

EXECUTIVE SUMMARY

Whither Opportunity? **Rising Inequality, Schools, and Children's Life Chances**

Edited by Greg J. Duncan and Richard J. Murnane*

This executive summary compiles research on the consequences of rising inequality for America's education. The complete findings are published in [Whither Opportunity?](#) (Russell Sage and Spencer Foundations, 2011).

America has always taken pride in being the land of opportunity, a country in which hard work and sacrifice result in a better life for one's children. For the first three-quarters of the twentieth century, economic growth, fueled in large part by the increasing educational attainments of successive generations of Americans, was a rising tide that lifted the boats of the rich and poor alike. In contrast, during the last three decades, the fruits of economic growth have not been widely shared. Instead, the gap between the incomes of the nation's rich and poor families has grown enormously.

Little noticed, but vital for nation's future prosperity, is that the gap between the educa-

tional attainments of children raised in rich and poor families has also grown markedly during this period. This pattern portends diminishing economic opportunities for low-income children in the next generations of Americans. Explaining the forces that have translated growing gaps in family incomes into growing gaps in educational outcomes – and what we can do about it – provides the focus for this volume, the result of an ambitious interdisciplinary project examining the corrosive effects of economic inequality, disadvantaged neighborhoods, insecure labor markets, and worsening school conditions on K-12 education. The project was co-funded by the Russell Sage Foundation and the Spencer Foundation. This paper summarizes some of the study's most salient findings.

* Greg J. Duncan is Distinguished Professor in the Department of Education at the University of California, Irvine. Richard J. Murnane is Thompson Professor of Education and Society at the Harvard Graduate School of Education.

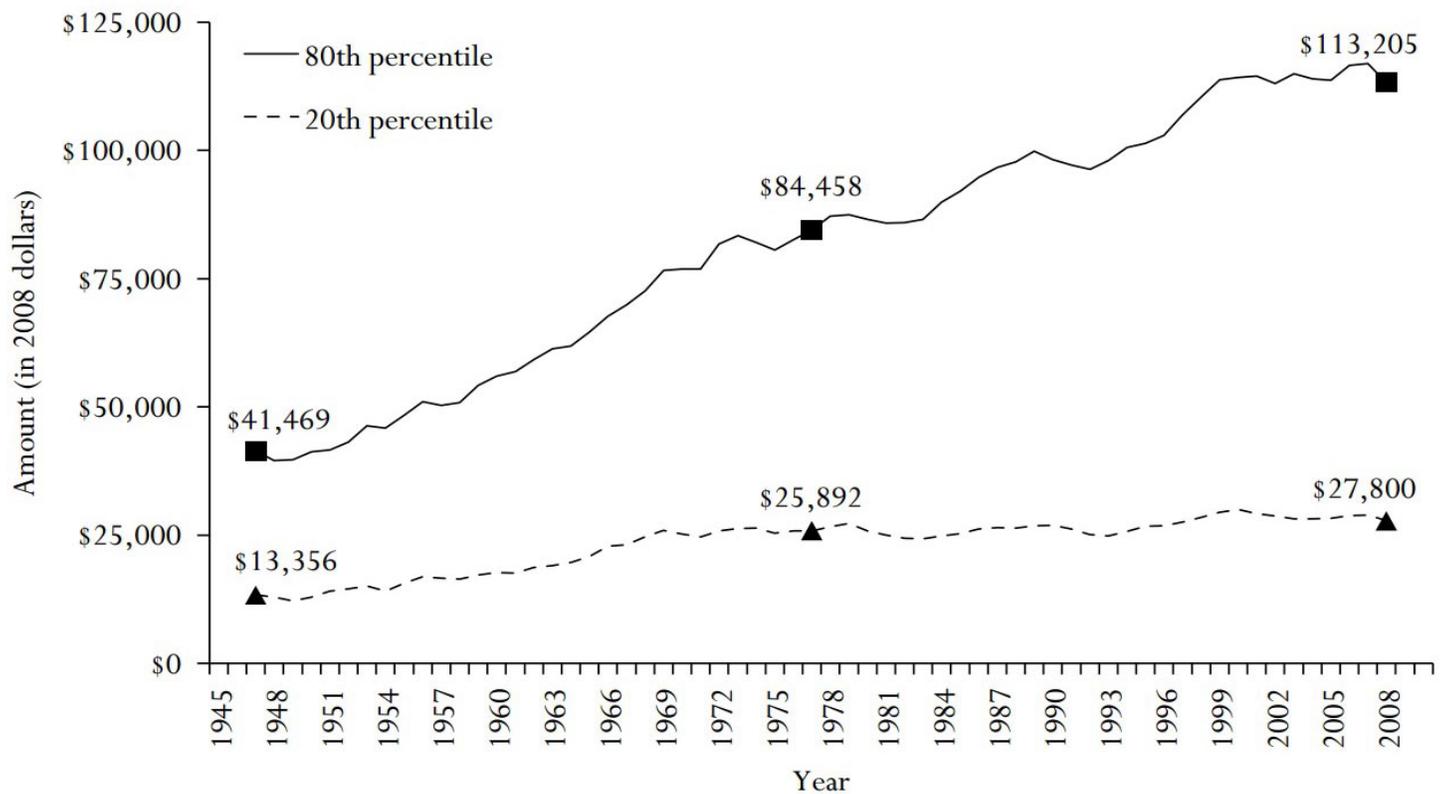
INCOME INEQUALITY AND CHILDREN'S ATTAINMENTS

Figure 1 shows the growing gap between the incomes of the nation's rich and poor families over the past 30 years. In 2009, the average inflation-adjusted income of families in the bottom 20 percent of the income distribution was only slightly higher than it was in 1977. In contrast, the incomes of families in the top 20 percent of the income distribution rose by more than one third over this period and the average

income of families in the top five percent of the distribution rose by 50 percent.

Figure 2, which is based on research by Sean Reardon (chapter 5), shows the academic achievement gap between children from rich and poor families. Between 1978 and 2008, the gap between the average mathematics test scores of children from high- and low-income families grew by a third (from 96 points on an SAT-type scale to 131 points in 2008). Given the importance of cognitive skills in determining educational success, it should come as no surprise that

Figure 1: High and Low Family Incomes, 1947 to 2008



Source: Authors' calculations based on U.S. Bureau of the Census (n.d.).

this growing test score gap has translated into a growing gap in completed schooling. Data compiled by Martha Bailey and Susan Dynarski (chapter 6) shows that the fraction of children raised in affluent families who completed college was 21 percentage points higher among children starting high school in the mid-1990s than among those starting school in the mid-1970s. In contrast, among children from low-income families, the graduation rate was only 4 percentage points higher for the later cohort than for the earlier one.

These growing gaps in educational attainment have translated into less educational mobility, particularly for men. Until about 1970, fewer than one in ten young adult men and women had completed less schooling than their parents. By the 1990s, more than 20 percent of men and almost as large a fraction of women had less education than their parents. Since education has been the dominant pathway to upward socio-economic mobility in the United States, the growing gap in educational attainment between children from rich and poor families is likely to result in increased income inequality in future generations and hinder the intergenerational socio-economic mobility that has been a source of pride for Americans.

The growth in the gap between the incomes

of the most affluent and poorest American families stems primarily from economic and demographic forces. The economic forces, which include computer-based technological changes, the globalization of trade, and the decline of labor unions, resulted in large declines in the earnings of American workers with no college credentials over the last three decades, during a period when the earnings of college graduates continued to increase. Chief among the demographic forces is the increase in the number of children growing up in single-parent families, particularly among children of parents who did not continue their education beyond high school.

FAMILIES

Differences in family life contribute to the growing gaps in educational outcomes between children growing up in high-income and low-income families. First, of course, is the growing gap in how much parents can spend on their children's development. In the early 1970s, the 20 percent of parents with the highest incomes spent approximately \$2,700 more per year (expressed in 2008 dollars) than bottom income quintile parents on goods and services aimed at enriching the experiences of

their children. In 2005-06, the corresponding inflation-adjusted difference in enrichment expenditures was \$7,500. Spending differences are largest for enrichment activities such as music lessons, travel, and summer camps. Differential access to such activities may explain the gaps in background knowledge between children from high-income families and those from low-income families that are so predictive of reading skills in the middle and high school years.

A second mechanism is time. High-income parents spend more time in literacy activities with their children than low-income parents. Most disparate is time spent in “novel” places – other than at home, school, or in the care of another parent or a day care provider. In her chapter, Meredith Phillips documents that between birth and age six, children from high-income families spend an average of 1,300 more hours in novel contexts than children from low-income families. Finally, economic insecurity and concerns about safety take a toll on the mental health of low-income parents, especially those living in high-crime neighborhoods. Depression and other forms of psychological distress profoundly affect parents’ interactions with their children.

Differences in income, in time, and in stress all contribute to differences in school readiness. On average, children from top quintile

families have much higher reading achievement than those from bottom quintile families, are more engaged in school, and exhibit fewer behavioral problems.

SCHOOLS

Historically, America has relied on its public schools to level the playing field for children born into different circumstances. However, all of the gaps in achievement and behavior between high-income and low-income children were larger in grade 5 than they were in kindergarten. George Farkas (chapter 4) shows that this pattern continues through high school.

Residential segregation by income, which increased during the 1980s, is one critical reason schools have not been able to level the playing field. Increased residential segregation by income has resulted in an increase in the segregation of children from low-income families into schools not attended by children from more affluent families. A consequence is that children from low-income families are much more likely to have classmates with low achievement and behavior problems than are children from more affluent families.

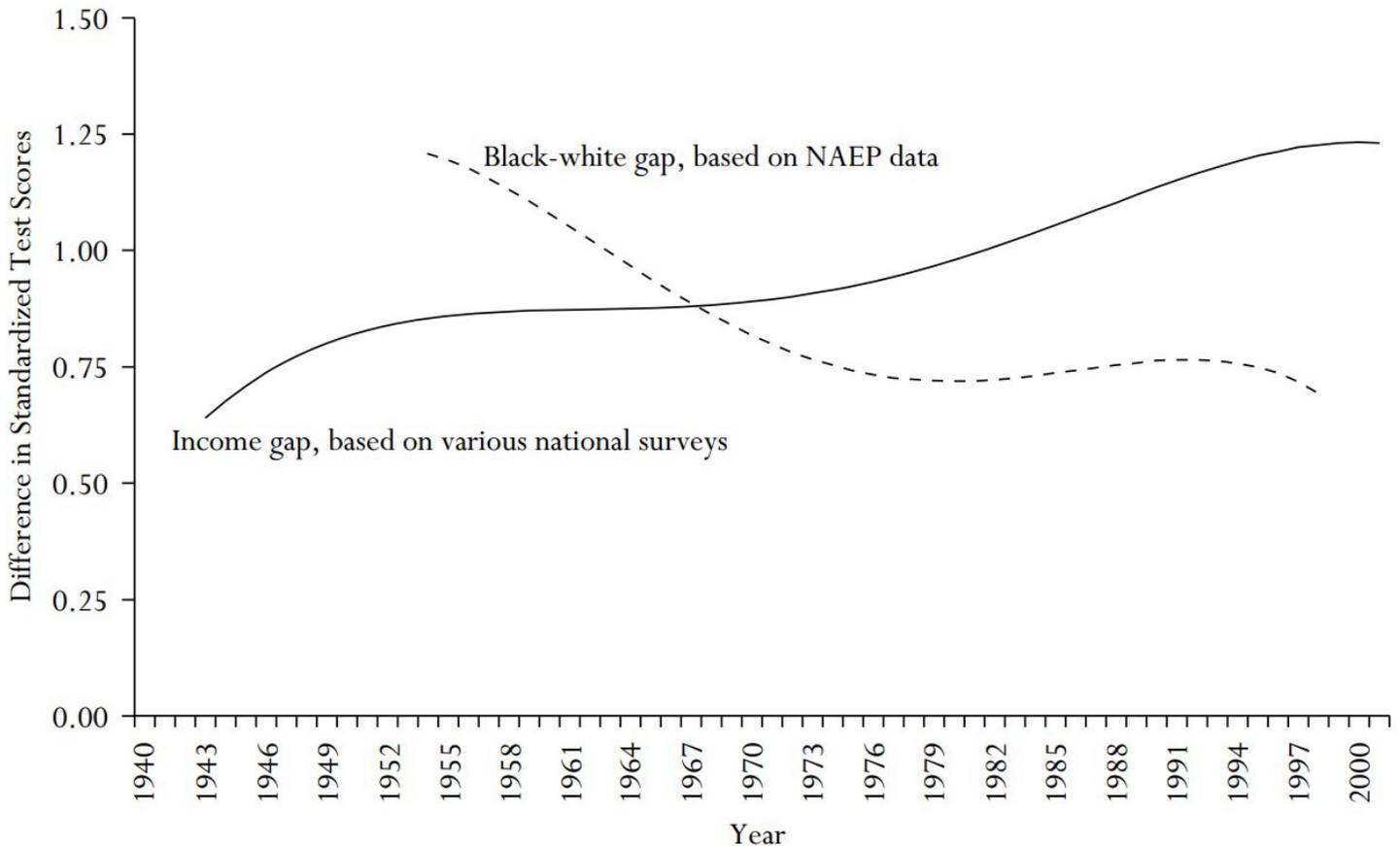
At least two kinds of peer effects hinder the effectiveness of schools serving high con-

centrations of low-income children. First, children with behavior problems reduce the achievement of their classmates. Second, as Stephen Raudenbush, Marshall Jean, and Emily Art document in chapter 17, urban families living in poverty move frequently, and as a result of school sorting by socioeconomic status, children from poor families are especially likely to attend schools with relatively high rates of new students arriving during the school year. Children attending elementary schools with considerable student mobility make less progress in mathematics than do children attending schools with a low level

of student mobility. Moreover, the negative effects apply to students who themselves are residentially stable as well as to those who are not. The likely mechanism is the disruption of instruction caused by the entry of new students into a class.

Teacher quality is another major factor contributing to the weak academic performance of students in high-poverty schools. Schools serving high concentrations of poor, non-white, and low-achieving students find it difficult to attract and retain skilled teachers. In their chapter, Donald Boyd and his colleagues (chapter 18) show that teachers also

Figure 2: Estimated Gaps in Reading Achievement Between High- and Low-Income and Black and White Students, by Birth Year



favor schools in neighborhoods with higher-income residents and less violent crime. The net result is that the nation's most economically disadvantaged children are much less likely than children from affluent families to be taught by skilled teachers. Moreover, the high rate at which teachers leave high poverty schools reduces the payoff to investments in improving teachers' skills and also hinders the coordination of instruction among teachers that characterizes effective schools.

POLICY RESPONSES

The papers in the volume identify several promising areas for policy interventions. As Charles Nelson III and Catherine Sheridan explain (chapter 2), improving the learning environments of poor children during the early years of life when developing brains are especially sensitive to external stimuli is especially important. Recent evidence about the effects of high-quality center-based child care and universal pre-K programs are promising. In contrast, Frank Furstenberg sees the track record of programs aimed at improving parenting skills as generally disappointing. One exception is the nurse home-visitation program, in which nurses pay repeated home visits to high-risk, first-time mothers.

Several chapters in the volume document that consistently high-quality schooling improves the life chances of children from low-income families. The authors agree that effective schools are characterized by an orderly and safe environment, an intense focus on improving instruction, frequent assessments of students' skills and rapid interventions as needed, and substantial increases in instructional time. Authors present evidence on whole school reform efforts and charter schools that have been effective in improving the achievement of low-income children. The chapters by Roland Fryer and his colleagues (chapter 23) and by Harry Brighthouse and Gina Schouten (chapter 24) provide differing judgments about the promise of particular system-level education policies for promoting and sustaining schools that serve low-income children well.

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In summary, as the incomes of affluent and poor American families have diverged over the past three decades, so too have the educational outcomes of the children in these families. Test score differences between rich and poor children are much larger now than thirty years ago, as are differences in rates of college attendance and college graduation. Only if our country finds a way to reverse these trends will it be able to maintain its rich

heritage of upward social mobility through educational opportunity.

ABOUT THE EDITORS

Greg J. Duncan is Distinguished Professor in the Department of Education at the University of California, Irvine. Richard J. Murnane is Thompson Professor of Education and Society at the Harvard Graduate School of Education.

BOOK CHAPTERS REFERENCED

Duncan, Greg J. and Richard J. Murnane. *Whither Opportunity? Rising Inequality, Schools, and Children's Life Chances.* Russell Sage Foundation. 2011.

Chapter 2, Charles A. Nelson III and Margaret A. Sheridan – Lessons from Neuroscience Research for Understanding Causal Links Between Family and Neighborhood Characteristics and Educational Outcomes

Chapter 3. Greg J. Duncan and Katherine Magnuson – The Nature and Impact of Early Achievement Skills, Attention Skills, and Behavior Problems

Chapter 4. George Farkas – Middle and High School Skills, Behaviors, Attitudes, and Curriculum Enrollment and Their Consequences

Chapter 5. Sean F. Reardon – The Widening Academic-Achievement Gap between the Rich and the Poor: New Evidence and Possible Explanations

Chapter 6. Martha A. Bailey and Susan M. Dynarski – Gains and Gaps: A Historical Perspective on Inequality in College Entry and Completion

Chapter 8. Michael Hout and Alexander Janus – Educational Mobility in the United States Since the 1930s

Chapter 10. Meredith Phillips – Parenting, Time Use, and Disparities in Academic Outcomes

Chapter 17. Stephen W. Raudenbush, Marshall Jean, and Emily Art – Year-by-Year and Cumulative Impacts of Attending a High-Mobility Elementary School on Children's Mathematics Achievement in Chicago, 1995–2005

Chapter 18. Don Boyd, Hank Lanford, Susanna Loeb, Matthew Ronfeldt, and Jim Wyckoff – The Effects of School Neighborhoods on Teacher Career Decisions

Chapter 23. Vilsa E. Curto, Roland G. Fryer, Jr., and Meghan L. Howard – It May Not Take a Village: Increasing Achievement Among the Poor

Chapter 24. Harry Brighouse and Gina Schouten – Understanding the Context for Existing Reform and Research Proposals