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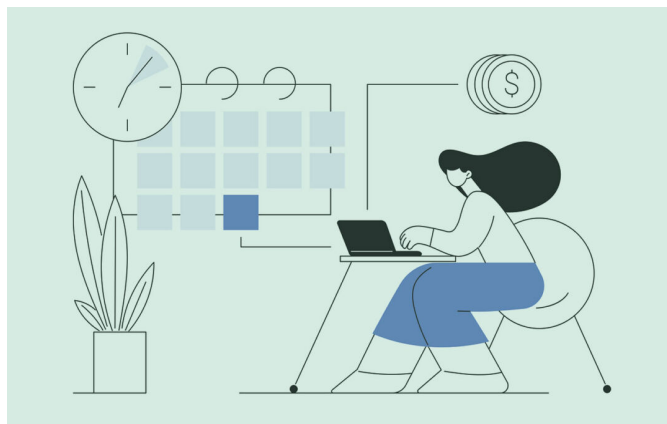
Welcome to the Washington Center for Equitable Growth's fourth Insights newsletter on economic mobility. Each quarter, we review new research from economics, sociology, psychology, social work, and other fields to distill research and policy insights.

Be sure to visit [our online portal](#), where you can read past newsletters and look at our searchable database of featured research.

Let's first turn to recent research that sheds light on current policy issues.

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## Policy spotlight



### **The impact of paid family and sick leave on women's employment and financial security**

While policies requiring paid family and sick leave for employees continue to be debated in [state houses](#) and at the [federal level](#), recent research shows that both paid family leave and paid sick leave can have positive impacts on employment, career advancement, and economic security for women.

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## New research on the impact of COVID-era unconditional cash benefits

The breadth of the economic impact of the COVID-19 pandemic ushered in sweeping, albeit temporary, changes to U.S. income support programs. Now, a few years later, researchers are taking a critical look at the impact of these temporary policies and what policymakers can learn for future policy design.

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## The 2017 Tax Cuts and Jobs Act's impact on labor and income

As the incoming 119th Congress prepares to debate the [expiring provisions of the 2017 Tax Cuts and Jobs Act](#), recent [research](#) shows that after-tax income increased for all U.S. households because of the tax changes, though the wealthiest households reaped disproportionate benefits. In addition, married people reduced their optimal work hours after the tax changes, while the hours of unmarried people increased, except for the highest earners.

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## In Conversation: The relationship between economic mobility and the racial wealth gap

Equitable Growth Mobility Fellow [Shira Markoff](#) recently spoke to University of North Carolina at Chapel Hill professor [Fenaba Addo](#) about her research on racial wealth inequality and its connection to economic mobility. Although it is usually defined based on income, Addo urges a broader mobility frame: “When economists start to expand the definition of economic resources to include household wealth, we can understand more about how economic mobility happens, how it's created, how it has been secured over

time, and how these trends have largely been stratified by race and ethnicity within our society.”

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## The latest economic mobility research



Here are a few articles related to economic mobility that recently caught our eye.

### **How inequality impedes job creation**

[Research](#) by Sebastian Doerr of the Bank for International Settlements, Thomas Drechsel of the University of Maryland, and Donggyu Lee of the Federal Reserve Bank of New York indicates another consequence of income inequality: the reduction of job creation at smaller firms. High-income U.S. households hold more of their assets in stocks and bonds rather than bank accounts, impacting banks’ ability to lend funds, which, in turn, affects smaller, bank-dependent firms and lowers job creation.

### **The impact of inequality on shaping perspectives on redistributive policies**

[Research](#) by sociologists Jonathan Mijs of Boston University and Adaner Usmani of Harvard University shows that in very stratified societies such as the United States, economically and racially segregated networks and institutions shape how people understand economic and racial inequality, leading them to tend to underestimate the level of inequality. These incorrect inferences may lead to less support for redistributive policies, even among those who would benefit most.

### **Disparate impacts of retirement incentives and wealth accumulation by race**

[New research](#) from Equitable Growth grantee [Jonathan Rothbaum](#) of the U.S. Census Bureau and his co-authors shows that retirement savings incentives, such as tax favorability and employer contributions, benefit White workers and those with higher-income parents more than Black or Latino employees or those with lower-income parents, contributing to disparities in wealth accumulation. Revenue-neutral reforms that de-link incentives from employee contributions could significantly narrow wealth gaps.

### **Parental access to credit and children's mobility**

Research by Equitable Growth grantees [Nisha Chikhale](#) of the University of Wisconsin-Madison, [Kyle Herkenhoff](#) of the University of Minnesota, and Dartmouth College's [Gordon Phillips](#), along with University of Wisconsin-Madison's [J. Carter Braxton](#), finds that a larger amount of unused revolving credit by parents during their children's adolescence is associated with higher earnings for those children in early adulthood. Surprisingly, however, the democratization of credit starting in the 1970s decreased intergenerational mobility because increased access to credit was offset by reduced savings among lower-income households alongside these households nearing borrowing limits due to more lenient bankruptcy policy.

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## New and updated data on economic mobility



Check out these new dashboards and updated data related to economic mobility:

- The Urban Institute recently released the [Upward Mobility Data Dashboard](#), which provides data for 24 metrics associated with upward mobility for counties and cities across the United States.
- [The Opportunity Atlas](#) added new data that lets users examine how economic mobility has changed between cohorts of children born in 1978 versus 1992 in different parts of the country.
- Harvard Business School and partners released the 2024 [American Opportunity Index](#), which looks at how the largest U.S. companies drive mobility for their employees.

That's it for this quarter. We hope you have a wonderful holiday season!

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Washington Center for Equitable Growth, 740 15th St NW, Floor 8, Washington, DC 20005

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