

## **SUMMARY OF KEY FINDINGS:**

## CHASING THE SAME DREAM, CLIMBING DIFFERENT LADDERS: ECONOMIC MOBILITY IN THE UNITED STATES AND CANADA

The United States and Canada have a similar heritage, with cultures shaped by newcomers seeking opportunities and better lives. Nevertheless, economic mobility patterns in these two countries have not followed the same course. As seen in *Chasing the Same Dream, Climbing Different Ladders*, a comparative analysis of intergenerational mobility in the United States and Canada reveals that family economic background influences the economic mobility of Americans more than that of Canadians. Using comparable, nationally representative polls commissioned by the Economic Mobility Project in both countries, the report also explores whether the differential rates of mobility in the U.S. and Canada reflect differences in public opinion, values, or underlying societal goals.

- The United States has less economic mobility than Canada, as revealed by comparable estimates of earnings mobility across the generations.
  - O Twenty-six percent of American sons of top-earning fathers remain in the top tenth of earners as adults, compared to 18 percent of similarly situated Canadian sons.
  - o American sons of low-earning fathers are more likely to remain in the bottom tenth of earners as adults than are Canadian sons (22 percent vs. 16 percent).
  - o American sons of fathers in the bottom third of the earnings distribution are less likely to make it to the top half as adults than are sons of low-earning Canadian fathers.
- Americans and Canadians share similar definitions of the American Dream and "Canadian Dream."
  - o Both Americans and Canadians most strongly associate the American Dream or the Canadian "good life" with individual freedom and being financially secure.
- Americans are more likely than Canadians to think that their children will have a higher standard of living than they have.
  - o Sixty-two percent of American parents think their children will have higher living standards than they have, compared to just 47 percent of Canadian parents.
- Both Americans and Canadians feel strongly that individual characteristics outweigh external factors in determining economic mobility.
  - The most common factors that both populations indicated were essential or very important to experiencing economic mobility refer to personal attributes, including a strong work ethic, ambition, and a good education.
  - External factors that are not in an individual's control, like the economy or family background, were ranked as less important.
- Americans and Canadians have similar attitudes toward equality of outcomes and equality of opportunities as public policy priorities.
  - Seventy-one percent of Americans and 68 percent of Canadians said that it was more important to ensure that everyone has a fair chance of improving their economic standing, while only 21 and 26 percent, respectively, said it was more important to reduce inequality.
  - Exactly the same majority of respondents in the two countries—53 percent—suggested that the
    difficulty in moving upward for those born at the bottom was a major problem. A much smaller

proportion—17 percent in the United States and 12 percent in Canada—suggested that the persistence of those born to the top was a major problem.

- Americans are less likely than Canadians to believe that parents' economic resources affect children's opportunities.
  - While economic mobility is more tied to parental income in the United States than in Canada, Americans are less likely than Canadians to think that their financial success is linked to their parents' income.
    - Only 42 percent of Americans believe that chances for financial success are related to parental income, compared to 57 percent of Canadians.
- Americans are less likely to view current government policies as helpful in promoting upward economic mobility. At the same time, Americans are more likely to suggest the government enact a range of policies to promote economic mobility.
  - o Forty-six percent of Canadians feel that government does more to help than to hurt its citizens' economic mobility, compared to 36 percent of Americans, while 46 percent of Americans feel government does more to hurt economic mobility versus 39 percent of Canadians.
  - However, when presented with a range of policies the government could take to improve economic mobility, Americans are more likely than their Canadian counterparts to say that various policy options could be "very effective" in promoting economic mobility.
    - o In both countries, the top three policy choices that respondents thought would be very effective were "keeping jobs in America/Canada," "making college more affordable," and "reducing crime."