Economic Mobility of the States

Executive Summary

Economic Mobility of the States is the first analysis of Americans' economic mobility—their movement up and down the earnings ladder—at the state level. Including data from all 50 states and the District of Columbia, this research identifies where in the country Americans are most likely to move up rather than down, and where they are most likely to move down rather than up.

The study focused on Americans in their prime working years, examining earnings averaged between ages 35 and 39 (measured between 1978 and 1997) and how those earnings rose or fell 10 years later when the same adults were between ages 45 and 49 (measured between 1988 and 2007).

The study measures economic mobility three ways. Absolute mobility measures residents' average earnings growth over time. Upward and downward relative mobility measures people's rank on the earnings ladder relative to their peers, and their movement up or down that ladder. Measuring a person's relative mobility depends on who is included in their "peer group." Relative peer groups are defined using the national earnings distribution, including all people in the nation, and using the regional earnings distribution, including only people in the same geographic region.

To learn more about your state's economic mobility, including both national and regional findings, visit our online interactive tool at http://pewstates.org/research/reports/economic-mobility-of-the-states-85899383564.

Key Findings

The key findings use the national earnings distribution and aggregate results from all three mobility measures to identify those states where economic mobility is most distinct from the national average: that is, those that differ from the national average on at least two measures.

- **Eight states, primarily in the Mideast and New England regions, have consistently higher upward and lower downward mobility compared to the nation as a whole.**

  Maryland, New Jersey, and New York have better economic mobility than the national average on all three measures investigated; Connecticut, Massachusetts, Pennsylvania, Michigan, and Utah have better mobility than the national average on two measures.

- **Nine states, all in the South, have consistently lower upward and higher downward mobility compared to the nation as a whole.**

  Louisiana, Oklahoma, and South Carolina have worse economic mobility than the national average on all three measures investigated; Alabama, Florida, Kentucky, Mississippi, North Carolina, and Texas have worse mobility than the national average on two measures.

- **Geographic mobility – whether people born in a particular state stayed there or moved elsewhere – does not drive state differences in economic mobility.**

  In other words, states have similar rates of economic mobility regardless of whether Americans were grouped by their birth states or the states they were living in at the time of the survey.

  Geographic mobility does matter at an individual level. Those who moved out of their birth states ("movers") had better mobility outcomes on average than those who did not ("stayers").

  However, geographic mobility did not affect the overall state mobility results. Regions experiencing higher mobility than the national average did so when looking only at movers and when looking only at stayers.

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About the Research

The study draws upon data from the Survey of Income and Program Participation and the Social Security Administration to assess participants' earnings over a 10-year period. All of the research conducted with confidential Census Bureau data was performed by Dr. Bhashkar Mazumder and Jonathan M. V. Davis. Any opinions and conclusions expressed herein are those of The Pew Charitable Trusts and do not necessarily represent the views of the U.S. Census Bureau. All results have been reviewed to ensure that no confidential information is disclosed.

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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.

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901 E STREET, NW, 10TH FLOOR • WASHINGTON, DC 20004

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