

Equal Opportunity, Our National Myth

By Joseph Stiglitz, The New York Times

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President Obama's second Inaugural Address used soaring language to reaffirm America's commitment to the dream of equality of opportunity: "We are true to our creed when a little girl born into the bleakest poverty knows that she has the same chance to succeed as anybody else, because she is an American; she is free, and she is equal, not just in the eyes of God but also in our own."

The gap between aspiration and reality could hardly be wider. Today, the United States has less equality of opportunity than almost any other advanced industrial country. Study after study has exposed the myth that America is a land of opportunity. This is especially tragic: While Americans may differ on the desirability of equality of outcomes, there is near-universal consensus that inequality of opportunity is indefensible. The Pew Research Center has found that some 90 percent of Americans believe that the government should do everything it can to ensure equality of opportunity.

Perhaps a hundred years ago, America might have rightly claimed to have been the land of opportunity, or at least a land where there was more opportunity than elsewhere. But not for at least a quarter of a century. Horatio Alger-style rags-to-riches stories were not a deliberate hoax, but given how they've lulled us into a sense of complacency, they might as well have been.

It's not that social mobility is impossible, but that the upwardly mobile American is becoming a statistical oddity. According to research from the Brookings Institution, only 58 percent of Americans born into the bottom fifth of income earners move out of that category, and just 6 percent born into the bottom fifth move into the top. Economic mobility in the United States is lower than in most of Europe and lower than in all of Scandinavia.

Another way of looking at equality of opportunity is to ask to what extent the life chances of a child are dependent on the education and income of his parents. Is it just as likely that a child of poor or poorly educated parents gets a good education and rises to the middle class as someone born to middle-class parents with college degrees? Even in a more egalitarian society, the answer would be no. But the life prospects of an American are more dependent on the income and education of his parents than in almost any other advanced country for which there is data.

How do we explain this? Some of it has to do with persistent discrimination. Latinos and African-Americans still get paid less than whites, and women still get paid less than men, even though they recently surpassed men in the number of advanced degrees they obtain. Though gender disparities in the workplace are less than they once were, there is still a glass ceiling: women are sorely underrepresented in top corporate positions and constitute a minuscule fraction of C.E.O.'s.

Discrimination, however, is only a small part of the picture. Probably the most important reason for lack of equality of opportunity is education: both its quantity and quality. After World War II,

Europe made a major effort to democratize its education systems. We did, too, with the G.I. Bill, which extended higher education to Americans across the economic spectrum.

But then we changed, in several ways. While racial segregation decreased, economic segregation increased. After 1980, the poor grew poorer, the middle stagnated, and the top did better and better. Disparities widened between those living in poor localities and those living in rich suburbs - or rich enough to send their kids to private schools. A result was a widening gap in educational performance - the achievement gap between rich and poor kids born in 2001 was 30 to 40 percent larger than it was for those born 25 years earlier, the Stanford sociologist Sean F. Reardon found.

Of course, there are other forces at play, some of which start even before birth. Children in affluent families get more exposure to reading and less exposure to environmental hazards. Their families can afford enriching experiences like music lessons and summer camp. They get better nutrition and health care, which enhance their learning, directly and indirectly.

Unless current trends in education are reversed, the situation is likely to get even worse. In some cases it seems as if policy has actually been designed to reduce opportunity: government support for many state schools has been steadily gutted over the last few decades - and especially in the last few years. Meanwhile, students are crushed by giant student loan debts that are almost impossible to discharge, even in bankruptcy. This is happening at the same time that a college education is more important than ever for getting a good job.

Young people from families of modest means face a Catch-22: without a college education, they are condemned to a life of poor prospects; with a college education, they may be condemned to a lifetime of living at the brink. And increasingly even a college degree isn't enough; one needs either a graduate degree or a series of (often unpaid) internships. Those at the top have the connections and social capital to get those opportunities. Those in the middle and bottom don't. The point is that no one makes it on his or her own. And those at the top get more help from their families than do those lower down on the ladder. Government should help to level the playing field.

Americans are coming to realize that their cherished narrative of social and economic mobility is a myth. Grand deceptions of this magnitude are hard to maintain for long - and the country has already been through a couple of decades of self-deception.

Without substantial policy changes, our self-image, and the image we project to the world, will diminish - and so will our economic standing and stability. Inequality of outcomes and inequality of opportunity reinforce each other - and contribute to economic weakness, as Alan B. Krueger, a Princeton economist and the chairman of the White House Council of Economic Advisers, has emphasized. We have an economic, and not only moral, interest in saving the American dream.

Policies that promote equality of opportunity must target the youngest Americans. First, we have to make sure that mothers are not exposed to environmental hazards and get adequate prenatal health care. Then, we have to reverse the damaging cutbacks to preschool education, a theme Mr. Obama emphasized on Tuesday. We have to make sure that all children have adequate nutrition and health

care - not only do we have to provide the resources, but if necessary, we have to incentivize parents, by coaching or training them or even rewarding them for being good caregivers. The right says that money isn't the solution. They've chased reforms like charter schools and private-school vouchers, but most of these efforts have shown ambiguous results at best. Giving more money to poor schools would help. So would summer and extracurricular programs that enrich low-income students' skills.

Finally, it is unconscionable that a rich country like the United States has made access to higher education so difficult for those at the bottom and middle. There are many alternative ways of providing universal access to higher education, from Australia's income-contingent loan program to the near-free system of universities in Europe. A more educated population yields greater innovation, a robust economy and higher incomes - which mean a higher tax base. Those benefits are, of course, why we've long been committed to free public education through 12th grade. But while a 12th-grade education might have sufficed a century ago, it doesn't today. Yet we haven't adjusted our system to contemporary realities.

The steps I've outlined are not just affordable but imperative. Even more important, though, is that we cannot afford to let our country drift farther from ideals that the vast majority of Americans share. We will never fully succeed in achieving Mr. Obama's vision of a poor girl's having exactly the same opportunities as a wealthy girl. But we could do much, much better, and must not rest until we do.