single mothers while also having relatively high mobility. Several New England states, among them Rhode Island, Maine, and Vermont, also have higher levels of mobility than would be expected given the share of households headed by single mothers. As seen in Table 1, these states tend to historically have had more family-friendly laws,⁷ such as parental leave so that new parents can spend more time with their newborn children. This analysis is far from definitive, but it does imply that these kinds of pro-family policies can improve mobility in the absence of a high rate of two-parent households.

FIGURE 5

The United States Compares Poorly in Economic Mobility

The relationship across select countries between economic mobility and family structure, measured by intergenerational earnings elasticity.



Source: Author's calculations using data from Corak (2012) and OECD (2010)
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To look a little deeper into the relationship between mobility and marriage, we also did an international comparison akin to the famous Great Gatsby Curve.⁸ Figure 5 has the intergenerational earnings elasticity (a measure of the variability in earnings for one generation that is associated with the variability in earnings from the previous generation.) from University of Ottawa economist Miles Corak⁹ plotted against the share of children that live primarily with one parent using data from the OECD.¹⁰

At the international level, we find the opposite relationship between single parenthood and mobility that we see from data in the United States, as seen in Figure 2 on page 3. While it appears that higher shares of children primarily living in single-parent households is weakly associated with lower intergenerational earnings elasticity, the United States is an outlier, and by excluding it from the calculations, the cross-country association is quite strong. This is almost certainly not an indication that single-parent

households are better for mobility, but instead an indication that what matter are other differences between countries, such as public policy. Those countries that have a larger share of single mothers, other than the United States, also tend to do a much better job providing support services to families of all types.¹¹ (See Figure 5.)

By comparing the maps of mobility with family structure and also seeing the international relationship, we see that those places with stronger support for families of all types appear to be less impacted by any adverse effect on mobility from having a high share of single mothers. This suggests that low mobility stemming from a high proportion of single-parent households may be largely a function of policy choices rather than an inherent characteristic associated with the prevalence of different family structures.

Conclusion

While none of this analysis constitutes definitive economic analysis, it does highlight areas for researchers to focus their efforts and also for policymakers to consider. Marriage promotion may be one possible policy solution to the low mobility in the United States, though evidence would be needed to show what it is about marriage that leads to higher economic mobility. But we may want to try what already appears to be working in some states and in other developed nations too.

The notion that low mobility is driven by family structure alone allows policymakers to ignore their role in the problem and implies solutions that ignore more fundamental economic and work-related problems. Thus, it is important for researchers to do more than just a cursory analysis of these data and to understand the mechanisms of mobility before making strong policy recommendations.

Endnotes

- 1 Raj Chetty et al., Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States, Working Paper (Cambridge, MA: National Bureau of Economic Research, January 2014), <http://www.nber.org/papers/w19843>.
- 2 W. Bradford Wilcox, If You Really Care About Ending Poverty, Stop Talking About Inequality, *The Atlantic*, January 8th, 2014, <http://www.theatlantic.com/business/archive/2014/01/if-you-really-care-about-ending-poverty-stop-talking-about-inequality/282906/>
- 3 Chetty et al, 2014.
- 4 We used the residual from a regression of single mothers on the relative mobility as the difference.
- 5 Waldfogel, Jane. 1999. "Family Leave Coverage in the 1990s." *Monthly Labor Review* 10 (October): 13–21.
- 6 Raj Chetty et al., Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States, Working Paper (Cambridge, MA: National Bureau of Economic Research, January 2014), pp.2-3, <http://www.nber.org/papers/w19843>.
- 7 National Conference of State Legislatures, State family and Medical Leave Laws, December, 31st, 2013, <http://www.ncsl.org/research/labor-and-employment/state-family-and-medical-leave-laws.aspx>
- 8 Alan Krueger, "The Rise and Consequences of Inequality" (Center for American Progress, January 12, 2012). http://www.whitehouse.gov/sites/default/files/krueger_cap_speech_final_remarks.pdf.
- 9 Miles Corak, Inequality from Generation to Generation: The United States in Comparison, 2012, <http://mileskorak.files.wordpress.com/2012/01/inequality-from-generation-to-generation-the-united-states-in-comparison-v3.pdf>.
- 10 OECD, Living arrangements of children, OECD Family Database, January 7, 2010, <http://www.oecd.org/social/family/41919559.pdf>.
- 11 Wikiprogress, Hours Worked, http://www.wikiprogress.org/index.php/Hours_Worked

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