

Economic Mobility and the American Dream—Where Do We Stand in the Wake of the Great Recession?

The Pew Economic Mobility Project conducted an update to its 2009 national poll to reassess the public’s perceptions of economic mobility and the American Dream two years later, as the nation emerges from the Great Recession. While pessimism about their own economic circumstances has increased, Americans remain optimistic about the future. They see a role for government to help poor and middle-class Americans succeed, but a majority believes the government currently does more to harm than to help economic mobility.

AMERICANS FEEL MORE PESSIMISTIC ABOUT THEIR OWN FINANCES, BUT FEEL BETTER ABOUT THE ECONOMY.

Americans have grown increasingly negative about their own finances. Less than a third (32 percent) rate their financial situation as “excellent” or “good,” down 9 points in just a year, and down 23 points since the recession started in 2007.

“Getting ahead is being able to pay your bills and being able to have money to put in the bank, which I don’t really see happening in the near future.”*

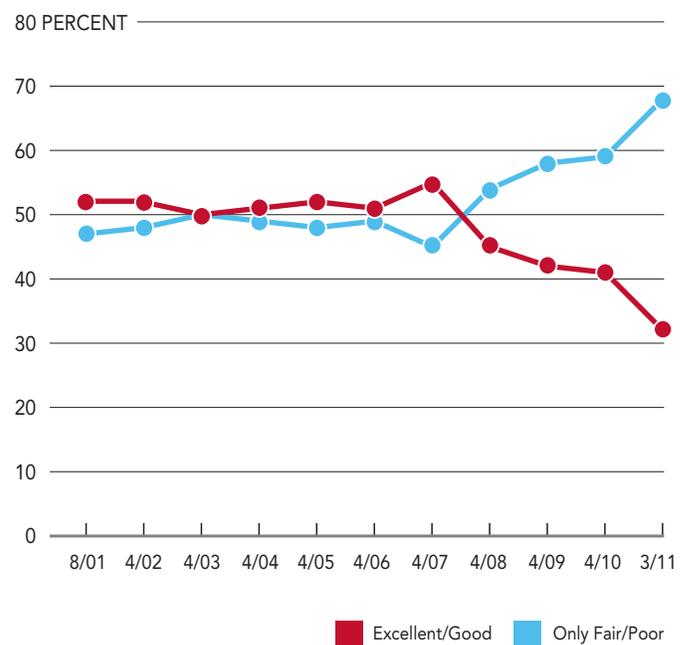
However, the number of Americans rating the national economy as “poor” is down significantly from 73 percent two years ago to a still-high 55 percent today.

* All quotes taken from focus groups and individual interviews conducted February 28 – March 3, 2011.

Figure 1

Americans’ assessments of their personal financial situations have grown bleaker

How would you rate your financial situation today?



NOTE: Tracking 2001-2010 from Gallup, 2011 from the Economic Mobility Project.

By forging a broad and nonpartisan agreement on the facts, figures and trends related to mobility, the Economic Mobility Project is generating an active policy debate about how best to improve economic opportunity in the United States and to ensure that the American Dream is kept alive for generations that follow.

The Pew Charitable Trusts’ economic policy work aims to encourage an informed debate and promote practices that strengthen the U.S. economy. Pew is a nonprofit organization that applies a rigorous, analytical approach to improve public policy, inform the public and stimulate civic life.

PARENTS HAVE GROWN MORE PESSIMISTIC ABOUT THEIR CHILDREN’S ECONOMIC CHANCES.

The proportion who believes their kids will have a higher standard of living as adults than they themselves now enjoy has plummeted from 62 percent in 2009 to 47 percent now. And a solid majority (59 percent) says it will be harder for their children to move up the income ladder. Americans also are more pessimistic than two years ago about how far they have come relative to the previous generation. Slightly more than half (56 percent) believe they are better off financially than their parents were at their age, the lowest percentage since the question was first asked in 1981, when 69 percent said so.

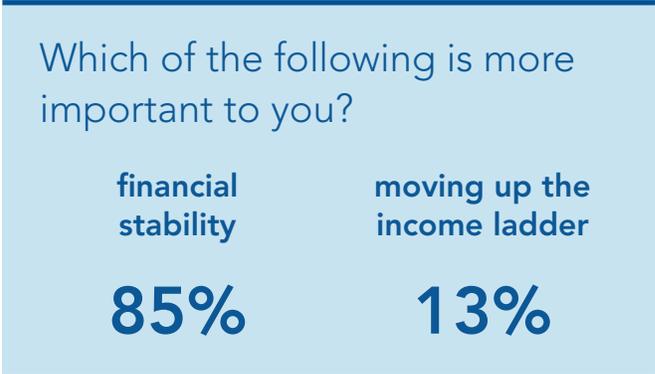
“If I weigh where I’m most concerned, it would be for my daughters. What will be there for them?”

STILL, AMERICANS’ OVERARCHING OPTIMISM SHINES THROUGH.

- 68%** believe that they are in control of their economic situation.
- 68%** say they have achieved or will achieve the American Dream.
- 61%** say they earn enough or will earn enough to live the kind of life they want.
- 54%** believe they will be better off 10 years from now.
- 68%** believe that their own kids will be at least as well off as they are now.

AMERICANS CARE MORE ABOUT FINANCIAL STABILITY THAN UPWARD MOBILITY.

When focus group participants discussed the financial aspect of the American Dream, few desired to be “wealthy” or “rich.” Rather, the words “security” and “stability” arose more frequently. The poll reinforced this finding.



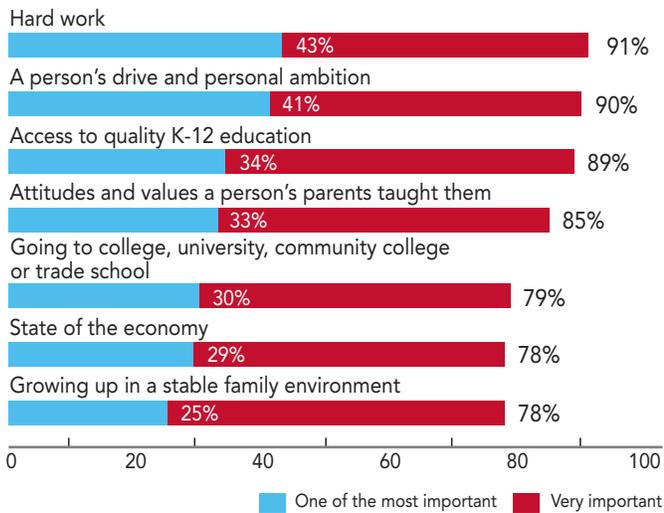
PERSONAL ATTRIBUTES ARE SEEN AS MORE POWERFUL THAN OUTSIDE CIRCUMSTANCES IN DETERMINING FINANCIAL SUCCESS.

Individual attitudes and attributes are considered more important than family background, race, gender or the economy as reasons people get ahead. However, Americans also emphasize the importance of a quality education in promoting upward mobility.

“If you are born in an inner city...then you are going to have a lot harder time than those of us who grew up in an area that had really good public schools...Not to say that they can’t do it, but their starting line is so much further back.”

Figure 2

Hard work, ambition and quality education are seen as the most important factors in whether a person gets ahead economically



AMERICANS WANT THE GOVERNMENT TO PLAY A ROLE IN PROMOTING ECONOMIC MOBILITY.

An overwhelming 83 percent want the government to either provide opportunities for the poor and middle class to improve their economic situations, prevent them from falling behind or both.

This feeling cuts across party lines, with 91 percent of Democrats, 84 percent of independents and 73 percent of Republicans agreeing.

"I think the government should do something to make sure that everybody has a choice, has an equal opportunity to advance."

HOWEVER, AMERICANS BELIEVE THE GOVERNMENT IS CURRENTLY DOING AN INEFFECTIVE JOB.

Eighty percent of Americans say the government does an ineffective job of helping poor and middle class Americans, but there is disagreement over whether government is pursuing the wrong policies (37 percent) or is pursuing the correct policies ineffectively (43 percent).

There is agreement that government should be doing at least as much as it is now or more to support upward economic mobility from the bottom and middle: 84 percent of liberals, 82 percent of moderates and 68 percent of conservatives say so.

AMERICANS ALSO SAY THE GOVERNMENT IS HELPING THE WRONG PEOPLE.

Fifty-four percent believe that when the government intervenes, it generally helps the "wrong people." The same number think government helps the rich economically "a great deal," while far fewer say this about "the poor" (16 percent), "the middle class" (7 percent) or "people like you" (6 percent).

Generally speaking, do you think the government does more to help or more to hurt people trying to move up the economic ladder?

more to hurt

52%

more to help

27%

“There are just so many things that need to change and to put the focus on helping people to achieve—a hand up, not a hand out.”

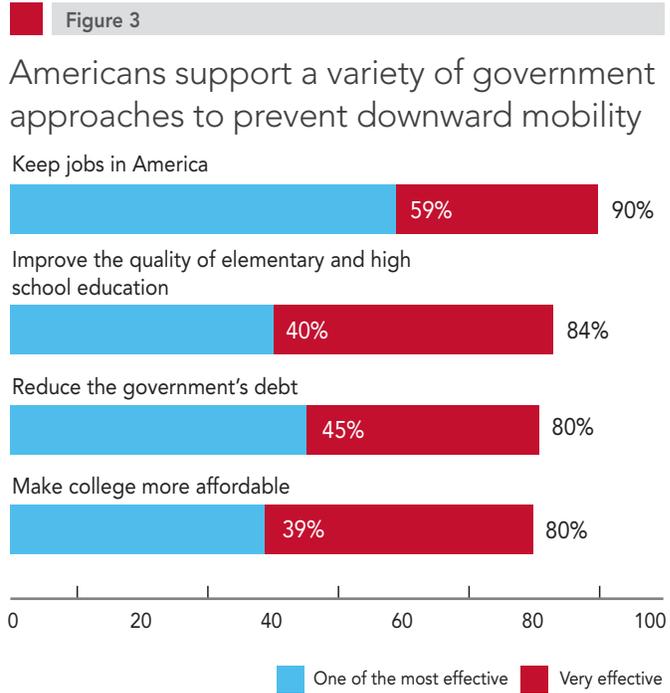
AMERICANS’ TOP FIVE GOALS THE GOVERNMENT SHOULD WORK TOWARD TO HELP PEOPLE GET AHEAD:

1. Ensuring all children get a quality education (88 percent)
2. Promoting job creation (83 percent)
3. Ensuring equal opportunity (79 percent)
4. Letting people keep more of their money (78 percent)
5. Providing basic needs to the very poor (75 percent)

Percentage saying the goal is “one of the most important” or “very important.”

AMERICANS BELIEVE THE GOVERNMENT ALSO SHOULD WORK TO PREVENT DOWNWARD MOBILITY.

When asked about a series of things the government could do to prevent people from falling behind economically, majorities of Americans identify improving education, reducing the government’s debt and keeping jobs in America as effective strategies.



Figures show top four responses out of sixteen.

METHODOLOGY

On behalf of The Pew Charitable Trusts’ Economic Mobility Project, a national survey, focus groups and individual interviews were conducted by The Mellman Group and Public Opinion Strategies. For the survey, 2,000 adults nationwide were interviewed by telephone March 24-29, 2011. The margin of error is +/-2.2% at the 95% level of confidence for the sample as a whole, but larger for subgroups. Six focus groups and ten individual interviews were conducted February 28-March 3, 2011 in Seattle, Detroit and Phoenix. Four of the groups were of white participants, one each of four age/education combinations (younger than 50 or 50 and older, college educated or not), and one group each was conducted with African Americans and Latinos. Individual interviews were conducted in each city to supplement the focus groups. Several questions also were asked two years ago for the Economic Mobility Project: 2,119 adults interviewed by telephone January 27–February 8, 2009.

