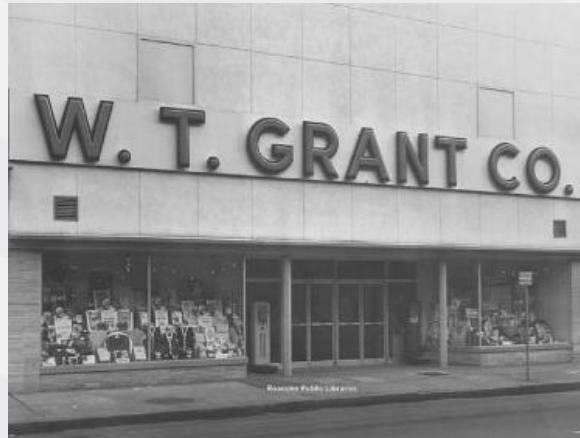


Inequality is the Problem: What's Our Response?

ADAM GAMORAN
William T. Grant Foundation

 **William T. Grant**
FOUNDATION



1930's

1940's

1950's

1960's

1970's

1980's

1990's

2000's

2010's



- ④ Founded in 1936
- ④ Committed to understanding human behavior through research.
- ④ The most pressing challenges confronting young people change over time.



Current Research Priorities



Use of Research Evidence

- ④ Quality of research evidence has improved
- ④ Yet when it comes to decisions, research is rarely consulted
 - Why?
- ④ We support studies of how research evidence is used in policy and practice



Reducing Inequality

- ④ Inequality by economic, racial/ethnic linguistic, and immigrant origins is pervasive
- ④ Evidence exists on the nature and sources of inequality
- ④ Ways to reduce inequality are less well understood
- ④ We support research on programs, policies, and practices that reduce inequality in youth outcomes
 - Academic, social, behavioral, and economic outcomes



Reducing Inequality

- ④ “Inequality” has two meanings
 - Overall dispersion of an outcome
 - Group differences in an outcome
 - We’d like to reduce the first and eliminate the second



Reducing Inequality

- ④ “Reducing inequality” is not the same as fighting poverty
 - We’d like to reduce inequality across the spectrum
- ④ One can “reduce inequality” by elevating those lower down or holding back those who are on top
 - Only the former is of interest

Inequality is the Problem

1. Levels of inequality are exceptionally high
2. High inequality causes economic and social harm
3. Social policies can combat inequality
4. We need research to identify effective policies, programs, and practices



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Inequality in the Headlines

The New York Times

OP-ED COLUMNIST

Why Inequality Matters

By PAUL KRUGMAN

Published: December 15, 2013 | 1151 Comments



Americans grapple with income inequality

The Boston Globe

FARAH STOCKMAN

Why income inequality threatens world order

By Farah Stockman | GLOBE STAFF JULY 01, 2014

The Washington Post

The many stubborn kinds of inequality that children face growing up in the U.S.

WALL STREET JOURNAL

Inequality Is Damaging the U.S. Economy, S&P Study Says

Los Angeles Times

Obama turns attention to income inequality

With the federal deficit shrinking, income inequality is a 'bigger threat' to the country's future, Obama says in speech on economic priorities.

December 04, 2013 | By Christi Parsons

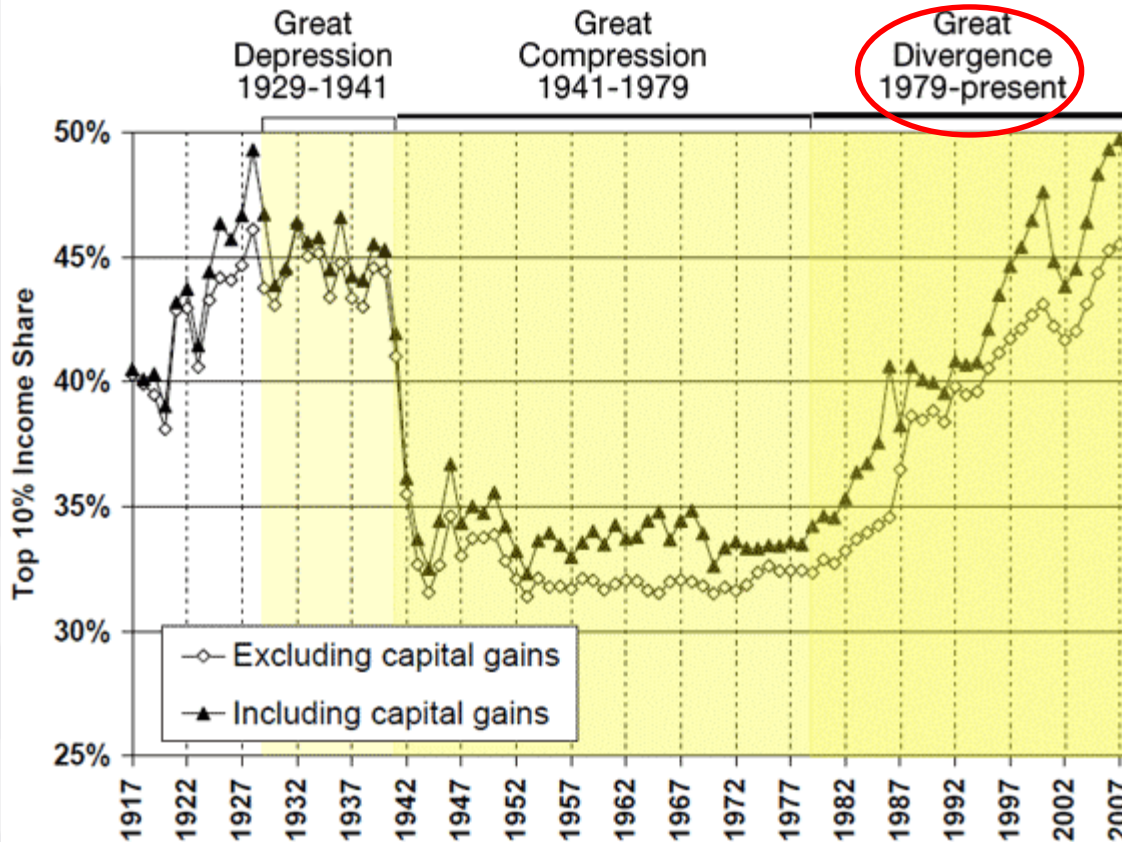


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Levels of Inequality are Exceptionally High

Income inequality has expanded dramatically

The Top Ten Percent Income Share, 1917 - 2008



Income is defined as market income (and excludes government transfers).
In 2008, top decile includes all families with annual income above \$109,000.

SOURCES: PIKETTY & SAEZ, 2009
KRUGMAN, 2007
NOAH, 2012

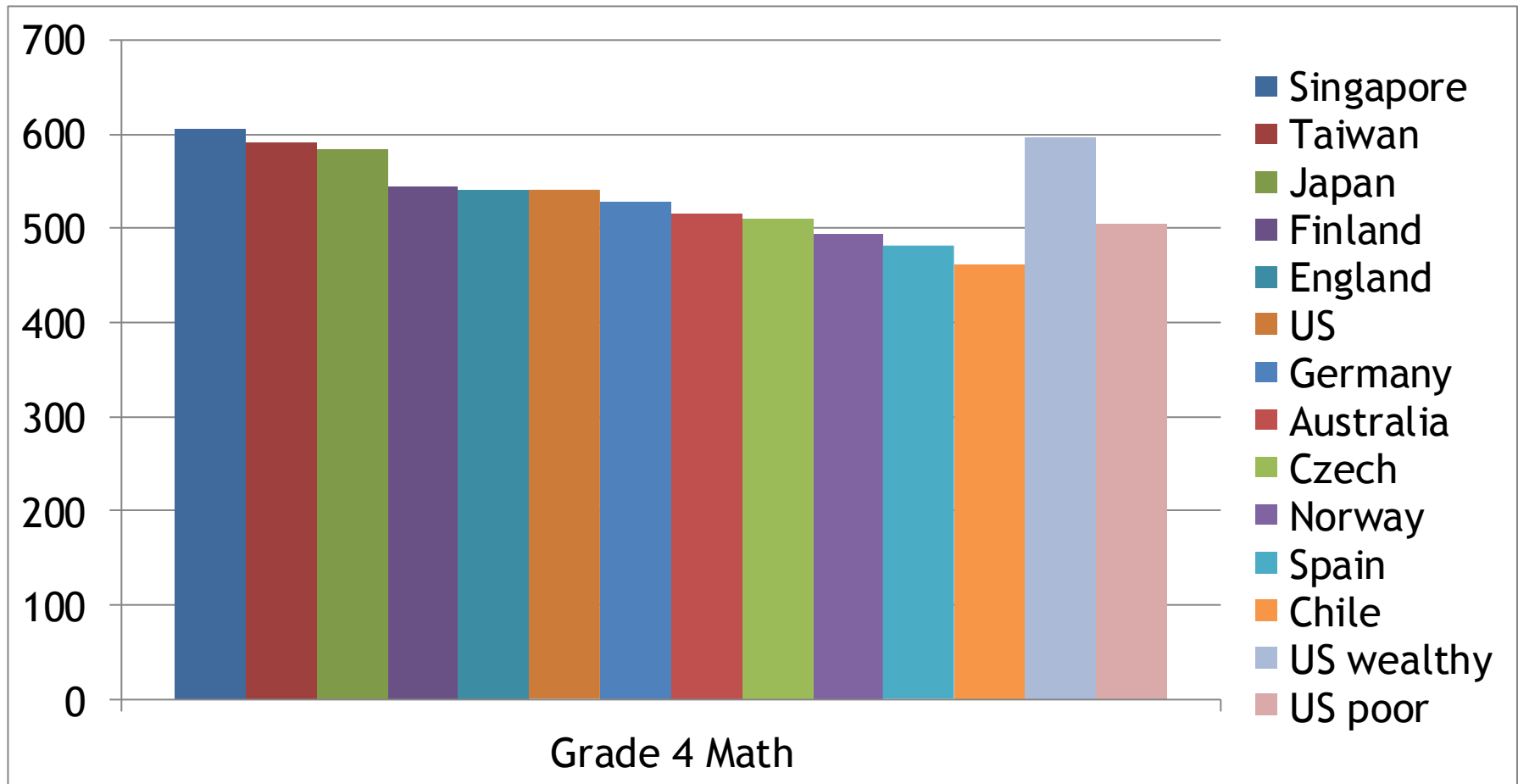
Levels of Inequality are Exceptionally High

- ④ Income inequality has expanded dramatically
- ④ *Effects* of inequality on child outcomes have grown
 - Reardon: Achievement gap between 10th & 90th income percentiles now larger than black-white gap

Levels of Inequality are Exceptionally High

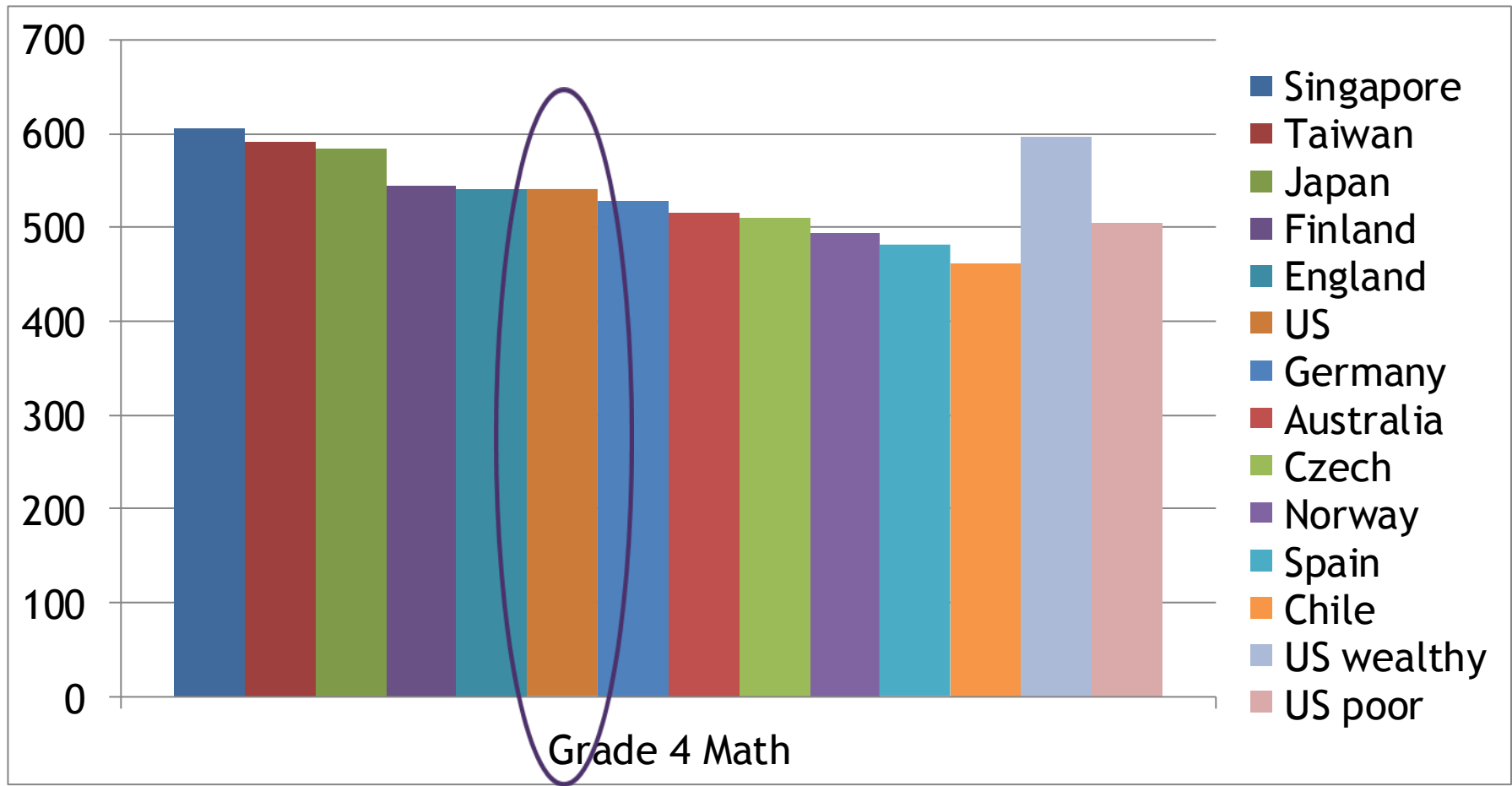
- ④ **Compared to other countries, U.S. performance seems mediocre**
 - Achievement and attainment in the middle of the pack
- ④ **Mediocre averages obscure large inequalities**
 - Geographic, economic, and race/ethnic differences

Average 2011 TIMSS Scores, Grade 4 Math



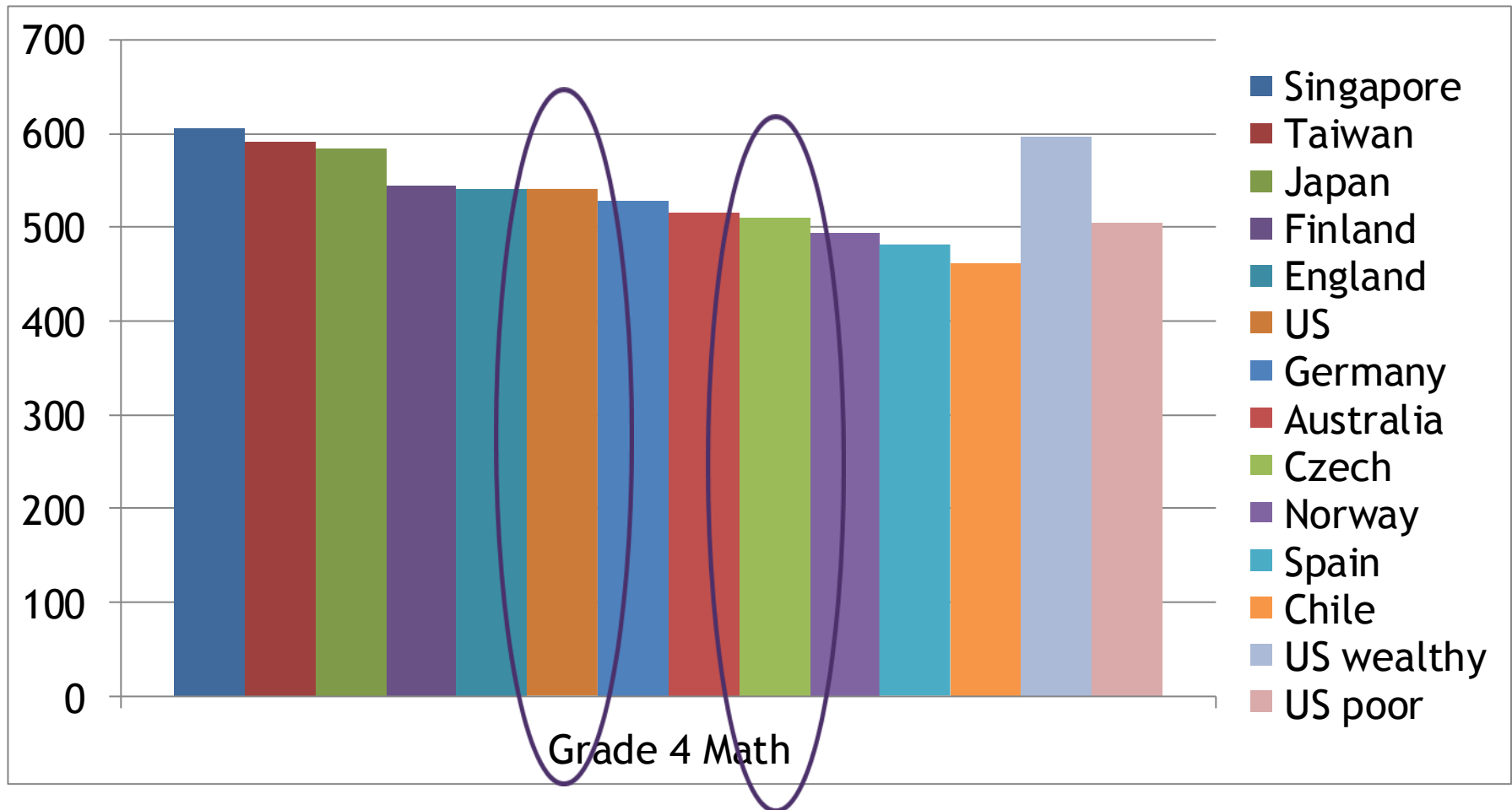
Source: Provasnik et al. (2012)

Average 2011 TIMSS Scores, Grade 4 Math



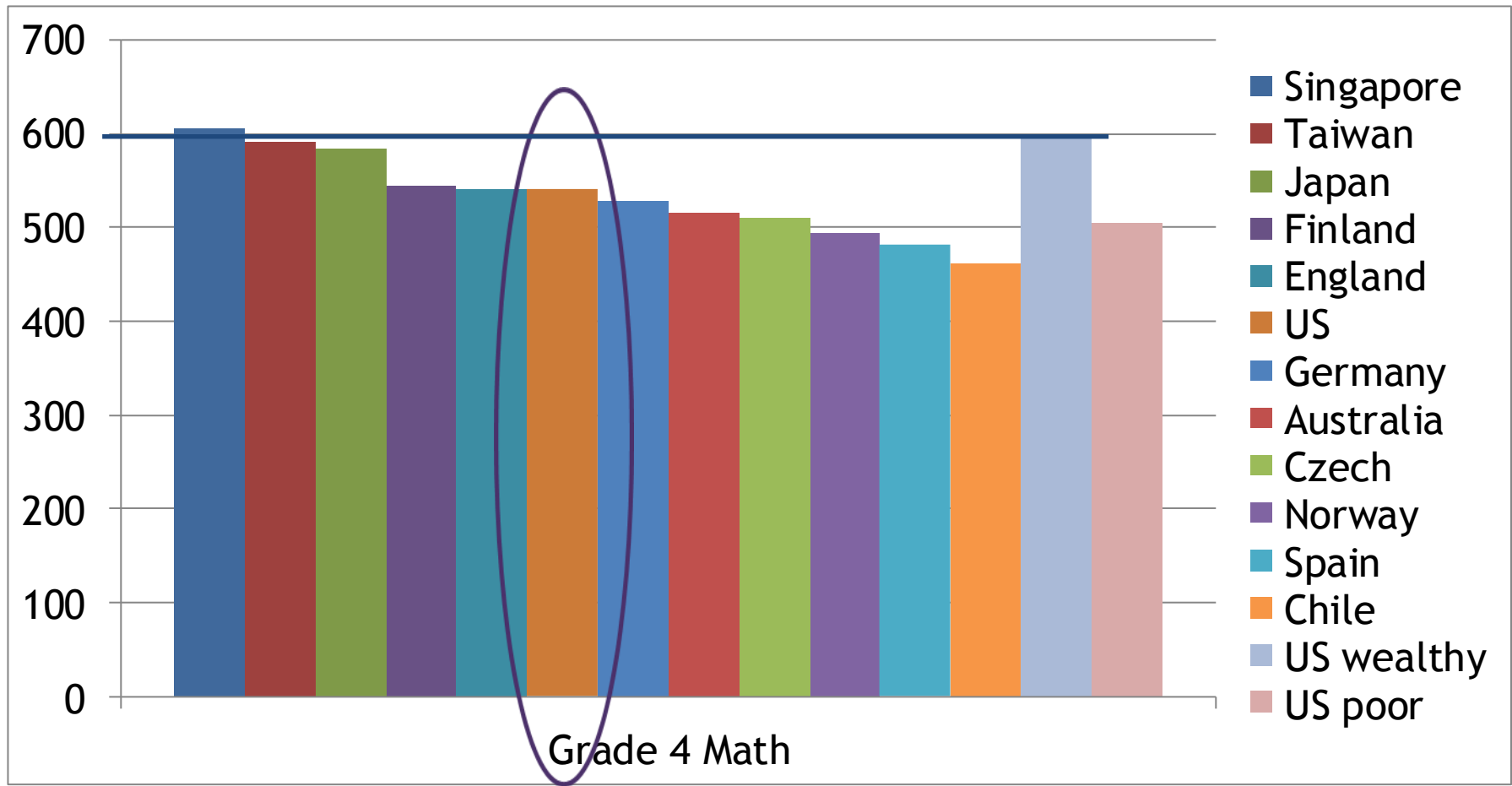
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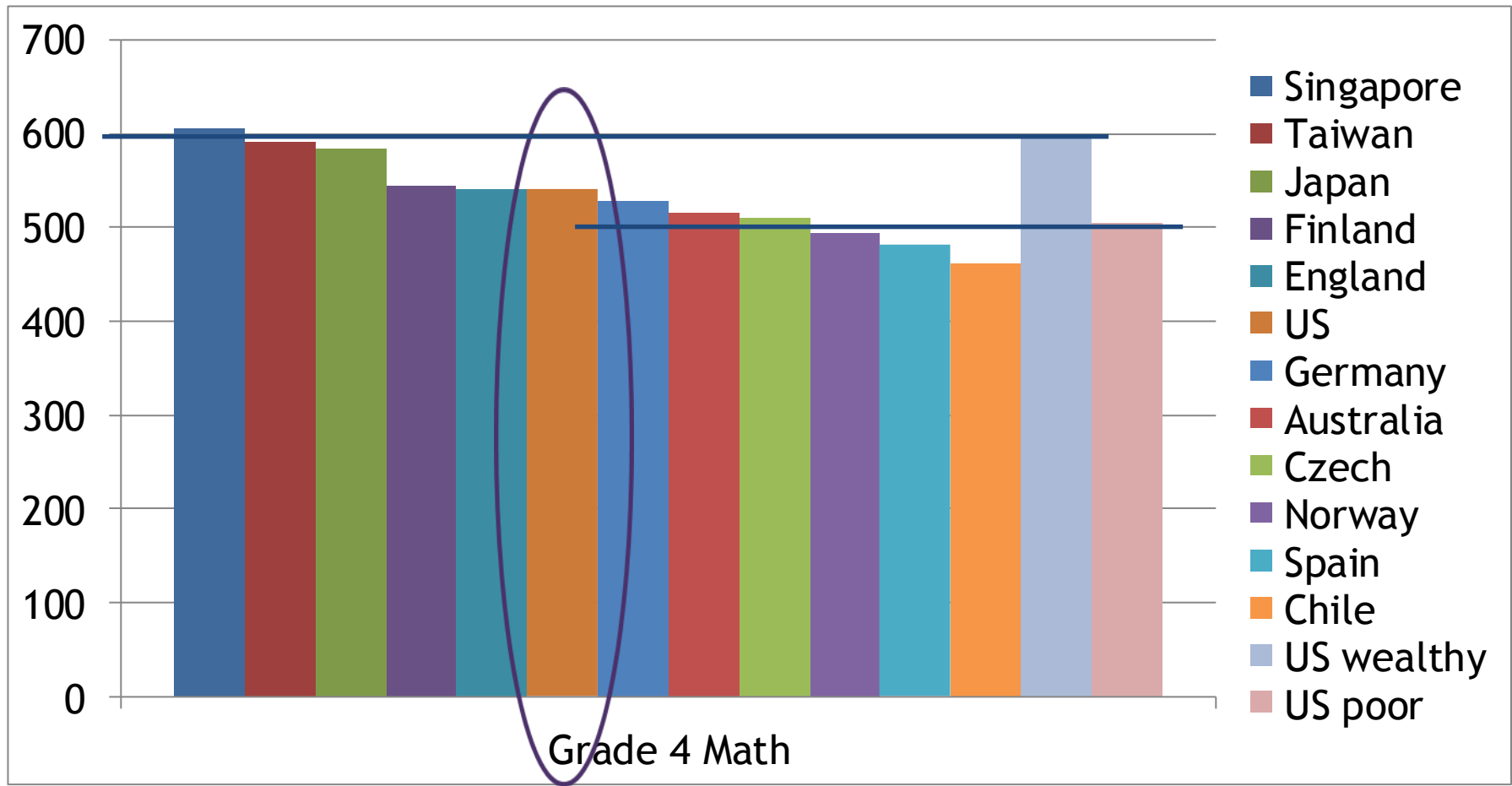
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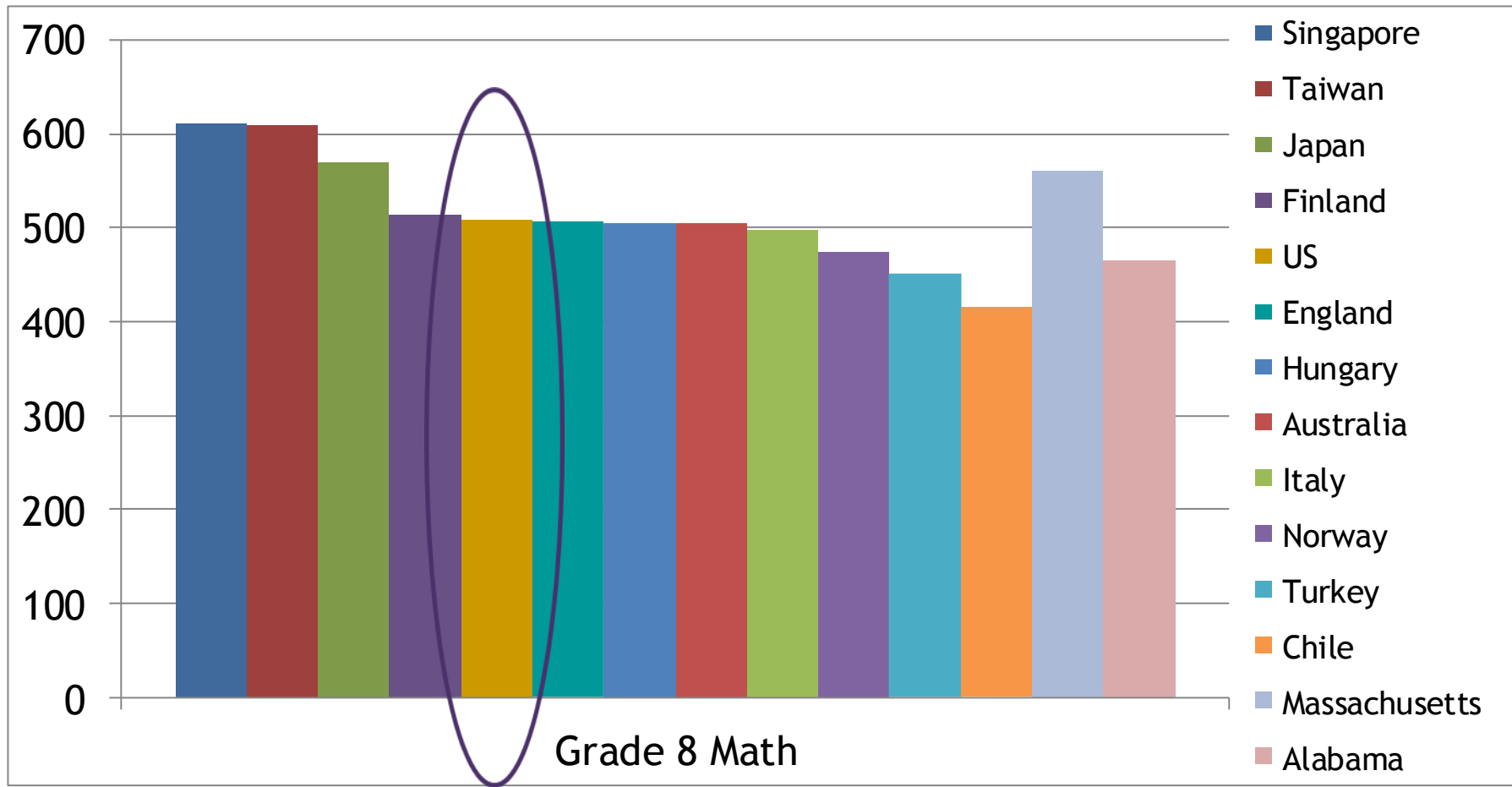
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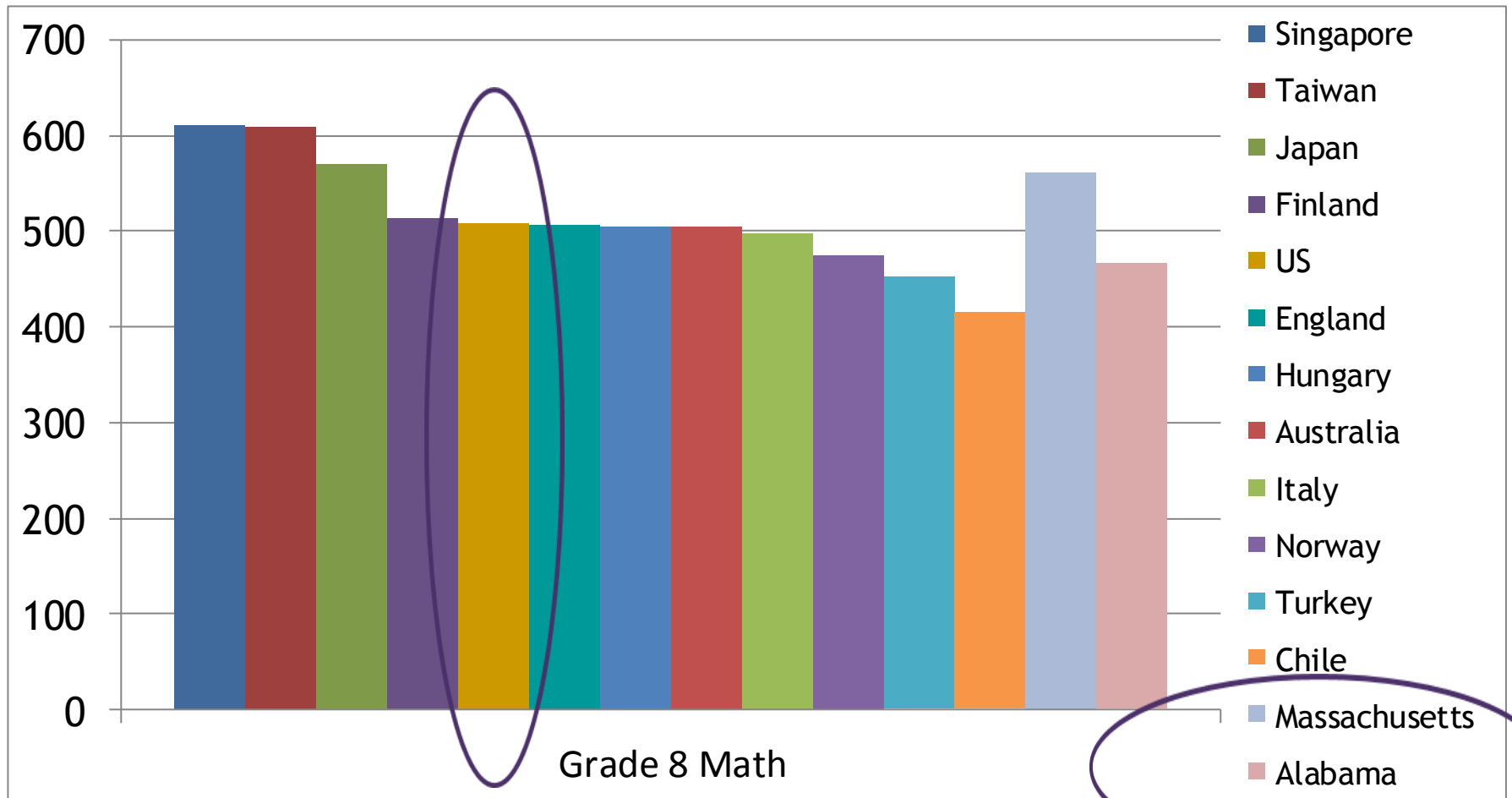
Source: Provasnik et al. (2012)

Average 2011 TIMSS Scores, Grade 8 Math



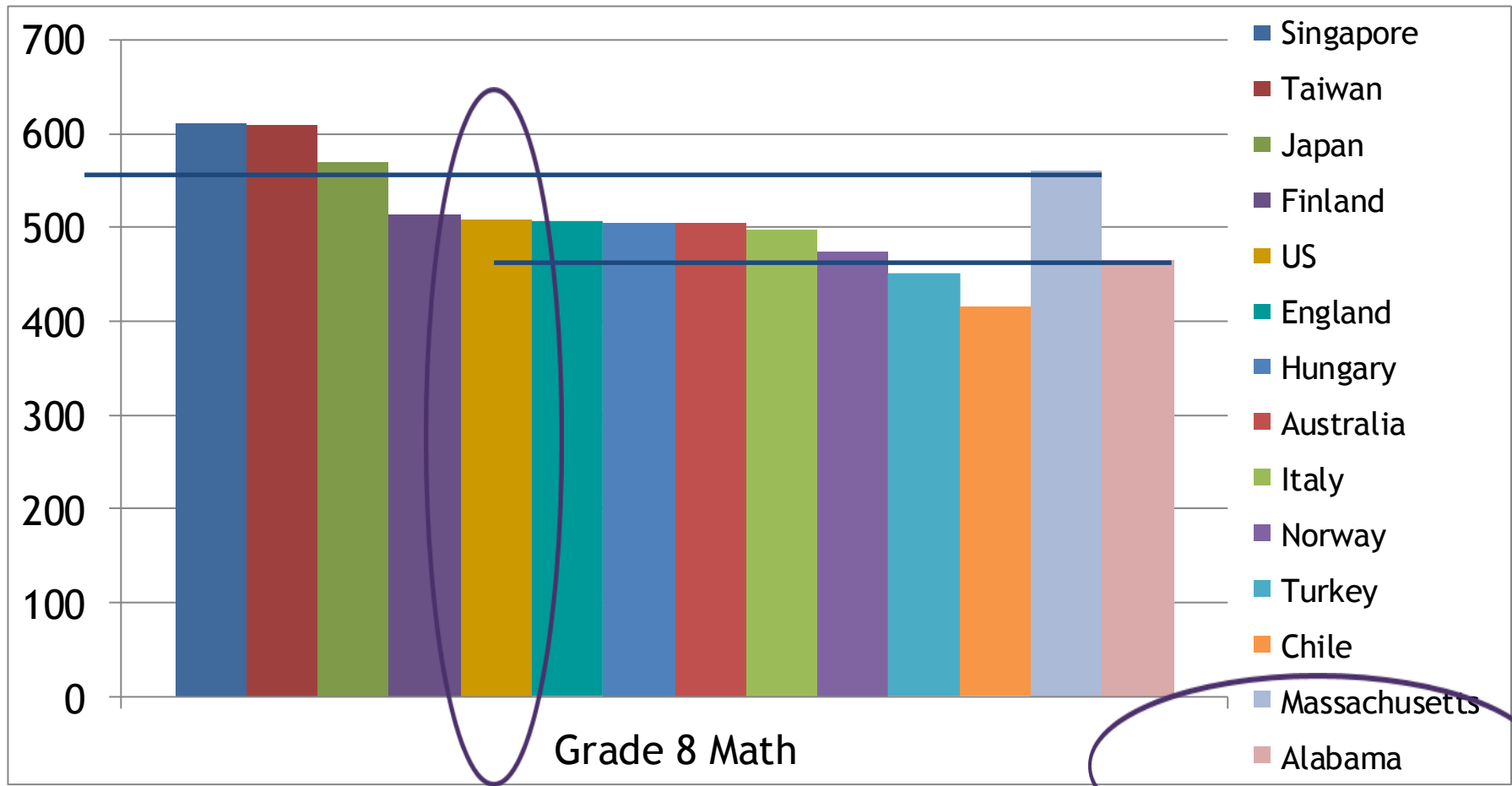
Source: Provasnik et al. (2012)

Average 2011 TIMSS Scores, Grade 8 Math



Source: Provasnik et al. (2012)

Average 2011 TIMSS Scores, Grade 8 Math



Source: Provasnik et al. (2012)

Levels of Inequality are Exceptionally High

“Once a Leader, U.S. Lags in College Degrees”

- ⦿ About 42% of U.S. young people earn college degrees (A.A. or B.A.)
- ⦿ Once the highest proportion in the world, the U.S. is now 14th
- ⦿ But this obscures inequality
 - 54% in MA, 29% in AR
 - MA would be 1st in the world, AR would be 28th!
 - Also large gaps by SES, race/ethnicity
- ⦿ Czech Republic, at 23%, is 31st
 - Unitary system of higher education in Czech Republic constrains expansion

Levels of Inequality are Exceptionally High

OECD study of adult literacy

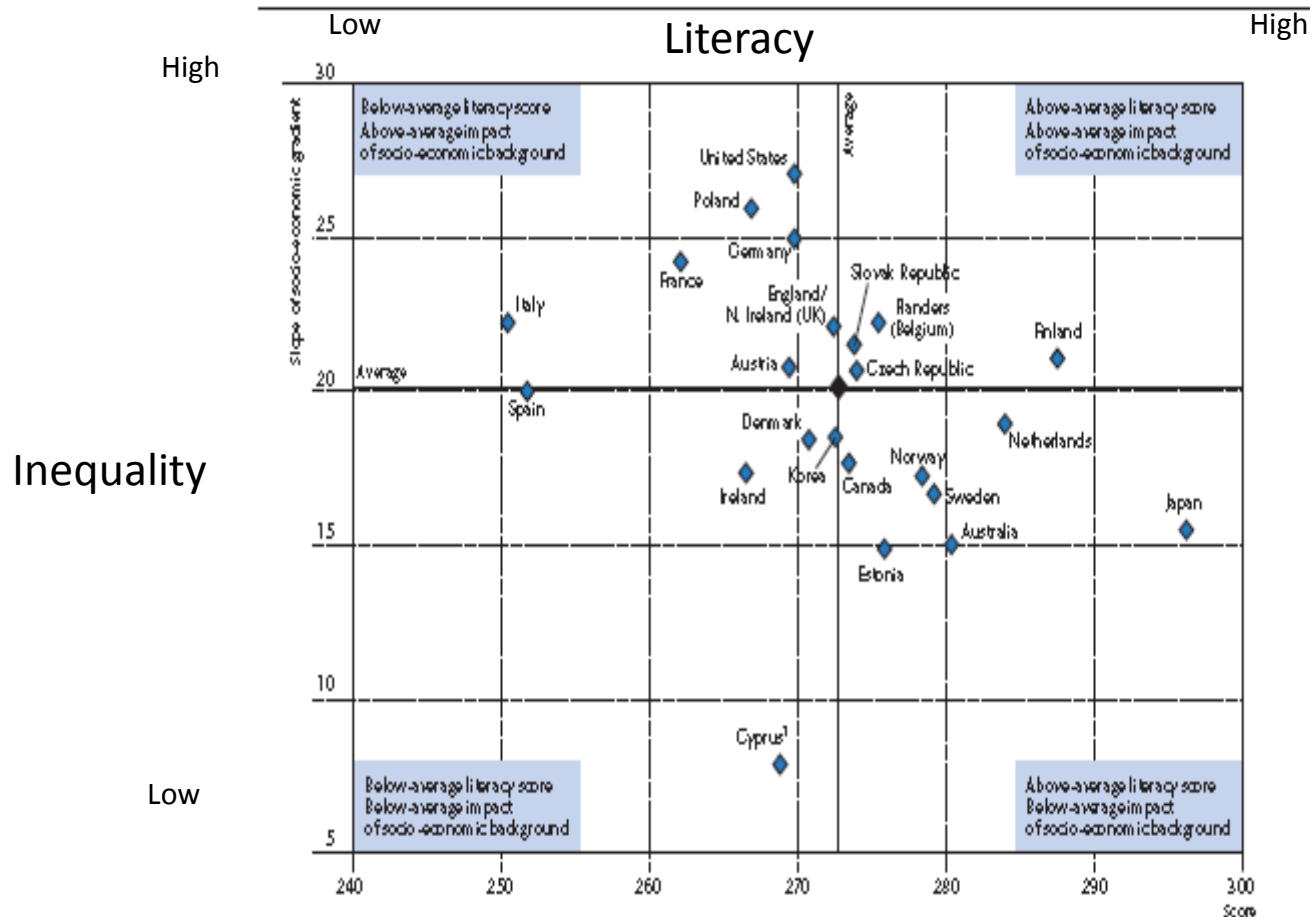
- ④ US: Average or below-average performance, highest inequality

Inequality in Adult Literacy

Figure 3.8c (L)

Relationship between literacy proficiency and impact of socio-economic background on proficiency

Mean literacy score and slope of the socio-economic gradient, 16-65 year-olds



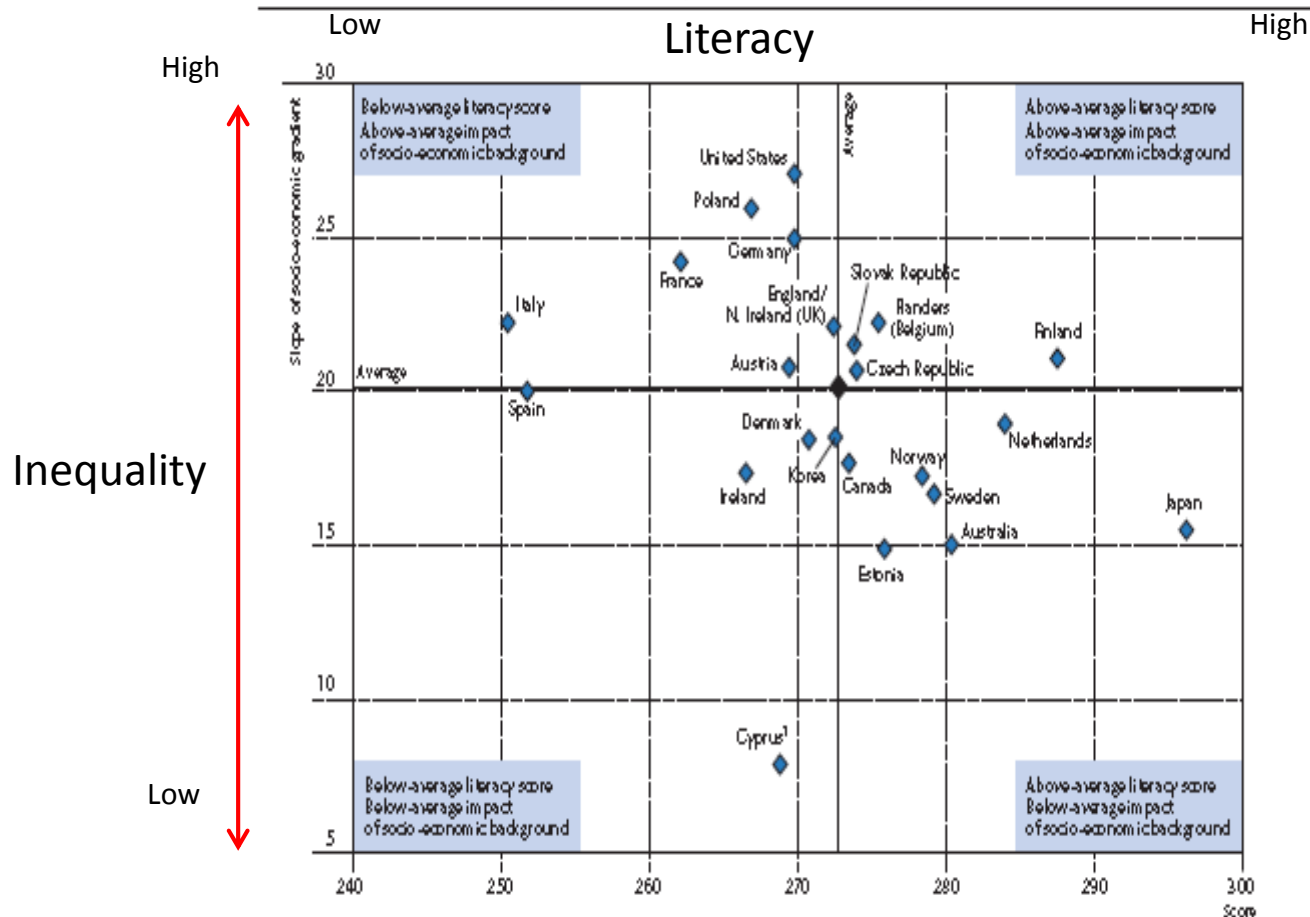
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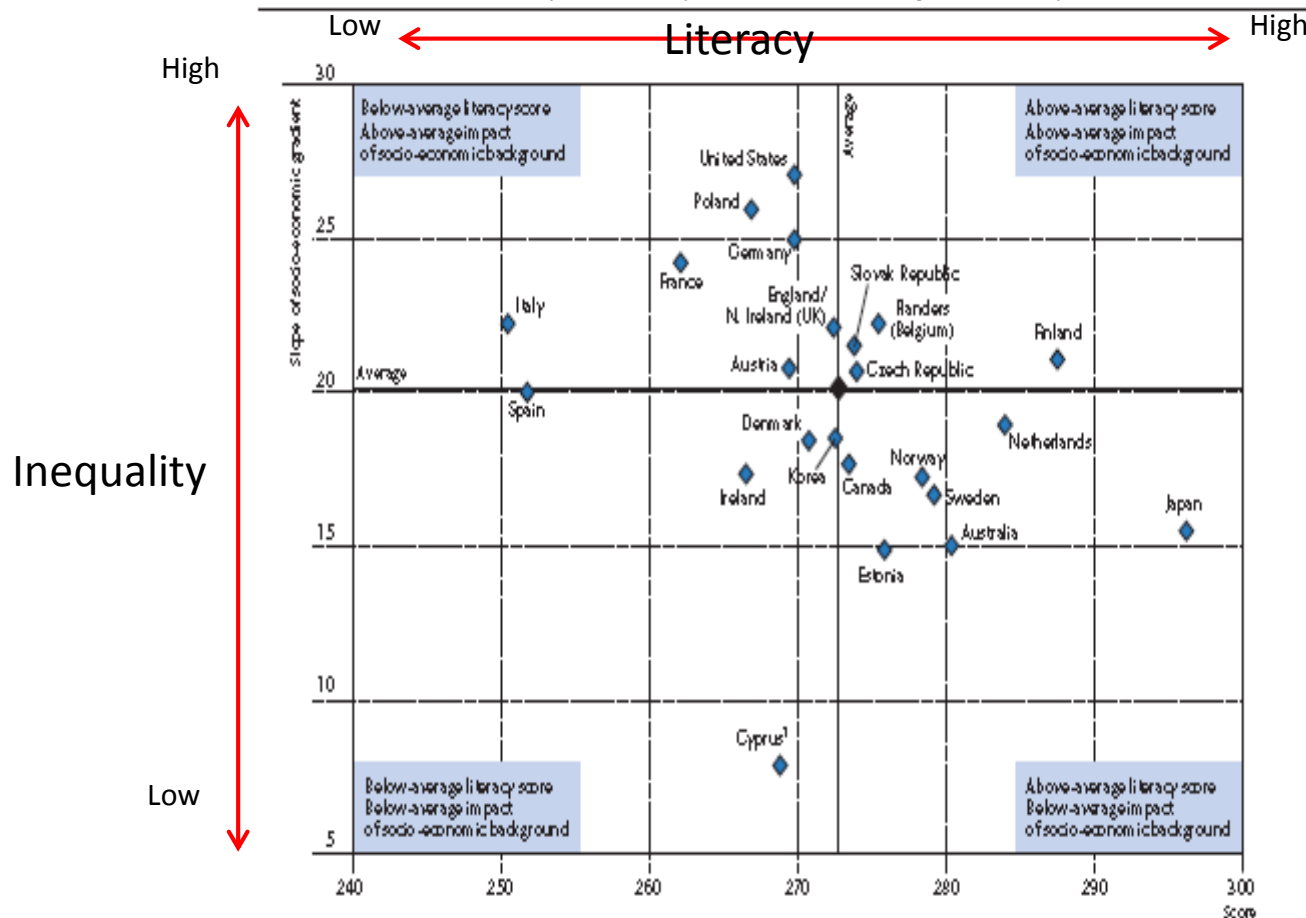
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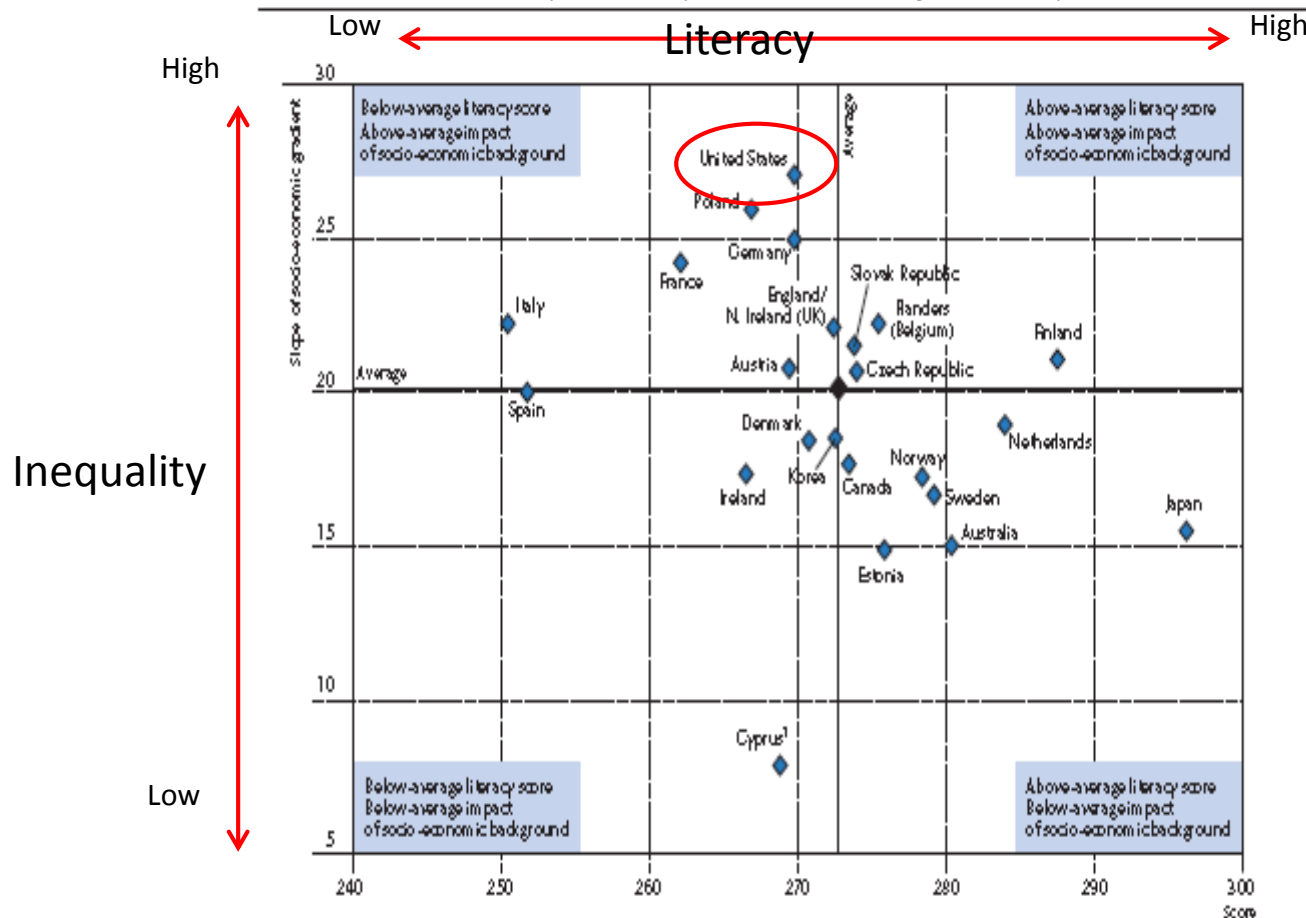
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The U.S. has below-average performance and the most inequality.

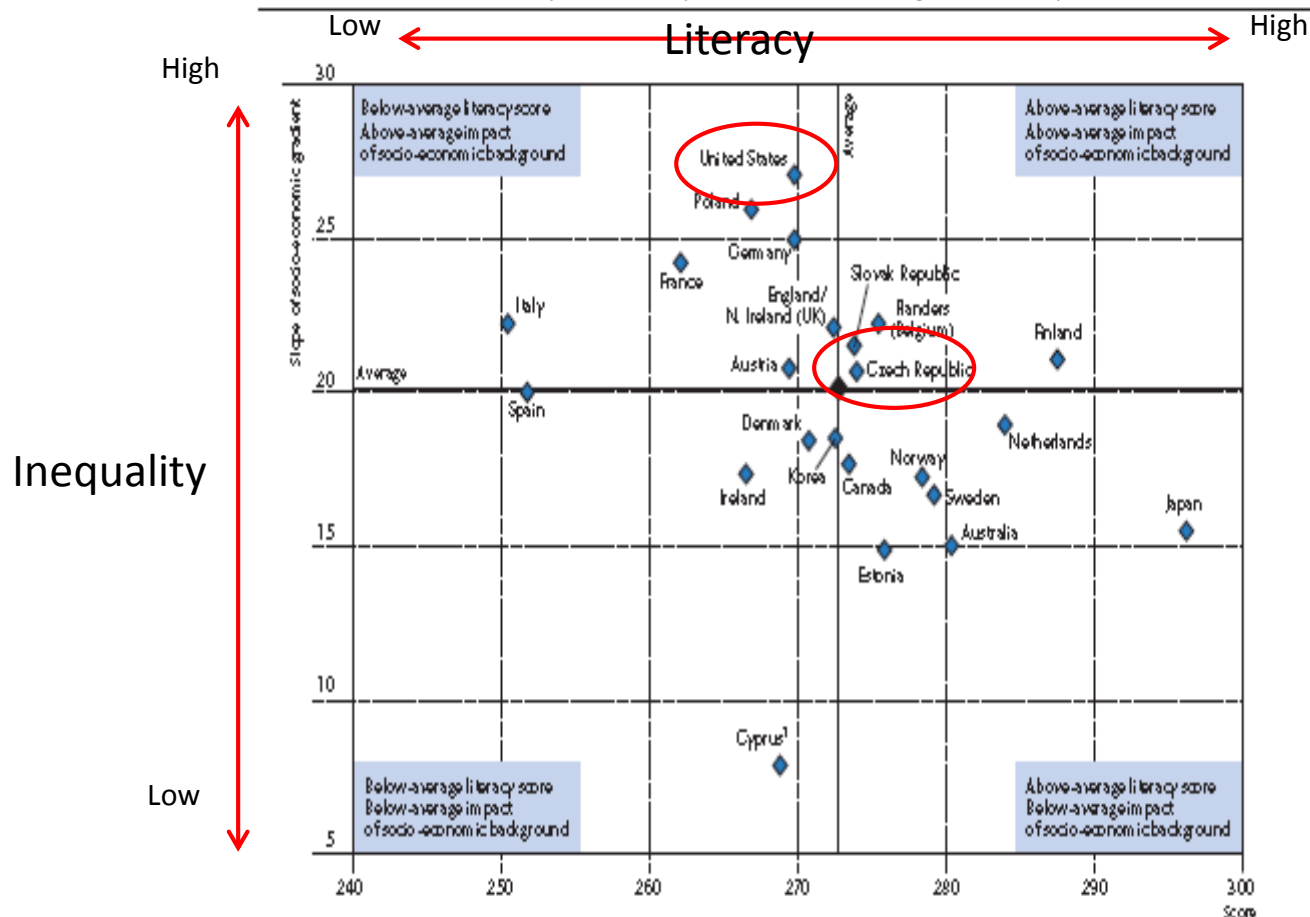
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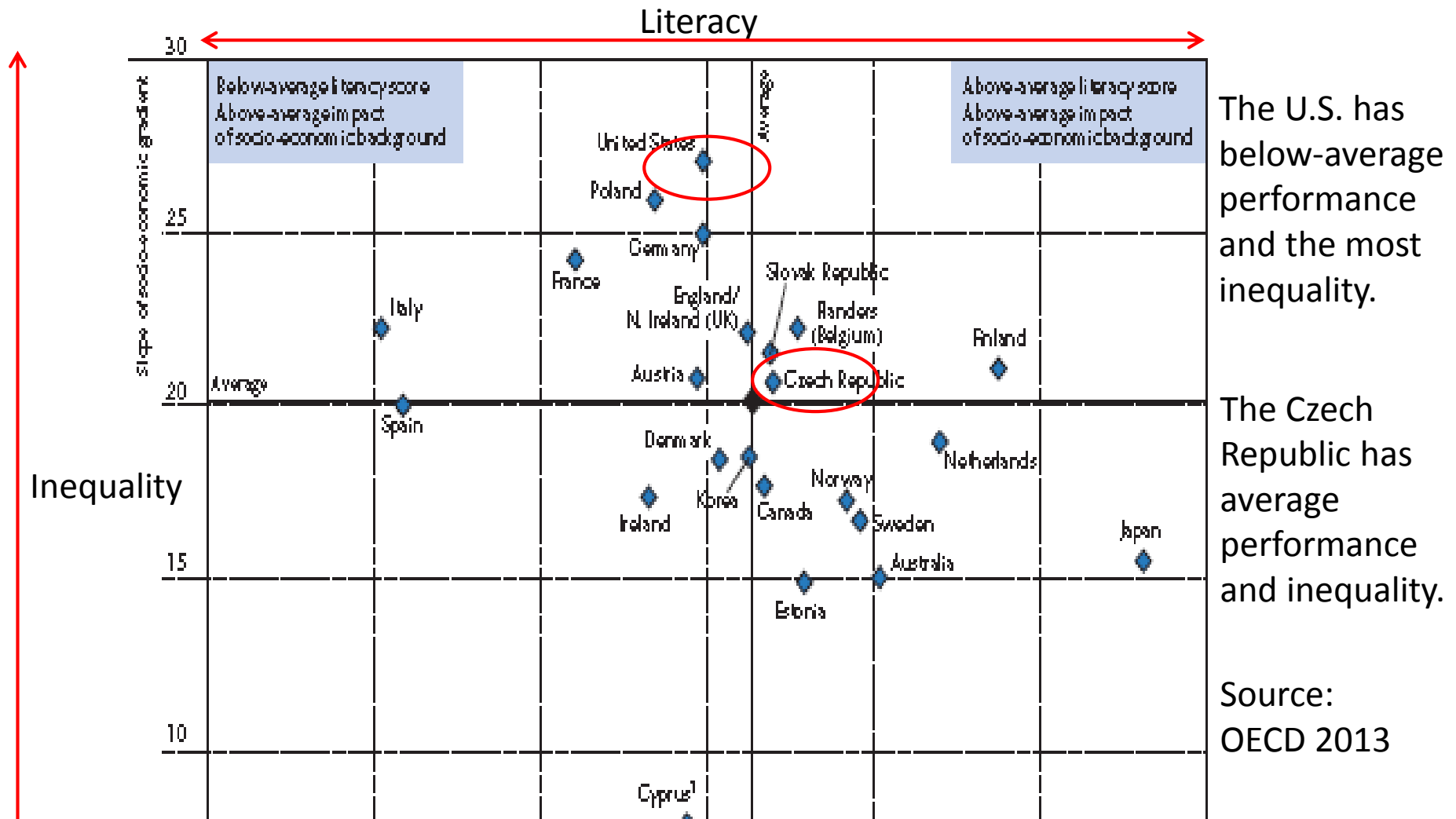
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The Czech Republic has average performance and inequality.

Source:
OECD 2013

Levels of Inequality are Exceptionally High

OECD study of adult literacy

- ⦿ US: Below-average performance, highest inequality
- ⦿ US: A high school dropout whose parents dropped out is 10 times more likely to have low literacy than a graduate whose parents also graduated
 - Twice the international average gap

Whether our gaze is international or historical, inequality in the US is exceptionally high

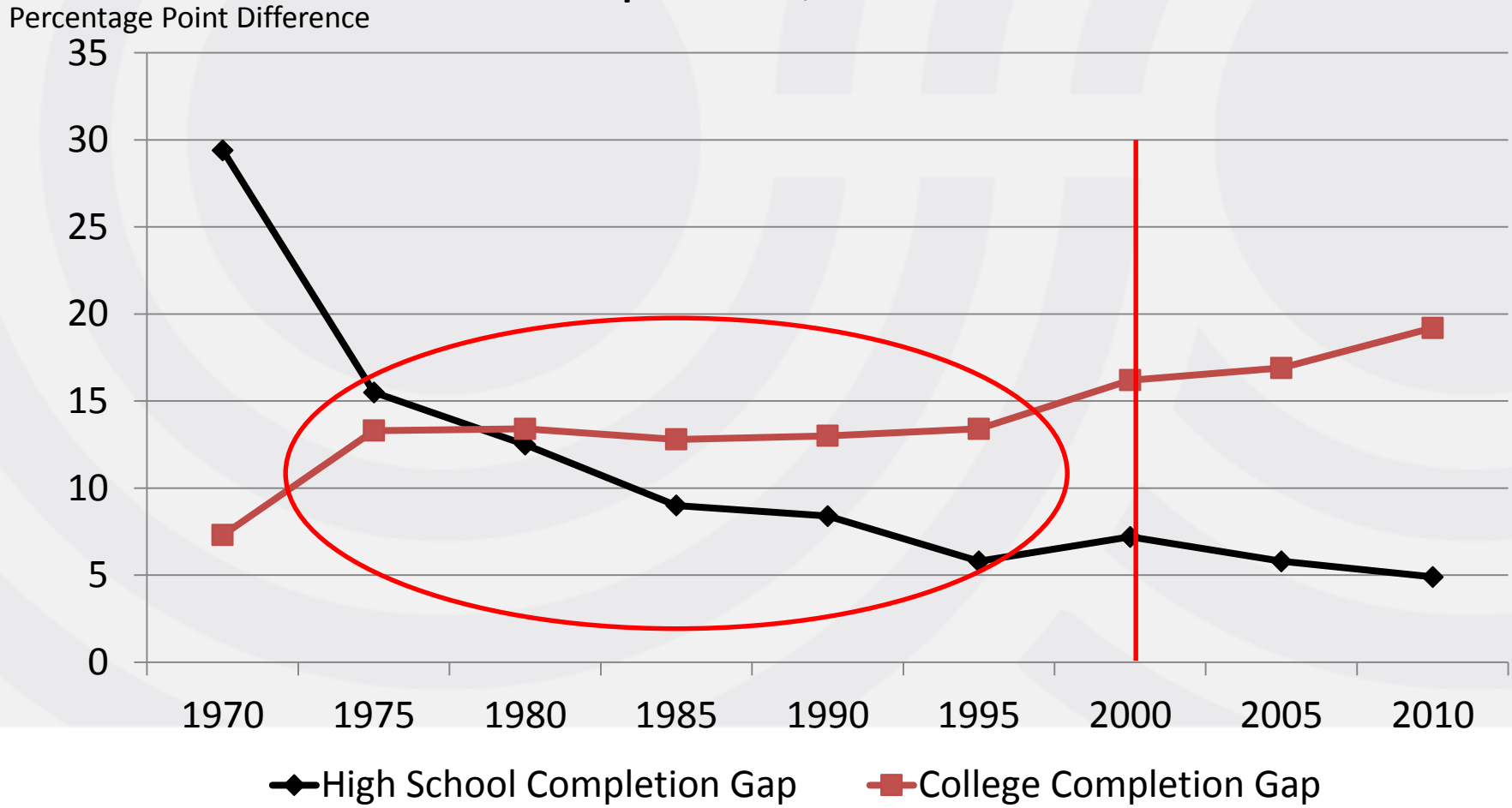
Levels of Inequality are Exceptionally High

High inequality is getting worse, not better

- ④ Spotlight on education, the gateway to mobility
 - Black-white inequality, which declined through the 1980s, has made little progress since then
 - Gaps between young people from different economic circumstances have gotten worse

Trends in Educational Inequality

Black-White Gap in High School and College Completion, 1970-2010

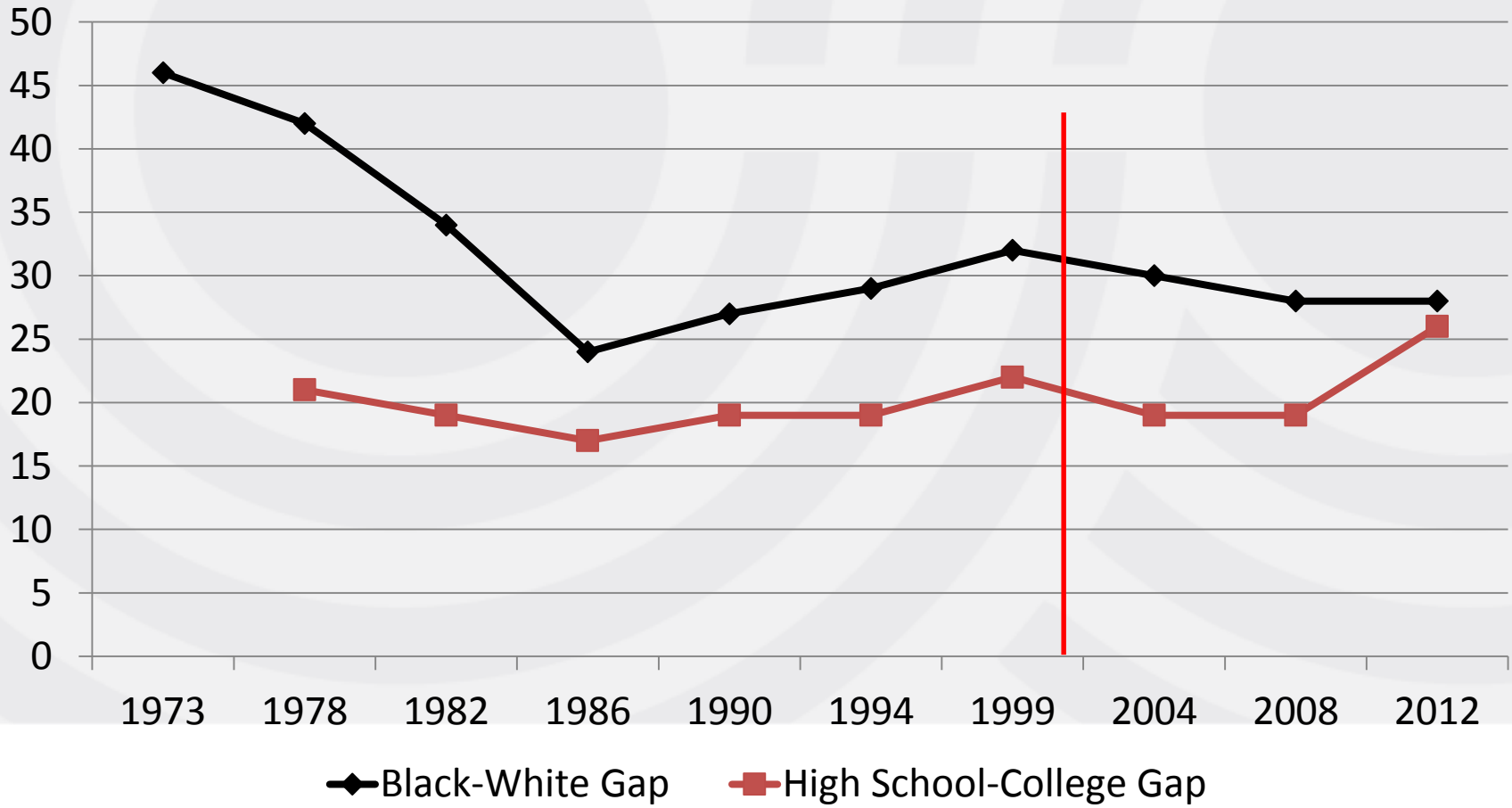


Source: *Digest of Educational Statistics* 2012, Table 9.

Trends in Educational Inequality

NAEP Trends in Math at Age 13

NAEP Score Gap

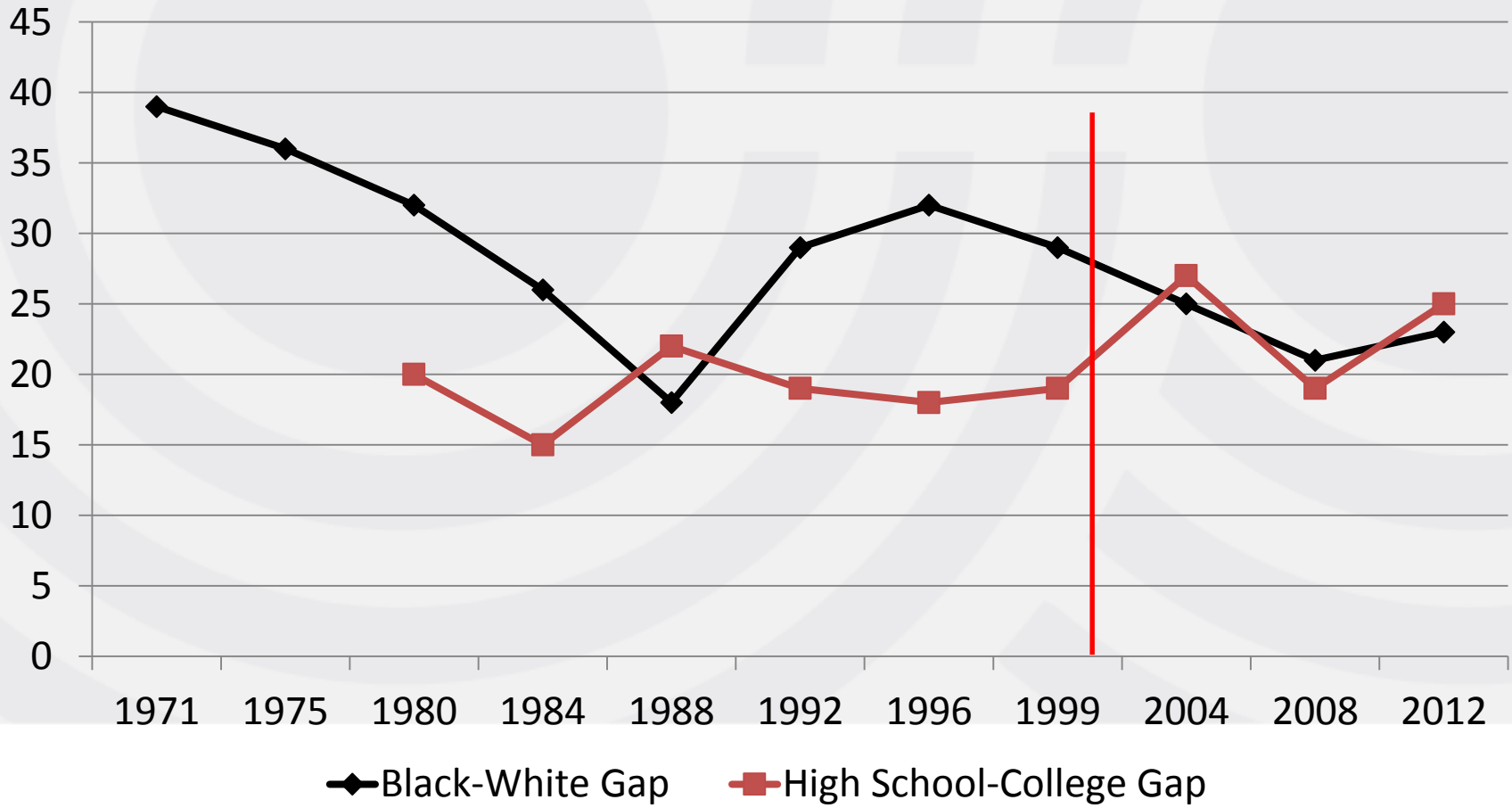


Source: *Digest of Educational Statistics* 2013, Table 222.85.

Trends in Educational Inequality

NAEP Trends in Reading at Age 13

NAEP Score Gap



Source: *Digest of Educational Statistics* 2013, Table 221.85.

Trends in Educational Inequality

Summary of Recent Trends

- ④ Black-white gaps in high school completion and college enrollment have narrowed, but the gap in college completion has widened
- ④ Recent declines in racial achievement gaps have not yet made up for growth
- ④ Socioeconomic gaps have remained steady in some areas (attainment) and gotten worse in others (test scores)

Inequality is the Problem

1. Levels of inequality are exceptionally high
2. **High inequality causes economic and social harm**
3. Social policies can combat inequality
4. We need research to identify effective policies, programs, and practices



Inequality is Harmful

Is inequality a drag on productivity?

- ⦿ Some inequality may be necessary to motivate performance
- ⦿ Countries with more inequality tend to have lower productivity
- ⦿ Recent S&P study: US inequality causes slower growth
 - Comparative and US historical evidence

Inequality is Harmful

Unequal opportunity means wasted talent

- ④ “Purely from an economic perspective - leaving aside important questions of social equity - opportunity is being lost on a large scale” (Belfield & Levin, 2012).
- ④ “Inequality is the enemy of economic growth” (Reich, 2013).

Inequality is Harmful

Inequality is also socially divisive

- ⦿ Unequal education means schooling fails to provide a common socialization experience
- ⦿ In an unequal society, social networks are fragmented rather than integrated
- ⦿ As education becomes stratified by social origins, mobility prospects decline

How much harm? Still debated

- ⦿ No question that young people born into social and economic disadvantage have fewer opportunities

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Policy Can Address Inequality

In today's rhetoric, inequality seems inevitable

- ⦿ Piketty: Returns to capital exceed income growth

Yet inequality also responds to institutions

- ⦿ Institutions are amenable to policy



Policy Can Address Inequality

War on Poverty

- ⦿ Has not been won
- ⦿ Poverty would be worse without it
- ⦿ Food stamps, school lunches, earned income tax credit, housing & unemployment assistance



Policy Can Address Inequality

Other programs, policies, and practices have reduced the effects of inequality on children

- ④ High-quality early childhood programs
- ④ Programs that promote healthy parenting
- ④ Family-school engagement programs
- ④ Small classes in early elementary grades
- ④ Social-psychological interventions
- ④ Financial aid assistance

Constraints of disadvantage are not unbreakable

Policy Can Address Inequality

If all these programs work, why the growth in inequality?

- ④ Effective responses have emerged, but they are modest compared to the scope of the problem
- ④ Programs take time to have effects
 - School reforms take 3-5 years to work
 - Early child care effects emerge a decade later
- ④ Need for multiple efforts across multiple spheres
 - Family, health, neighborhood, school, workforce
- ④ Programs, policies, practice work differently in different contexts and for different individuals

Implementation, implementation, impleme...

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Inequality in the Headlines

HOT TOPICS: [WSJ ECONOMIST SURVEY](#) [GRAND CENTRAL NEWSLETTER](#) [CENTRAL BANK WAT](#)

8:32 am ET
Apr 2, 2015

BANKS

Janet Yellen: Economic Inequality Long An Interest Of The Fed

“Research may be able to provide evidence on which public policies are most helpful in building an economy in which people are poised to get ahead. Conversely, it would also be beneficial to understand whether any policies may hold people back or discourage upward mobility.”

Need for Research on Reducing Inequality

- ④ High-quality social science research on youth development can play a key role
- ④ The William T. Grant Foundation wants to help stimulate and support this work
- ④ Not just in education
 - The justice system
 - Child welfare
 - Workforce transition
 - Immigration

Need for Research on Reducing Inequality

Hallmarks of our approach

- ⑤ Focus on young people (ages 5 to 25)
- ⑤ In the long run, research we support will lead to action
 - Build, understand, test, and improve programs, policies, and practices
 - No single study will be transformative
 - Results will accumulate to guide policy and practice
- ⑤ Support for tools that benefit many researchers
- ⑤ Interdisciplinary portfolio

We seek researchers to answer this call



Our Approach

④ We choose our research interests based on what's going on in the world today.

④ We begin with a set of questions, not preconceptions.

④ We favor an interdisciplinary approach to research.

Comments?