White House: Plan to end 529 tax benefits 'was a distraction'
Distribution of 529 holders

Percent of households with 529 accounts vs. Household income percentile

Thanks, Uncle Sam!

Pelosi/Van Hollen: Affluent, liberal districts

Source: US Census Bureau Small Area Income and Poverty Estimates. San Francisco County roughly approximates CA-12 while Montgomery County roughly approximates MD-8.
“This proposal was targeted at what may be the single most dangerous constituency to anger: the upper middle class - wealthy enough to have influence, and numerous enough to be a significant voting bloc.”
Paul Waldman, Washington Post
RICHARD V. REEVES

DREAM HOARDERS

HOW THE AMERICAN UPPER MIDDLE CLASS IS LEAVING EVERYONE ELSE IN THE DUST, WHY THAT IS A PROBLEM, AND WHAT TO DO ABOUT IT
Structure

Lecture 1: Class Separation & Immobility
- UMC is separating from the majority
- Inequality endures across generations
- F.E.R.G. (Family, Education, Race, Geography)

Lecture 2: Market Meritocracy & Opportunity Hoarding
- Mechanism 1: Market meritocracy/Education
- Mechanism 2: Opportunity hoarding
- Solving the “I’m Not Rich” problem first
Structure

Lecture 1: Class Separation & Immobility
- UMC is separating from the majority
- Inequality endures across generations
- F.E.R.G. (Family, Education, Race, Geography)

Lecture 2: Market Meritocracy & Opportunity Hoarding
- Mechanism 1: Market meritocracy/Education
- Mechanism 2: Opportunity hoarding
- Solving the “I’m Not Rich” problem first
We are the 99%!

Average real household income, 1979-2013

Source: CBO
Note: Income is pre-tax.
Or not?...

Average real household income, 1979-2013

Source: CBO
Note: Income is pre-tax.
Wage Gap is Middle v. Top

Cumulative change in 90/10 and 50/10 wage gap for men

Growing residential segregation by income

Proportion of Families Living in High-, Middle-, and Low-Income Neighborhoods
Metropolitan Areas with Population > 500,000, 1970-2012

Reardon and Bischoff, 2016
Structure

Lecture 1: Class Separation & Immobility
- UMC is separating from the majority
- Inequality endures across generations
- F.E.R.G. (Family, Education, Race, Geography)

Lecture 2: Market Meritocracy & Opportunity Hoarding
- Mechanism 1: Market meritocracy/Education
- Mechanism 2: Opportunity hoarding
- Solving the “I’m Not Rich” problem first
Sticky ends: relative mobility

Chetty et al. 2014b mobility matrix

Source: Chetty et al. “Where is the Land of Opportunity?”
Sticky ends: relative mobility

Chetty et al. 2014b mobility matrix

Source: Chetty et al. “Where is the Land of Opportunity?”
Sticky ends: relative mobility

Chetty et al. 2014b mobility matrix

Source: Chetty et al. "Where is the Land of Opportunity?"
Variation across the distribution

“...In other words, children of wealthy parents are more likely to be homogeneously wealthy than children of poor parents are likely to be homogeneously poor. As put by Jäntti, “perhaps the variation of the elasticity should be considered an index of mobility (in addition to the elasticity).”

- Torche
Upward mobility wildly popular...

'Ideal' rates of upward mobility from the bottom

Downward mobility less so....

*Ideal* rates of downward mobility from the top

<table>
<thead>
<tr>
<th>Percent</th>
<th>Liberals (ideal)</th>
<th>Conservatives (ideal)</th>
<th>Pew data (actual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>43</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td>90%</td>
<td>19</td>
<td>19</td>
<td>23</td>
</tr>
<tr>
<td>80%</td>
<td>17</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>70%</td>
<td>11</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>60%</td>
<td>10</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>50%</td>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>40%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Stickiness of wealth

Figure 4.2. The Inheritance of Wealth Status

<table>
<thead>
<tr>
<th>Percent of Adult Children in Each Wealth Quintile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottom Quintile: 35%</td>
</tr>
<tr>
<td>26%</td>
</tr>
<tr>
<td>27%</td>
</tr>
<tr>
<td>30%</td>
</tr>
<tr>
<td>11%</td>
</tr>
<tr>
<td>6%</td>
</tr>
<tr>
<td>Second Quintile: 22%</td>
</tr>
<tr>
<td>24%</td>
</tr>
<tr>
<td>22%</td>
</tr>
<tr>
<td>14%</td>
</tr>
<tr>
<td>10%</td>
</tr>
<tr>
<td>6%</td>
</tr>
<tr>
<td>Third Quintile: 21%</td>
</tr>
<tr>
<td>22%</td>
</tr>
<tr>
<td>20%</td>
</tr>
<tr>
<td>23%</td>
</tr>
<tr>
<td>10%</td>
</tr>
<tr>
<td>6%</td>
</tr>
<tr>
<td>Fourth Quintile: 14%</td>
</tr>
<tr>
<td>25%</td>
</tr>
<tr>
<td>27%</td>
</tr>
<tr>
<td>27%</td>
</tr>
<tr>
<td>12%</td>
</tr>
<tr>
<td>6%</td>
</tr>
<tr>
<td>Top Quintile: 6%</td>
</tr>
<tr>
<td>25%</td>
</tr>
<tr>
<td>27%</td>
</tr>
<tr>
<td>44%</td>
</tr>
<tr>
<td>10%</td>
</tr>
<tr>
<td>6%</td>
</tr>
</tbody>
</table>

Parents' wealth quintile


a. Net worth quintiles within ages 45-64 (N=1,975); quintile cutpoints in 2013 dollars.
Declining absolute mobility

Death of a dream? Absolute mobility rates over time

Source: Chetty et al., “The Fading American Dream: Trends in Absolute Income Mobility Since 1940.”
Why? Inequality, mostly

Source: Chetty et al., “The Fading American Dream: Trends in Absolute Income Mobility Since 1940.”
Measures really, really matter

<table>
<thead>
<tr>
<th></th>
<th>‘Starting’ Scenario: Unequal and Immobile</th>
<th>Scenario 1: Equalizing, but Immobile</th>
<th>Scenario 2: Unequal but Mobile</th>
</tr>
</thead>
<tbody>
<tr>
<td>IGE</td>
<td>1.06</td>
<td>0.42</td>
<td>0.54</td>
</tr>
<tr>
<td>Rank-rank</td>
<td>0.73</td>
<td>0.73</td>
<td>0.56</td>
</tr>
</tbody>
</table>
Structure

Lecture 1: Class Separation & Immobility
- UMC is separating from the majority
- Inequality endures across generations
- F.E.R.G. (Family, Education, Race, Geography)

Lecture 2: Market Meritocracy & Opportunity Hoarding
- Mechanism 1: Market meritocracy/Education
- Mechanism 2: Opportunity hoarding
- Solving the “I’m Not Rich” problem first
Factor 1: Family
Family: Mobility by Structure

Social Mobility Matrices by Marital Status of Mother

Never-Married Mothers

<table>
<thead>
<tr>
<th>Income Quintile at Birth</th>
<th>Top Q at 40</th>
<th>Middle Q at 40</th>
<th>Bottom Q at 40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>5%</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>Q2</td>
<td>7%</td>
<td>12%</td>
<td>24%</td>
</tr>
<tr>
<td>Q3</td>
<td>7%</td>
<td>19%</td>
<td>27%</td>
</tr>
<tr>
<td>Q4</td>
<td>9%</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Q5</td>
<td>10%</td>
<td>35%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Continuously-Married Mothers

<table>
<thead>
<tr>
<th>Income Quintile at Birth</th>
<th>Top Q at 40</th>
<th>Middle Q at 40</th>
<th>Bottom Q at 40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>19%</td>
<td>20%</td>
<td>23%</td>
</tr>
<tr>
<td>Q2</td>
<td>25%</td>
<td>19%</td>
<td>21%</td>
</tr>
<tr>
<td>Q3</td>
<td>22%</td>
<td>24%</td>
<td>19%</td>
</tr>
<tr>
<td>Q4</td>
<td>26%</td>
<td>24%</td>
<td>17%</td>
</tr>
<tr>
<td>Q5</td>
<td>30%</td>
<td>27%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Discontinuously-Married Mothers

<table>
<thead>
<tr>
<th>Income Quintile at Birth</th>
<th>Top Q at 40</th>
<th>Middle Q at 40</th>
<th>Bottom Q at 40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>10%</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>Q2</td>
<td>16%</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>Q3</td>
<td>17%</td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>Q4</td>
<td>17%</td>
<td>24%</td>
<td>21%</td>
</tr>
<tr>
<td>Q5</td>
<td>19%</td>
<td>16%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Note: The sample size is too small to calculate a matrix for those born in the top two income quintiles.

Source: Author’s calculations.
Marriage Gap

Women’s marriage rates by education

Source: Richard V. Reeves, “How to save marriage in America,” in the Atlantic (February 2014).
...and time spent with children

Developmental time spent with parents by mother’s education

The Parenting Gap

“Economically disadvantaged children’s limited access to cognitively enriching home environments may help drive growing gaps in cognitive and noncognitive skills, producing a feedback cycle that leads to low socioeconomic mobility and further growing inequality…For the most part, these gaps arise from top-income families pulling away from their middle- and low-income counterparts.” Ariel Kalil et al. (my emphasis)
Factor 2: Education
Income by Education

Note: The CPS changed the phrasing of the educational attainment question in 1992, which accounts for that year's sudden drop among the less-than-high-school group.
Stickiness of... education

Intergenerational Education Mobility

Percent of children in each education quintile

<table>
<thead>
<tr>
<th>Father's Education Quintile</th>
<th>Top Quintile</th>
<th>Fourth Quintile</th>
<th>Third Quintile</th>
<th>Second Quintile</th>
<th>Bottom Quintile</th>
<th>Dad in Bottom Quintile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>46%</td>
<td>30%</td>
<td>24%</td>
<td>23%</td>
<td>23%</td>
<td>37%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>22%</td>
<td>22%</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21%</td>
<td>21%</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14%</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9%</td>
<td>9%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Author's tabulations of PSiD data.
Education: No High School

Note: Small sample size for high school graduates reaching the top quintile.
Source: Author’s calculations.
Education: HS Graduates

Percent of Adults in Quintile at Age 40

Income Quintile at Birth

Q1 | Q2 | Q3 | Q4 | Q5
---|---|---|---|---
Top Q | 12 | 16 | 18 | 21 | 25
Middle Q | 16 | 19 | 20 | 24 | 26
Bottom Q | 18 | 21 | 24 | 22 | 21

Source: Author’s calculations.
Education: College Graduates

Percent of Adults in Quintile at Age 40

- Q1: 20%
  - Top Q: 16%
  - Middle Q: 26%
  - Bottom Q: 17%
- Q2: 35%
  - Top Q: 21%
  - Middle Q: 20%
  - Bottom Q: 14%
- Q3: 28%
  - Top Q: 28%
  - Middle Q: 18%
  - Bottom Q: 17%
- Q4: 33%
  - Top Q: 25%
  - Middle Q: 18%
  - Bottom Q: 13%
- Q5: 37%
  - Top Q: 26%
  - Middle Q: 17%
  - Bottom Q: 9%

Source: Author’s calculations.
Mean Child Rank at Age 34 vs. Parent Income Rank (All 4-Year Colleges)
Big Class Gaps in College Going

College Attendance Rates vs. Parent Income Rank in the U.S.

- Slope = 0.675
  (0.0005)
Factor 3: Race
Black mobility rates are very low

Social Mobility Matrices by Race

Black Americans

<table>
<thead>
<tr>
<th>Income Quintile at Birth</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top Q at 40</td>
<td>3%</td>
<td>7%</td>
<td>12%</td>
<td>27%</td>
<td>51%</td>
</tr>
<tr>
<td>Middle Q at 40</td>
<td>6%</td>
<td>11%</td>
<td>18%</td>
<td>32%</td>
<td>40%</td>
</tr>
<tr>
<td>Bottom Q at 40</td>
<td>8%</td>
<td>6%</td>
<td>16%</td>
<td>26%</td>
<td>32%</td>
</tr>
</tbody>
</table>

White Americans

<table>
<thead>
<tr>
<th>Income Quintile at Birth</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top Q at 40</td>
<td>16%</td>
<td>22%</td>
<td>21%</td>
<td>24%</td>
<td>32%</td>
</tr>
<tr>
<td>Middle Q at 40</td>
<td>19%</td>
<td>21%</td>
<td>23%</td>
<td>24%</td>
<td>27%</td>
</tr>
<tr>
<td>Bottom Q at 40</td>
<td>23%</td>
<td>22%</td>
<td>20%</td>
<td>17%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Note: The sample size is too small to calculate a matrix for those born in the top income quintile.

Source: Author’s calculations.
Mobility varies by race

Children’s Incomes vs. Parents’ Incomes, by Race and Ethnicity

Source: Chetty & Hendren, 2018
Why worse black mobility: Wealth?

Black Wealth Barely Exists

<table>
<thead>
<tr>
<th>Year</th>
<th>White</th>
<th>Black</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$192,500</td>
<td>$19,200</td>
</tr>
<tr>
<td>2013</td>
<td>$141,900</td>
<td>$11,000</td>
</tr>
</tbody>
</table>

Net Median Household Wealth

Source: Pew Research Center, Analysis of Federal Reserve’s Survey of Consumer Finances.
Why worse black mobility: Skills?

Fig 1: Race, Gender, and Education

Source: Author's tabulations of the American Community Survey, 2006-2012; Restricted to women and men age 25-35
“[T]he cumulative effects of a variety of influences that affect cognitive ability by adolescence play a critical role in accounting for racial differences in upward and downward mobility.” – Mazumder
Why worse black mobility: Family?

Most Black Families with Children Headed by Single Parent

Why worse black mobility 4: Men?

Children’s Incomes vs. Parents’ Incomes, for Black and White Men and Women

Source: Chetty & Hendren, 2018
Why worse black mobility 5: Community?

Share of children living in low-poverty neighborhoods with many fathers present

- 63% of white kids
- 4% of black kids

Share of children living in high-poverty neighborhoods with few fathers present

- 1% of white kids
- 66% of black kids
“What explains the limited upward mobility of black boys from certain neighborhoods? Perhaps the most striking finding of the whole report is the impact of “father presence” in census tracts on the mobility chances of black boys. Note that the researchers are not showing here the direct effect of a boy’s own father, or the marital status of his parents. This is about the broader presence of fathers in a given neighborhood. Note, too, that the finding relates specifically to fathers, not just men in general.”

William Julius Wilson, Brookings (my emphasis)
Factor 4: Geography
Geography: Variation Within US

Relative Mobility: Rank-Rank Slopes by CZ

Corr. with baseline $\bar{r}_{25} = -0.68$ (unweighted), -0.61 (pop-weighted)

"[A] key question is why some areas of the U.S. generate higher rates of mobility than others…The main lesson of our analysis is that intergenerational mobility is a local problem… (Chetty et al, 2013, my emphasis)"
The power of place for mobility

B. Family Fixed Effects and Time Varying Controls

Coefficient on Predicted Rank in Destination

Age of Child when Parents Move

Slope: -0.042 (0.003)

Slope: -0.003 (0.013)

δ: 0.015
....especially for boys

Causal effects on earnings of children born in low-income families (25th percentile)
Baltimore City, MD

Source: Chetty and Hendren 2015.

https://www.brookings.edu/blog/social-mobility-memos/2015/06/19/boys-to-men-fathers-family-and-opportunity/
Winnick (1966) v. Place-based policy

- Dislocation: zero-sum game
- Poorly targeted
- Politically motivated and short-term: "Policies directed toward people rather than places are no doubt the right medicine, but they work too slowly" (for politicians)
- Better to plainly compensate (redistribute) than mess with the economy
Why should you care about Scranton?
Why might you care about Scranton?

- **Option value**: “the very frequency of migration makes individuals care what kinds of places will be available for them to move to, and they will value the option of moving to certain kinds of places.” (Bolton, 1992)
- **Pure existence**: like that it’s there
- **Donor**: redistribution to individuals to include maintenance of their “sense of place”
Structure

Lecture 1: Class Separation & Immobility
- UMC is separating from the majority
- Inequality endures across generations
- F.E.R.G. (Family, Education, Race, Geography)

Lecture 2: Market Meritocracy & Opportunity Hoarding
- Mechanism 1: Market meritocracy/Education
- Mechanism 2: Opportunity hoarding
- Solving the “I’m Not Rich” problem first
Mean Child Rank at Age 34 vs. Parent Income Rank (All 4-Year Colleges)
Big Class Gaps in College Going

College Attendance Rates vs. Parent Income Rank in the U.S.

Percent Attending College at Ages 18-21

Parent Income Rank

Slope = 0.675 (0.0005)
Which college? Depends on your class (social class, that is)

Class divide in college classes

Percent of Students

Parent Income Quintile

Top 1%
A “first two decade” challenge

Average SAT scores by family income, 2015

Williams’ Warrior Society
Williams’ Warrior Society

“The reformers protest that equality of opportunity has not really been achieved; the wealthy reply that in fact it has, and that the poor now have the opportunity of becoming warriors - it is just bad luck that their characteristics are such that they do not pass the test. ‘We are not’, they might say, ‘excluding anyone for being poor, we exclude people for being weak, and it is unfortunate that those who are poor are also weak’.” – Bernard Williams
America’s Test-Taker Society

“The reformers protest that equality of opportunity has not really been achieved; the wealthy reply that in fact it has, and that the poor now have the opportunity of getting good college educations - it is just bad luck that their characteristics are such that they do not pass the test. ‘We are not’, they might say, ‘excluding anyone for being poor, we exclude people for being dumb, and it is unfortunate that those who are poor are also dumb’.” – Bernard Williams (adapted!)
Rawlsian Social Justice: Veil of Ignorance

“No one knows his place in society, his class position or social status; nor does he know his fortune in the distribution of natural assets and abilities, his intelligence and strength, and the like.” – Rawls, Theory of Justice, p. 118
My reformulation of Rawls: “No one knows his children’s place in society, their class position or social status; nor does he know their fortune in the distribution of natural assets and abilities, their intelligence and strength, and the like.”
A New York Times reader writes...

“Parents' desperation to keep their children in the top 20%...is at least partly driven by their fear of what happens in the 21st century to young people who are in the middle or lower: job insecurity, contingent and contract employment, no health insurance, outsourcing, and the rest.”

– “JB” in Oak Park, IL
Further to fall in U.S.A.
Great Gatsby Curve, reversed?

• Inequality widens
• Stakes rise for downward mobility
• Incentives of those the top to maintain their own and their children’s position increase
• Which, if successful, leads to lower rates of intergenerational mobility, especially at the top…
Imperfection of Perfect Mobility (Swift)

- Odds ratios v. opportunity distribution
- Outcomes v. opportunities
- Free choice v. adaptive preference
- Luck egalitarianism v. meritocracy
- Family rights v. equal opportunity
Imperfection of Perfect Mobility (Swift)

- Odds ratios v. opportunity distribution
- Outcomes v. opportunities
- Free choice v. adaptive preference
- Luck egalitarianism v. meritocracy
- Family rights v. equal opportunity
“Two societies – or the same society at different times - can manifest identical patterns of mobility between class positions, yet distribute other kinds of opportunity in very different ways… it is chances as opportunities, not chances as statistical probabilities, that matter. ” – Swift (my emphasis)
Figure 1. Class Sizes and Standards of Living: Hypothetical Changes

- Working class
- Middle class
Imperfection of Perfect Mobility (Swift)

- Odds ratios v. opportunity distribution
- Outcomes v. opportunities
- Free choice v. adaptive preference
- Luck egalitarianism v meritocracy
- Family rights v. equal opportunity
“The data used tell us not about the distribution of *opportunities* as between those of different origins but about the distribution of *outcomes*. It is true that one cannot achieve an outcome without having had the opportunity to achieve that outcome. But the converse does not hold. One can perfectly well have the opportunity to achieve an outcome that one does not in fact achieve.” - Swift (my italics)
Structure

Lecture 1: Class Separation & Immobility
• UMC is separating from the majority
• Inequality endures across generations
• F.E.R.G. (Family, Education, Race, Geography)

Lecture 2: Market Meritocracy & Opportunity Hoarding
• Mechanism 1: Market meritocracy/Education
• Mechanism 2: Opportunity hoarding
• Solving the “I’m Not Rich” problem first
Defining “opportunity hoarding”

- Adapted from Tilly, *Durable Inequality*, 1998
- **Valuable** opportunity for future prospects. Eg. skills, qualifications or contacts
- **Scarce**, in order to be hoarded. (Water is valuable but plentiful.) Ie. “positional goods”,
- Allocated in an **anti-competitive** fashion ie. “with other factors, entirely independent of a person’s individual performance, entering into the equation.”
Opportunity Hoarding: A User’s Guide

- Exclusionary zoning
- Legacy admissions
- Internship opportunities
Opportunity Hoarding: A User’s Guide

- Exclusionary zoning
- Legacy admissions
- Internship opportunities
The rent is too darned high

*Median rents vs. median household income, 1980-2014*

Indexed: 1980 = 100

Source: Census Bureau; BLS; Haver; CEA calculations
Maybe because of this?

The growing regulation of land use

Source: Peter Ganong and Daniel Shoag, "Why has regional income convergence declined?" Hutchins Center Working Paper 21, July 2016, Figure eight.
Hey, what happened to all that space?

Los Angeles – Zoned Residential Capacity Over Time

Source: Morrow (2016)
Opportunity Hoarding: A User’s Guide

- Exclusionary zoning
- Legacy admissions
- Internship opportunities
Legacies: “A slight tip”? 

- Georgetown: 36% (Legacy Admission Rate: 17%), 36% (General Admission Rate: 6%) 
- Stanford: 20% (Legacy Admission Rate: 14%), 20% (General Admission Rate: 6%) 
- Yale: 20% (Legacy Admission Rate: 10%), 20% (General Admission Rate: 10%) 
- Princeton: 33% (Legacy Admission Rate: 10%), 33% (General Admission Rate: 10%) 
- Harvard: 30% (Legacy Admission Rate: 9%), 30% (General Admission Rate: 9%)
Opportunity Hoarding: A User’s Guide

- Exclusionary zoning
- Legacy admissions
- Internship opportunities
Internships are valuable

Figure 6.3. Employers Value Internships Most

<table>
<thead>
<tr>
<th>Educational Credentials/Experience</th>
<th>Aggregate Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internships</td>
<td>23</td>
</tr>
<tr>
<td>Employment During College</td>
<td>21</td>
</tr>
<tr>
<td>College Major</td>
<td>13</td>
</tr>
<tr>
<td>Volunteer Experience</td>
<td>12</td>
</tr>
<tr>
<td>Extracurricular Activities</td>
<td>10</td>
</tr>
<tr>
<td>College GPA</td>
<td>8</td>
</tr>
<tr>
<td>Relevance of Coursework</td>
<td>8</td>
</tr>
<tr>
<td>College Reputation</td>
<td>5</td>
</tr>
</tbody>
</table>


a. Employers were asked “How much weight do you give each of the following educational credentials when you evaluate a recent college graduate’s resume? How much weight do you give each of the following types of experience when you evaluate a recent college graduate’s resume to see if further discussions are warranted?” Reported importance levels were then weighted by importance of academic vs. experience on hiring of recent graduates to obtain an aggregate score.
Structure

Lecture 1: Class Separation & Immobility
• UMC is separating from the majority
• Inequality endures across generations
• F.E.R.G. (Family, Education, Race, Geography)

Lecture 2: Market Meritocracy & Opportunity Hoarding
• Mechanism 1: Market meritocracy/Education
• Mechanism 2: Opportunity hoarding
• Solving the “I’m Not Rich” problem first
So, make the “rich” pay! Oh, wait....
“The moral indignation of the age [the Progressive Era] was by no means directed entirely against others. It was in a great and critical measure directed inward. Contemporaries who spoke of the movement as an affair of the conscience were not mistaken.”

Richard Hofstadter (my italics)