

## Can Nest Eggs be Launch Pads?

The venerable concept of a “cycle of poverty” is coming back because there’s indeed much transmission of poverty from one generation to the next. The results are stark; if, for example, you’re so unlucky as to be born into a poor family in the United States, you have a 42 percent chance of remaining poor as you move into adulthood. Is there any way to break this cycle and promote economic mobility?

According to new research from the Pew Economic Mobility Project, savings may provide an important pathway for escape. Using data from the Panel Study of Income Dynamics, Pew researchers found that 71 percent of children born to high-saving, low-income parents achieved mobility out of the bottom of the income distribution, whereas only 50 percent of children born to low-saving, low-income parents broke out. The same result holds for adults within their own lifetimes. That is, poor adults with high initial savings had a 55 percent chance of escaping the bottom of the income distribution, but poor adults with low initial savings had only a 34 percent chance of escaping. It follows that savings may be a powerful ticket out.

The policy prescription is likewise straightforward: We should reward and encourage savings among the poor. As the Pew Foundation research team points out, contemporary policy unfortunately takes precisely the opposite tack. It’s not just that tax incentives and government savings vehicles are only rarely geared to low-income families. Additionally, and perhaps even more problematically, some public assistance programs actively discourage savings through asset limit rules. If savings is a means of breaking the intergenerational transmission of poverty, we need to refashion policy that exploits this result to good effect rather than bad.

Reid Cramer, Rourke O’Brien, Daniel Cooper, and Maria Luengo-Prado. 2009. “A Penny Saved Is Mobility Earned: Advancing Economic Mobility Through Savings.” Washington, D.C.: The Pew Charitable Trusts.

## Do Mommy and Daddy Have Jobs Yet?

The steady drumbeat of bad labor market news might be understood as mainly causing problems for adults and older teenagers who are searching for work or worrying about losing their jobs. The official unemployment rate is of course calculated as the proportion of adults over age 16 who have been looking for work in the past four weeks. But is unemployment indeed primarily an adult problem? Or are many children suffering as well because Great Recession unemployment has hit parents disproportionately hard?

According to new estimates from the Brookings Institution’s Julia Isaacs, it’s indeed the parents who have been hardest hit. She finds that one in seven children, or approximately 14 percent, are now living with an unemployed parent (using December 2009 measurements). This compares to an overall unemployment rate in the same month of 7.4 percent for adults aged 18–64. Almost half of unemployed women are parents, and approximately one-third of unemployed men are parents. Worse still, teenagers and young adults, those aged 16–24, are suffering extraordinarily high unemployment rates, adding to the number of youth experiencing hard times. These results are troubling because parental unemployment leads to poverty, to poor health and academic outcomes for children, and to increased stress and abuse within the home. The Great Recession picture is therefore disturbingly clear: The kids are not all right.

Julia B. Isaacs. 2010. “Families of the Recession: Unemployed Parents & Their Children.” Washington, D.C.: The Brookings Institution. Available at: [http://www.brookings.edu/papers/2010/0114\\_families\\_recession\\_isaacs.aspx](http://www.brookings.edu/papers/2010/0114_families_recession_isaacs.aspx)

## The Center Folds

It’s sometimes argued that, because of deindustrialization and globalization, the middle of the U.S. class structure has been hollowed out, and middle class workers have lost out. Is this conventional account on the mark? Exactly what types of jobs are increasingly available in the new economy? What types are contracting? And which workers are getting the good jobs in our new economy? We have until now lacked basic research on such questions.

Enter economists David Autor and David Dorn. They report that there’s indeed been a substantial contraction in middle-skill jobs involving routine tasks and formal training. There’s also growth, however, in the number of nonroutine jobs at the two tails of the income distribution; that is, not only are high-skill jobs that involve problem-solving, abstract reasoning, and advanced decision-making becoming increasingly available, but so too are low-skill jobs that demand little in the way of formal training.

So who’s getting the good jobs at the upper tail of the distribution? It turns out that young workers with high levels of education are dominating the high-skill nonroutine jobs that are rapidly being created in the new economy. Older workers, even if they’re educated, are increasingly segregated into the fading routine middle-skill sector or the low-skilled nonroutine sector. The ticket, then, to good jobs in the new economy is not just education alone. It’s just not enough to be educated; one now has to be young, too. If you’re old, you’re more likely to find yourself plain out of luck.

David Autor and David Dorn. 2009. “This Job is ‘Getting Old’: Measuring Changes in Job Opportunities using Occupational Age Structure.” *American Economic Review Papers and Proceedings*, 99(2), 45–51.

## Two Steps Forward, One Step Back

The Black-White gap in education, income, and occupational outcomes has of course closed dramatically over the last half century. Although we know that ever more African Americans are entering privileged managerial and executive positions, we don't know whether they can reliably hold on to such positions once having secured them. Are successful African Americans firmly ensconced in the upper reaches of the labor market? Or are they more likely than Whites to slide down after scaling the heights?

According to new research by George Wilson and Vincent J. Roscigno, African Americans are especially vulnerable to backsliding. Using long-term data from the Panel Study of Income Dynamics, Wilson and Roscigno find that Blacks in elite occupations are more likely than Whites in elite occupations to be downwardly mobile in their early career. This Black-White gap in rates of downward mobility is especially pronounced in the private sector. By contrast, the public sector, which has historically been more receptive to integration,

proves again to be something of a safe haven, one that allows African Americans to hold on to their elite positions for longer. The simple conclusion: For African Americans in the private sector, it's very much a case of two steps forward, one step back.

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George Wilson and Vincent J. Roscigno. 2010. "Race and Downward Mobility from Privileged Occupations: African American/White Dynamics Across the Early Work-Career." *Social Science Research*, 39(1), 67-77.

## A Yawning Gap

As the 24/7 economy continues to spread and take hold, a rising number of workers are being asked to work evenings, nights, weekends, and rotating shifts. These "nonstandard work schedules," which are especially prominent among low-income workers, can be difficult to reconcile with family responsibilities. If the children and spouses of such nonstandard workers are operating on a standard daytime schedule, the result may be a "burn the candle at both ends" lifestyle in which sleep is compromised. Although the candle-burning lifestyle is clearly increasing in frequency, we don't know too much about that lifestyle and, in particular, who is participating in it. Are, for example, men or women losing more sleep because of nonstandard work schedules?

According to new research by David J. Maume, Rachel A. Sebastian, and Anthony R. Bardo, the preliminary answer is that women are the main sufferers here. Drawing on a survey of 583 retail food workers who were working nonstandard schedules, the authors found that women experienced significantly more sleep disruptions than did men. Although underlying health differences between men and women accounted for some of this difference, the more important reason why women suffer from disrupted sleep is that they tend to be responsible for caregiving. The simple implication: If you have to combine a nonstandard work schedule with caregiving, the only way to get by is to steal from sleep. And hence a new "yawning gap" is emerging right beside the more famous gap in pay.

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David J. Maume, Rachel A. Sebastian, and Anthony R. Bardo. 2009. "Gender Differences in Sleep Disruption among Retail Food Workers." *American Sociological Review*, 74(6), 989-1007.

## Of Frogs and Ponds

The new fashion is to desegregate schools on the basis of socioeconomic standing rather than race. That is, just as race-based school desegregation plans are falling out of favor, many schools and school districts are turning to socioeconomic desegregation in hopes of achieving a diverse student body. The expectation is that such desegregation will not only make our schools more diverse but will also equalize academic achievement between low-income and high-income students. What's unclear, however, is whether this standard expectation is being realized. It's possible that the evidence will indeed show that income-based achievement gaps are smaller when low-income and high-income students are brought together in the same school. Alternatively, low-income students in high-income schools might suffer from the so-called frog-pond effect, a lowering of their achievement that arises because they are stigmatized in the high-income schools or lose out in the face of stiffer competition.

Using data from the National Longitudinal Study of Adolescent Health, sociologist Robert Crosnoe provides new evidence on this question. His study examines (a) whether the achievement gains of low-income students are enhanced or reduced when they attend schools with more high-income students; (b) whether such achievement gains, if they are found at all, are less prominent for low-income students who are also minorities; and (c) whether low-income and minority students are less likely to enroll in advanced courses. The results reveal a dishearteningly consistent frog-pond effect: Low-income students, especially those who are African American and Latino, show smaller academic gains in high-income schools than in low-income schools.

According to Crosnoe, these results might mean that between-school segregation has now been converted into a new form of within-school segregation, a form that may even be more damaging than the old form. The achievement benefits potentially derived from socioeconomic integration might, in other words, be undermined because low-income students in high-income schools remain socially and academically isolated and unable to compete for resources. If this account is on the mark, it implies that socioeconomic integration at the between-school level isn't enough and that one needs additionally to equalize resources and activities (e.g., advanced courses) within integrated schools.

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Robert C. Crosnoe. 2009. "Low-Income Students and the Socioeconomic Composition of Public High Schools." *American Sociological Review*, 74(5), 709-730.