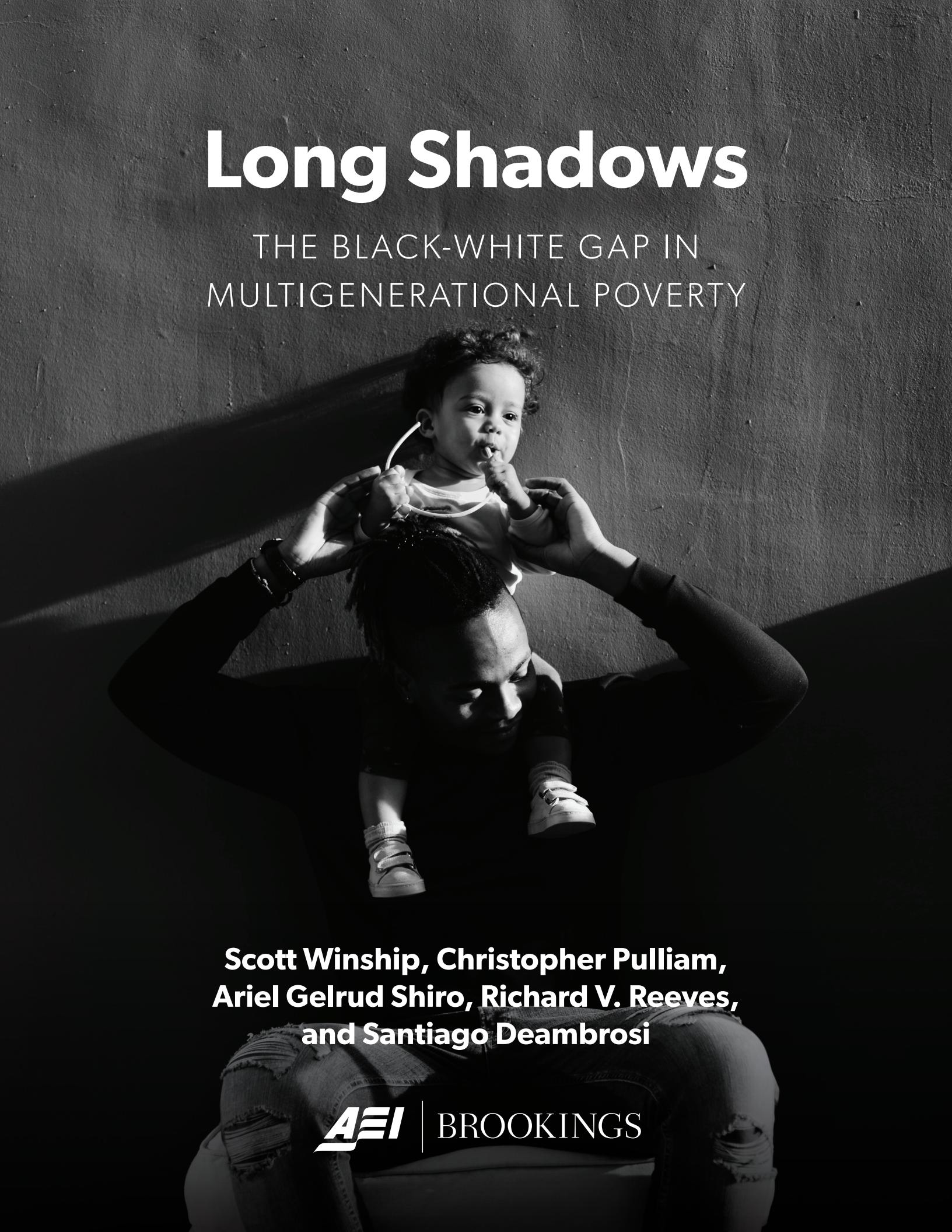
Long Shadows

THE BLACK-WHITE GAP IN MULTIGENERATIONAL POVERTY



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Executive Summary

Issues of racial inequality and injustice are center stage in America today—especially the position and treatment of Black Americans. This report presents evidence on long-term differences in opportunity by race. Previous research showed large racial gaps in poverty and mobility across two generations. We take a longer view, examining patterns of multigenerational poverty for Black and White Americans across three generations, drawing on data from the Panel Study of Income Dynamics.

We find that Black families are over 16 times more likely than White families are to experience three generations of poverty (defined as the bottom fifth of the income distribution). Three-generation poverty occurs among one in 100 Whites, but it describes the experience of one in five Black adults. Black Americans are 41 percent more likely to be in third-generation poverty than White adults are to be poor. The grandparents of Black adults had much lower incomes than the grandparents of their White counterparts had; this initial inequality has been compounded by lower rates of subsequent Black upward mobility out of poverty and by greater Black downward mobility.

These patterns mean that poor Black and White adults today have dramatically different family poverty trajectories. Half of Blacks in the bottom fifth of the income distribution have parents and grandparents who were also poor, compared to just 8 percent of poor Whites. We show that the longer the time frame, the starker the racial gaps. More than half a century since the civil rights victories of the 1960s, these racial gaps in poverty and opportunity remain a cause for national shame.

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THE BLACK-WHITE GAP IN MULTIGENERATIONAL POVERTY

By Scott Winship, Christopher Pulliam, Ariel Gelrud Shiro, Richard V. Reeves, and Santiago Deambrosi

Issues of Black-White inequality and racial injustice have taken center stage over the past year to a degree not seen for a generation. These issues cover a wide range of topics, touching on policing and criminal justice, labor market discrimination, educational opportunity, social capital inequalities, and the racial wealth gap.

In this report, we take a long view of economic inequality by race, showing the persistence of unequal opportunity for Black Americans across multiple generations. Recent research has highlighted stark disparities in mobility over two generations between Black and White Americans.[1] However, owing to data inadequacies, we know relatively little about Black-White gaps in mobility and poverty across three or more generations.

We address this gap in the literature by examining poverty (defined here as being in the bottom fifth of the family income distribution) across three generations in the United States using the Panel Study of Income Dynamics (PSID).[2] We find large Black-White gaps: Black Americans are over 16 times more likely to be in the third generation of poverty than non-Hispanic White Americans are.[3] We show that 21.3 percent of Black Americans are experiencing third-generation poverty today, compared to only 1.2 percent of Whites. Blacks are 41 percent more likely to be in third-generation poverty than Whites are to be poor. Half of poor Blacks today had a poor parent and grandparent, while just 8 percent of poor Whites did.

Previous Research

Our work relates to two existing areas of empirical research. The first focuses on racial gaps in income mobility across two generations. We briefly summarize this here. The second addresses the challenge of estimating mobility rates across three or more generations, which we discuss in more detail in the appendix. Several studies find large racial gaps in intergenerational mobility and poverty persistence.

Raj Chetty et al. use tax data linked with census data to estimate racial differences in intergenerational mobility for cohorts born in 1978–83.[4] They find that the relationship between the income rank of parents and adult children is similar for both Blacks and Whites. But they also find that conditional on parental income, adult Blacks' income is on average ranked 11 percentiles lower than Whites' income. Measured by individual income, Black Americans experience more downward mobility than Whites do. In terms of household income, they see more downward mobility *and* less upward mobility than White Americans do. These disparities are particularly large for men; Black men consistently experience less upward and more downward mobility than White men do.

Black-White gaps in intergenerational mobility are also found in studies drawing on survey data. Using the 1979 National Longitudinal Survey of Youth (NLSY79), Jonathan Davis and Bhashkar Mazumder, like Chetty et al., find that the rank-rank association

between parent and child incomes are the same but that at any given level of parental income, Blacks are ranked 13 percentiles lower.[5] Scott Winship, Richard V. Reeves, and Katherine Guyot, using the 1997 National Longitudinal Survey of Youth (NLSY97), find that Black-White disparities in upward mobility are concentrated among men when parental family income is compared to adult earnings.[6] But they find even larger disparities between Black and White women than between Black and White men when comparing the family incomes of parents and grown children. Studies using the PSID also find large Black-White mobility differences.[7]

Linking Social Security earnings data to the Survey of Income and Program Participation, Mazumder also finds a Black-White gap in relative intergenerational mobility.[8] William J. Collins and Marianne H. Wanamaker link individuals across censuses and use the 1962 and 1973 Occupational Changes in a Generation surveys and the NLSY79.[9] They consistently find that over the 20th century, Black sons did worse than White sons did in terms of occupational income conditional on fathers' occupational income. The link between fathers' and sons' occupational incomes was also consistently stronger among Blacks than among Whites.[10]

There is then a clear Black-White gap in intergenerational mobility. But what about over three or more generations? Here there is a dearth of evidence. Only Fabian T. Pfeffer and Alexandra Killewald, using the PSID, assess multigenerational patterns of racial inequality, focusing on wealth mobility, and find a Black-White gap in the transmission of *wealth* across three generations.[11] To our knowledge, no prior research considers Black-White differences in income mobility across three or more generations.

Data and Methods

We estimate the Black-White gap in multigenerational poverty using the PSID. To test these results' robustness, we also conduct similar analyses using the NLSY79 and NLSY97. These secondary analyses are described in the appendix.

Data and Sample Construction. The ideal dataset for estimating mobility over three generations would include a nationally representative sample of adults (whom we will denote "G3"), for whom we would observe all annual income received over their lives. It would include the same information for their parents ("G2") and their grandparents ("G1"). Such data, needless to say, do not exist. In the absence of this ideal dataset, we turn to the PSID, which began tracking a representative sample of Americans in 1968 and has since followed family members as they form their own households.[12] We start with a sample of G3 adults age 31–40 in 2019, the most recent wave of the survey available. We then link them to their G2 parents, whom we generally can observe in their 30s.

While we would ideally then link G2 parents to G1 grandparents observed at similar ages, this is not possible using the PSID, which began only in 1968. G3 adults in our sample were born between 1979 and 1988, 11–20 years after the survey started. A G2 parent who was 39 in 1979 would have been 28 in 1968 and not living at home, so we would not observe the G1 grandparent's income. On the other hand, a G2 parent who was 31 in 1988 would have been 11 in 1968. They would thus be observed in the data in 1968, but if the G1 grandparents were 31 in 1968, that would make them 20 when the G2 parent was born—hardly representative of the G1 grandparents of G2 parents who were 31 in 1988.

We address these issues by restricting the sample to G3 adults with G2 parents born no earlier than 1951, which makes the G2 parents no older than 17 in 1968 and likely to be living at home with a G1 grandparent. That means the oldest G3 adults are included in the sample only if they were born to a G2 parent age 28 or younger (in 1979), while the youngest G3 adults are included if they were born to a G2 parent age 37 or younger (in 1988). This restriction reduces the sample of White G3 adults by 19 percent and the sample of Black adults by 6 percent. Our final samples include 755 White three-generation families and 752 Black families. (See Appendix Tables A2 and A3 for descriptive statistics.)

Measuring Income and Mobility. Our analyses are based on family income rather than individual earnings. Family income is a more comprehensive measure of the resources available to adults and children than are individual earnings or income. Family income better describes the resources that confer advantage or disadvantage to children and is a broader indicator of the choice sets available to people pursuing their desired ends. Using family income also allows us to combine men and women, increasing our sample sizes.[13]

In the PSID, family income is aggregated from responses to multiple questions about income received from various sources, often separately for "family unit" reference persons, spouses or cohabiting partners, and other family unit members. Cohabiting partners of "family unit" reference persons are considered part of the family. Family income is pretax and includes government cash transfers. It does not include noncash transfers, the value of employer-provided fringe benefits, or refundable tax credits.

For every G3 adult age 31–40 in the 2019 PSID wave, we average across PSID waves all family incomes observed between age 30 and 39. The PSID has been conducted only every other year since 1997, and incomes are measured for the calendar year preceding the survey wave. As a result, a maximum of five years are averaged for any G3 adult (for those age 39 or 40 in 2019). For example, for a 40-year-old in 2019, we average incomes at age 31 (in 2010), 33 (in 2012), 35 (in 2014), 37 (in 2016), and 39 (in 2018). For 31-year-olds in the 2019 PSID, only family income at age 30 (in 2018) is taken.

For every G2 parent (or set of parents) matched to a G3 adult, we record the same-sex parent's family income (or the opposite-sex parent's, if necessary) for every available age between 30 and 39. We then average parents' incomes across these ages. These incomes may be taken from any survey wave since 1981. Finally, we average G1 grandparent incomes across the 1968–72 survey waves, which measure family income between 1967 and 1971. Grandparents were not necessarily between age 30 and 39 during these years. We link only one G2 parent in a couple to a G1 family—for instance, a wife to her parents. This prevents us from saying anything about the likelihood of having both paternal and maternal grandparents in poverty.

Before averaging incomes, we first adjust them for inflation using the personal consumption expenditures deflator, putting them in 2020 dollars. We adjust all incomes to account for the different needs of families of different sizes, following the widespread practice of dividing income by the square root of family size. Sensitivity checks using unadjusted income indicate the size adjustment is of negligible importance.

We group adulthood and childhood incomes into quintiles based on the multiyear averages described above. We define "poverty" as the bottom fifth of family income. In ranking incomes, we give ties the same percentile. We rank the income distributions for all three generations using only the subsample with income observed for all three generations. That is to say, the bottom fifth of G3 incomes is the bottom fifth among G3 members for whom we also observe G2 and G1 income. The bottom fifth would have a different threshold and include different people if it were defined without regard to whether incomes are observed in the earlier generations. The same is true of the ranking of G2 and G1 incomes.

While our mobility analyses are restricted to Blacks and non-Hispanic Whites, people outside these groups are included in the estimation of percentiles if they otherwise meet our sample restrictions. Our analyses focus on Blacks and non-Hispanic Whites because sample sizes are too small for other non-Hispanic groups, and interpreting multigenerational poverty estimates for Hispanics and Asians is complicated by the sizable increase in immigration over recent decades, which makes the sample of adults that can be linked back two generations unrepresentative of today's Hispanic and Asian populations.

Results

According to the Current Population Survey, 15 percent of Black adults age 30–39 were poor by the official poverty measure in 2019, compared with 6 percent of non-Hispanic Whites of the same age range.[14] If we

look instead at the share under 200 percent of the poverty line, the figures are 33 percent and 17 percent, respectively. Our analyses using the PSID indicate that when poverty is defined as being in the bottom fifth of adults in their 30s (averaging family income across multiple years), 42 percent of Blacks and 15 percent of Whites fall below the threshold.[15] While Blacks are 22 percent of the combined group of Blacks and Whites in our data (excluding other racial groups and non-Black Hispanics), they account for 44 percent of poor adults in their 30s.

There are three ways that racial gaps in poverty might persist over multiple generations. First, if the initial poverty rates of earlier generations are sufficiently large, then even if Blacks and Whites escape poverty at similar rates, Black poverty may remain more common over time. Second, even if Blacks did not have higher poverty rates in earlier generations, racial gaps in poverty might persist or widen if Black mobility out of poverty is lower than White mobility is. Third, even if Blacks have mobility rates out of poverty equal to Whites, racial gaps in poverty might persist or widen if Black downward mobility into poverty is higher than White downward mobility is. Our analysis reveals that all three issues are important drivers of our results.

We observe the grandparent incomes around 1970 of today's adults, not long after the historic advances of the civil rights movement in the mid-1960s. While only 9 percent of today's Whites age 30–39 had a grandparent in the bottom fifth of income, that was true of 59 percent of today's Black adults. Note that we can match adults to only one set of grandparents (through either the mother or the father, depending on which was included in the PSID in the initial survey wave). The share of adults with *at least* one grandparent in the bottom fifth would be higher for both Blacks and Whites, while the share with *both* paternal and maternal grandparents in the bottom fifth would be lower. Among all Black and White adults in their late 30s, two-thirds (65 percent) who had a poor grandparent are Black.

Similarly, there are large Black-White differences in the share of adults today whose parents were poor. Among Blacks, 55 percent had parents in the bottom fifth of family income, compared with 12 percent of Whites. Blacks make up over half (58 percent) of Black and White adults in their 30s who grew up poor.

This minimal progress in closing racial poverty gaps between the grandparent (G1) and parent (G2) generations is due to three factors. The first is the lower income among Black grandparents versus White grandparents. We have seen the racial gaps in the probability of a grandparent being in the bottom fifth. The disparities at the top are equally striking. Among Whites in the grandparent generation, 26 percent were in the top fifth. Of the 752 Black grandparents in our data, not one was in the top fifth of the PSID income distribution.

The second factor that kept the Black-White mobility gap wide is the lower upward mobility out of poverty among Black parents in the second generation. Conditional on being raised by a grandparent in the bottom fifth, 66 percent of White parents escaped the bottom fifth as adults. But that was true of only 37 percent of Black parents. Table 1 displays the "transition matrices" for White and Black G2 parents, respectively. Each (bolded) cell percentage gives the probability of ending up in a given G2 quintile, conditional on starting in a given G1 quintile. Within a G1 column, the percentages sum to 100 percent.

Finally, the third explanation for the persistent racial mobility gap is the greater downward mobility of Black parents. Among parents raised in the middle fifth, just 14 percent of Whites but 51 percent of Blacks fell to the bottom fifth.[16]

As a consequence of these different dynamics, Black adults today are over 11 times more likely than Whites are to have had both a parent and a grandparent in poverty. Just 3 percent of non-Hispanic Whites in their 30s come from such a background, compared with over a third (37 percent) of Blacks.

The poverty gap between Black and White parents is then exacerbated by racial gaps in mobility. Among today's adults raised in the bottom fifth, 56 percent of Whites have risen out of the bottom, but just 42 percent of Blacks have. (See Table 2.) At the same time, while just 13 percent of Whites raised in the middle fifth fall to the bottom fifth, 33 percent of Blacks do.[17]

Table 1. Intergenerational Mobility by Race, Parent (G2) Income Conditional on Grandparent (G1) Income

White

Parent Income Quintile (G2)	Grandparent Income Quintile (G1)				
	Bottom Quintile	**Second Quintile**	**Middle Quintile**	**Fourth Quintile**	**Top Quintile**
Bottom Quintile	**33.6%** (5.9) 23	**13.5%** (2.7) 23	**13.8%** (3.3) 17	**3.8%** (1.9) 5	**8.4%** (2.3) 14
Second Quintile	**33.1%** (5.9) 23	**29.3%** (4.2) 36	**22.1%** (3.4) 36	**19.5%** (2.9) 38	**8.2%** (2.2) 14
Middle Quintile	**15.5%** (4.8) 12	**30.9%** (4.0) 46	**29.4%** (3.9) 43	**25.3%** (3.3) 47	**11.2%** (2.3) 22
Fourth Quintile	**14.4%** (4.1) 12	**20.0%** (3.4) 32	**15.4%** (3.0) 26	**23.0%** (3.0) 47	**33.4%** (3.5) 64
Top Quintile	**3.5%** (2.0) 3	**6.3%** (1.9) 11	**19.3%** (3.2) 33	**28.4%** (3.4) 54	**38.8%** (3.7) 74
Total N	100% 73	100% 148	100% 155	100% 191	100% 188

Black

Parent Income Quintile (G2)	Grandparent Income Quintile (G1)				
	Bottom Quintile	**Second Quintile**	**Middle Quintile**	**Fourth Quintile**	**Top Quintile**
Bottom Quintile	**62.9%** (4.2) 263	**40.4%** (6.7) 96	**50.9%** (12.5) 16	**48.5%** (20.5) 4	—
Second Quintile	**13.5%** (2.9) 79	**21.8%** (4.5) 54	**9.4%** (5.2) 10	**2.3%** (2.5) 1	—
Middle Quintile	**9.5%** (2.2) 62	**9.9%** (2.4) 34	**32.7%** (11.4) 13	—	—
Fourth Quintile	**9.5%** (2.8) 36	**12.3%** (4.5) 22	**3.8%** (1.6) 8	**22.4%** (15.5) 2	—
Top Quintile	**4.6%** (1.3) 21	**15.6%** (7.1) 21	**3.3%** (1.8) 7	**26.8%** (16.5) 3	—
Total N	100% 461	100% 227	100% 54	100% 10	—

Note: Weighted probabilities are in bold, standard errors are in parentheses, and unweighted counts are in the third line of each cell. Dashed cells indicate no observations in the data.
Source: Authors' calculations using the Panel Study of Income Dynamics.

Table 2. Intergenerational Mobility by Race, Grown-Child (G3) Income Conditional on Parent (G2) Income

White

Grown-Child Income Quintile (G3)	Parent Income Quintile (G2)				
	Bottom Quintile	**Second Quintile**	**Middle Quintile**	**Fourth Quintile**	**Top Quintile**
Bottom Quintile	**43.7%** (5.9) 35	**21.4%** (3.6) 31	**12.8%** (2.6) 23	**9.3%** (2.3) 16	**2.9%** (1.2) 6
Second Quintile	**28.2%** (5.4) 23	**22.4%** (3.5) 34	**20.9%** (3.2) 38	**16.6%** (2.8) 31	**8.1%** (2.0) 16
Middle Quintile	**20.7%** (4.8) 17	**21.8%** (3.5) 32	**25.5%** (3.6) 41	**17.1%** (2.8) 32	**16.6%** (2.9) 30
Fourth Quintile	**7.4%** (2.8) 7	**22.0%** (3.6) 32	**25.8%** (3.5) 44	**23.3%** (3.2) 43	**28.4%** (3.5) 52
Top Quintile	—	**12.5%** (2.8) 18	**15.0%** (2.9) 24	**33.7%** (3.6) 59	**44.0%** (3.9) 71
Total N	100% 82	100% 147	100% 170	100% 181	100% 175

Black

Grown-Child Income Quintile (G3)	Parent Income Quintile (G2)				
	Bottom Quintile	**Second Quintile**	**Middle Quintile**	**Fourth Quintile**	**Top Quintile**
Bottom Quintile	**58.0%** (5.0) 211	**25.4%** (5.9) 42	**33.5%** (7.8) 39	**17.6%** (7.5) 19	**8.4%** (4.5) 7
Second Quintile	**21.7%** (4.1) 84	**37.0%** (8.0) 43	**19.4%** (5.2) 30	**32.8%** (9.3) 19	**11.5%** (5.1) 11
Middle Quintile	**13.2%** (3.7) 44	**17.7%** (4.7) 26	**18.0%** (7.8) 17	**25.8%** (11.9) 9	**30.0%** (15.3) 6
Fourth Quintile	**5.8%** (2.3) 32	**9.6%** (3.9) 17	**24.8%** (8.7) 18	**20.4%** (9.7) 15	**20.1%** (8.1) 19
Top Quintile	**1.4%** (0.6) 8	**10.4%** (4.2) 16	**4.3%** (2.5) 5	**3.4%** (1.6) 6	**30.0%** (15.4) 9
Total N	100% 379	100% 144	100% 109	100% 68	100% 52

Note: Weighted probabilities are in bold, standard errors are in parentheses, and unweighted counts are in the third line of each cell. Dashed cell indicates no observations in the data.
Source: Authors' calculations using the Panel Study of Income Dynamics.

Table 3. Intergenerational Mobility by Race, Grown-Child (G3) Income Conditional on Grandparent (G1) Income

White

Grown-Child Income Quintile (G3)	Grandparent Income Quintile (G1)				
	Bottom Quintile	**Second Quintile**	**Middle Quintile**	**Fourth Quintile**	**Top Quintile**
Bottom Quintile	**29.1%** (5.7) 21	**21.0%** (3.7) 29	**19.3%** (3.4) 28	**8.5%** (2.1) 16	**8.9%** (2.2) 17
Second Quintile	**22.8%** (5.0) 18	**25.8%** (3.8) 39	**20.7%** (3.4) 34	**15.7%** (2.7) 31	**11.2%** (2.5) 20
Middle Quintile	**17.1%** (4.6) 12	**24.2%** (3.6) 36	**22.3%** (3.6) 34	**20.9%** (3.2) 38	**16.2%** (2.7) 32
Fourth Quintile	**24.9%** (5.5) 18	**20.2%** (3.5) 30	**22.1%** (3.5) 34	**28.7%** (3.3) 57	**19.2%** (2.9) 39
Top Quintile	**6.1%** (3.0) 4	**8.8%** (2.4) 14	**15.5%** (2.9) 25	**26.3%** (3.3) 49	**44.5%** (3.8) 80
Total N	100% 73	100% 148	100% 155	100% 191	100% 188

Black

Grown-Child Income Quintile (G3)	Grandparent Income Quintile (G1)				
	Bottom Quintile	**Second Quintile**	**Middle Quintile**	**Fourth Quintile**	**Top Quintile**
Bottom Quintile	**43.8%** (4.4) 217	**37.0%** (6.6) 76	**57.9%** (12.2) 24	**1.7%** (1.8) 1	—
Second Quintile	**25.1%** (3.9) 117	**19.9%** (4.1) 55	**13.6%** (8.8) 10	**68.0%** (17.1) 5	—
Middle Quintile	**17.6%** (3.8) 59	**20.7%** (6.8) 38	**6.8%** (4.9) 4	**13.2%** (12.5) 1	—
Fourth Quintile	**10.1%** (2.9) 51	**12.0%** (2.9) 39	**17.9%** (9.7) 9	**4.8%** (4.1) 2	—
Top Quintile	**3.3%** (1.2) 17	**10.5%** (5.5) 19	**3.9%** (1.9) 7	**12.4%** (11.9) 1	—
Total N	100% 461	100% 227	100% 54	100% 10	—

Note: Weighted probabilities are in bold, standard errors are in parentheses, and unweighted counts are in the third line of each cell. Dashed cells indicate no observations in the data.
Source: Authors' calculations using the Panel Study of Income Dynamics.

These are improvements relative to the mobility experienced between the grandparent and parent generations, although not all the G3 adults in our sample have children, making the comparison somewhat inapt. When we restrict the G3 adults to those with children, the upward mobility rates out of poverty do not change much (58 percent for Whites vs. 44 percent for Blacks), but the rates of downward mobility from the middle fifth to the bottom fifth closely resemble those in the previous generation (13 percent and 51 percent).[18] This pattern is unlikely to be driven by higher G3 rates of single parenthood on the part of Black Americans, as the racial disparity in downward mobility appears as large for fathers as for mothers and is large for married mothers.

Putting together these two-generation transition matrices, it is apparent that the grandchildren of Blacks observed around 1970 have experienced worse mobility than their White counterparts have. Of Black adults whose grandparents were in the bottom fifth, 44 percent were in the bottom fifth themselves in their 30s. That was true of only 29 percent of Whites with grandparents in the bottom fifth. Nearly six in 10 Blacks (58 percent) with grandparents in the middle fifth fell to the bottom fifth (though this percentage is imprecisely estimated), compared with just 19 percent of Whites with middle-fifth grandparents. (See Table 3.)

After two generations of unequal upward mobility from grandparental homes with large racial disparities in income, Black and White adults thus have strikingly different experiences with multigenerational family poverty. Among today's Black adults age 30–39, 21.3 percent are in the bottom fifth for the third generation in a row, a family history nearly unknown to non-Hispanic Whites, among whom just 1.2 percent are in their third generation of poverty. Figure 1 shows the percentages of Black and White families that are in the bottom fifth of the distribution today, going back one generation to their parents and going back two generations to their grandparents.

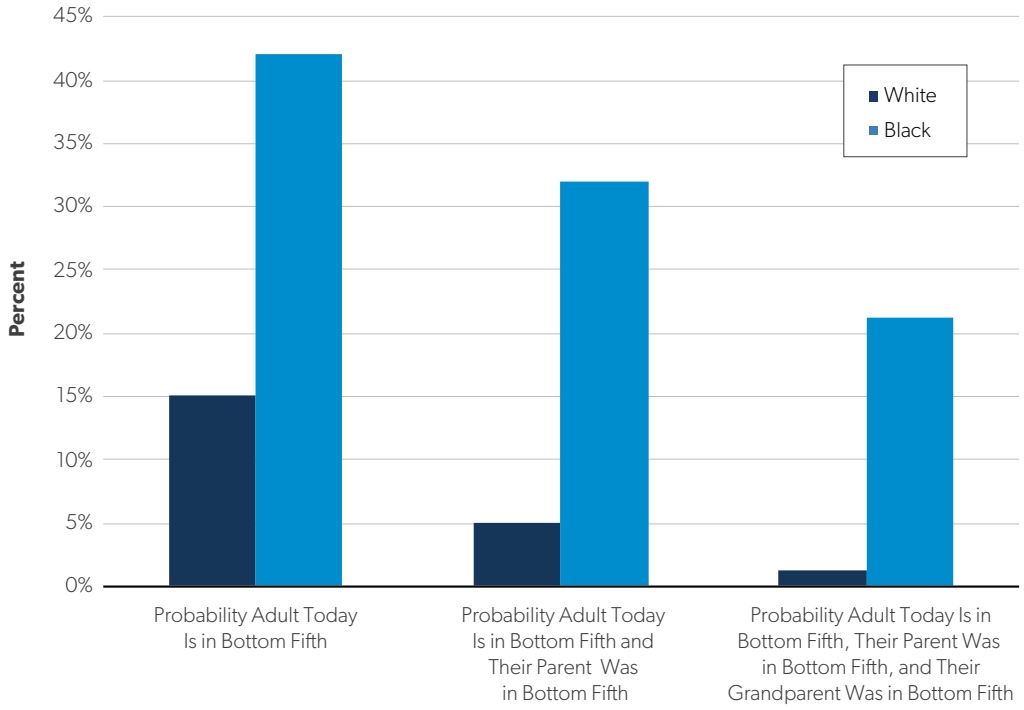
Another way to describe our results is to say that Blacks in their 30s are over 16 times more likely than Whites are to experience poverty for three generations in a row. Among all Black and White adults who are in their third generation of poverty, 83 percent are Black, and just 17 percent are White. Figure 2 portrays the racial composition of each group in the bottom fifth for one, two, and three generations.

These unequal family trajectories of multigenerational family poverty are hidden in most analyses, even when comparing poor Blacks and Whites. Among Black adults in the bottom fifth, 76 percent also grew up in the bottom fifth. But that is true of only 34 percent of White adults in the bottom fifth. Half of Black adults in the bottom fifth (51 percent) had both a parent and a grandparent in the bottom fifth, but only 8 percent of Whites in the bottom fifth had poor parents and grandparents. "Socioeconomic status" is captured only weakly in analyses of racial inequality that just account for adults' incomes (or even their childhood incomes).

Limitations. Our analytic strategy departs from what could be pursued with ideal data. Some of these departures are likely to bias our results in the direction of showing too much income mobility and, therefore, they likely bias the racial gaps we estimate downward. In particular, there is evidence that we may understate White upward mobility out of poverty between the G2 and G3 generations.[19] In the G1 and G3 generations, we average only up to five years of income, while G2 parents have up to 10 years. Research shows that even using 10-year averages for childhood income overstates intergenerational mobility relative to what true lifetime measures of income would show.[20] While classical measurement error in grown-child income does not bias intergenerational elasticity estimates of mobility, it further biases mobility estimates upward when parent and child incomes are transformed into ranks.[21]

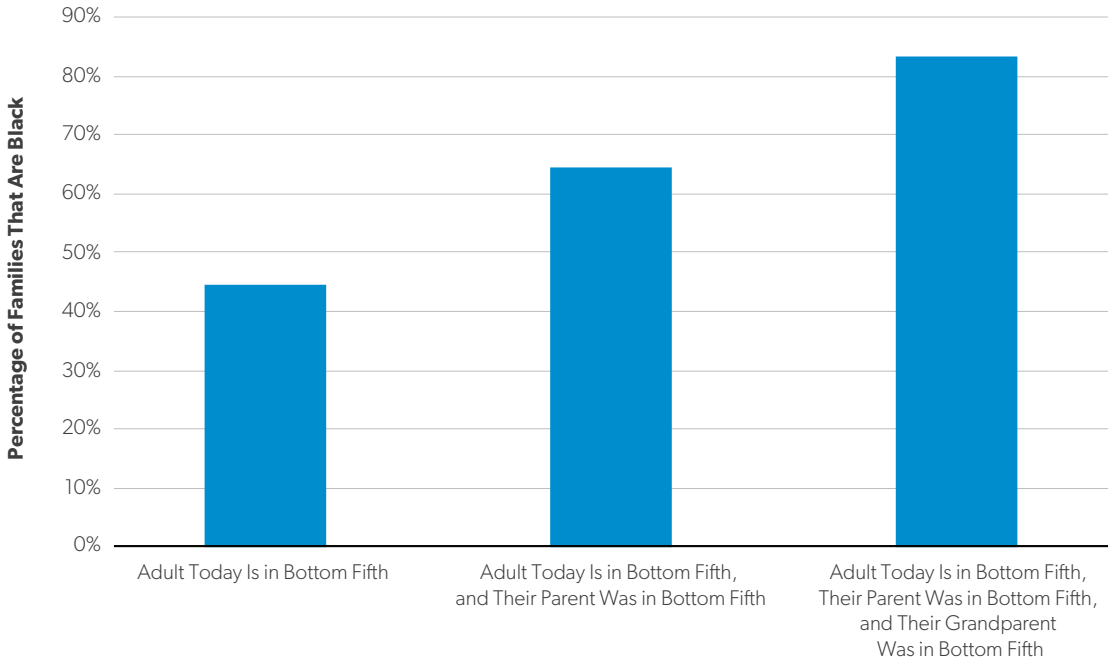
We also measure incomes for parents and adults between the ages of 30 and 39. (G1 income is measured over a wider variety of ages.) This could overstate mobility due to life cycle bias; the income of grown children measured at younger ages is less strongly correlated with lifetime income than is income measured nearer to peak income years.[22] People with longer periods of human capital investment have steeper age-income profiles once they complete schooling,

Figure 1. Poverty Persists Much Longer in Black Families Than in White Families



Source: Authors' calculations using PSID.

Figure 2. Black Families Are Overrepresented Among the Persistently Poor



Source: Authors' calculations using PSID.

and to the extent that higher parental incomes are associated with greater educational attainment, measuring grown-child incomes at earlier ages will overstate intergenerational mobility. The question of over which ages this life cycle bias is minimized is somewhat contested, but most analyses of Americans try to center incomes around age 40.[23] If we measured incomes at older ages, we might find less mobility than reported here and bigger racial gaps.

Our sample construction and our way of computing percentiles from our samples also may bias our mobility estimates upward. The sample begins with a nationally representative G3 cohort, but not all these adults may be linked to grandparents with observable income. We must restrict the range of ages of G2 sample members when their children were born to observe G1 grandparent incomes. That could overstate mobility. If, for instance, parental age at birth is positively associated with parental income and with grown-child income (conditional on parental income), then by truncating the sample to exclude older parents, we are attenuating the association between G2 and G3 income.

Furthermore, by computing income percentiles only after restricting our sample in this way, we may also overstate mobility. Multigenerational poverty may be less likely if "the bottom fifth" is defined as the bottom fifth of the G1 grandparents of relatively young G2 parents, the bottom fifth of those relatively young G2 parents, and the bottom fifth of their children than if it is defined as the bottom fifth of all the grandparents and parents of a representative group of G3 adults and the bottom fifth of those adults. The 20th percentiles of the restricted samples would be lower percentiles in the full-sample distributions. Escaping "poverty" in our analyses requires an income less than the full-distribution 20th percentile of income.

However, by excluding adults born to relatively older G2 parents (because we cannot observe G1 grandparent income), we may understate mobility out of poverty. If having older parents improves one's outcomes, conditional on parental income, then it may be that we disproportionately miss G3 adults who escape poverty. If the G2 parents who were older when their children were born were themselves better able to escape childhood poverty, then we may also understate upward mobility out of G1 poverty.

Because our PSID sample construction and our measurement choices depart from the ideal analysis with perfect data and to assess whether different data sources would tell the same story using the same methods, in the appendix we compare racial mobility gap estimates in the PSID with those from another data source: the two NLSY panels. Those comparisons address only some of our analyses' limitations. They also involve only two-generation mobility estimates, due to the NLSY data's limitations. But we find similar estimates using the two sources. This reinforces the results of our main analyses.

Conclusion

We address a major gap in the literature by estimating Black-White gaps in multigenerational income mobility for recent adult cohorts using panel survey data. We find a stark racial gap in the persistence of poverty across multiple generations. Fully 21.3 percent of Black adults between the ages of 30 and 39 are in the bottom fifth of the income distribution for the third generation in a row, whereas the same is true for only 1.2 percent of White adults. Among all Black and White adults who are in their third generation of poverty, 83 percent are Black.

Poor Black Americans have much longer familial experience with poverty than poor White Americans do, and nonpoor Black Americans are at greater risk of downward mobility into poverty than nonpoor White Americans are. (In future analyses, we hope to link the G1 grandparents in the PSID to great-grandparents in the 1940 census, using restricted data, and potentially link them to even earlier generations in earlier censuses.) For White Americans, inheriting poverty across multiple generations is rare. For Black Americans, it is common. This evidence is consistent with other research that finds that we have made far less progress narrowing inequality of opportunity between Blacks and Whites than many believe. For example, Patrick Sharkey found that among Americans born 1955–70, 62 percent of Blacks, but just

4 percent of Whites, grew up in neighborhoods where at least a fifth of residents were poor. Thirty years later, 66 percent of Black Americans born 1985–2000 grew up in such neighborhoods, compared with just 6 percent of White Americans.[24]

Increasing mobility and breaking cycles of poverty for all Americans are laudable and broadly popular goals. But our results point to the need to focus specifically on the persistence of Black poverty and the relative lack of Black upward mobility.[25] There is plenty of room for debate over the pros and cons of particular policies. But one thing seems clear: A race-blind approach will not be sufficient if it does not account for the multigenerational experience of poverty.

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Appendix

The appendix includes a literature review on multigenerational mobility, a comparison between the Panel Study of Income Dynamics (PSID) and National Longitudinal Survey of Youth (NLSY) data, and descriptive statistics from the PSID sample used in the report's analyses (Tables A2 and A3).

Previous Literature on Multigenerational Mobility

Intergenerational mobility, or the extent to which socioeconomic status is transferred across generations, has been an active literature in recent years.[26] For a long time, researchers focused on the single-generation transmission of status between parents and children. With many of the methodological and data issues that plagued early studies on mobility now worked out, the research has increasingly turned to estimating multigenerational mobility, exploring the connection of socioeconomic outcomes to not only parental resources but also those of grandparents and earlier ancestors.[27]

The multigenerational mobility literature has been concerned with the once-canonical assumption of a Markovian process in the intergenerational transfer of socioeconomic status. Famously, Gary S. Becker and Nigel Tomes asserted:

> Practically all the advantages or disadvantages of ancestors tend to disappear in only three generations: "from shirtsleeves to shirtsleeves in three generations." Parents in such "open" societies have little effect on the earnings of grandchildren and later descendants.[28]

In other words, the correlation in socioeconomic status between grandparents and grandchildren is zero, conditional on parents' socioeconomic status. Equivalently, intergenerational mobility follows a first-order auto-regressive, or AR(1), process in which the impact of older generations declines geometrically. Under this assumption, all the grandparent influence on grandchild outcomes is expressed through grandparent influence on parent outcomes. However, most research over the past decade has found at least some evidence that grandparent status is correlated with grandchild status, even apart from its mediation through parent status.[29]

Some studies attempt to link the same people across government censuses and surveys so they may be observed as adults and in their parents' homes and so their parents may be observed in the grandparents' homes when young.[30] Studies of American mobility that rely on this strategy are generally limited to using censuses for which individual records have been made publicly available. Because census records become public only after 72 years, these studies run only through the 1940 census, which was the first to collect income information. It is not possible to identify individual slaves in the pre-emancipation censuses, and women generally took their husbands' surnames upon marriage, making it impossible to link all but single women. Therefore, many analyses focus on White men.

Recent research efforts at the US Census Bureau have created elaborate linked datasets involving the early censuses and more recent cross-sectional surveys and administrative data. These datasets, however, are not widely available for public use. Further, since the linking algorithms are inexact, they can lead to nonrepresentative samples, and the matching process can create systematic measurement error.[31]

Other studies leverage the fact that first names and surnames are correlated with socioeconomic status, and they rely on a two-sample, two-stage least squares strategy to impute parent, grandparent, or older-ancestor status to observed adults.[32] For example, adults with the last name "Garcia" in one census are assigned the average educational attainment of parents named Garcia in an earlier census that corresponds to when these adults were children. Grandparent educational attainment may then be assigned

similarly. Alternatively, some measure of status may be available by surname many generations earlier, and a correlation between the status of ancestors with a given surname and an adult with the same surname implies that status persists across generations more than the AR(1) model would predict.

These studies create new opportunities to consider multigenerational mobility when there is no hope of linking individual records across multiple datasets. However, the association between the average status of a name a generation earlier and the observed status of adults with the name is not the same thing as the association between the statuses of parents and children. While in both cases, the intergenerational association reflects the influence of factors outside of individual families—such as neighborhood or regional influences or ethnic culture—the name-based association weights these extrafamilial factors more heavily. If the importance of those factors changes across generations, then "grandparents" may look more or less important when using the name-based strategy than would be the case if family members could be directly linked. The potential biases in estimates produced using the name-based strategy also differ from those produced using ordinary least squares regression and individual-level data.[33]

Other studies rely on surveys in which respondents report their status and those of their children, parents, grandparents, or some combination.[34] These studies obviously require that respondents be able to report the statuses of other family members accurately. They are also less interpretable to the extent that the status measure is not stable over adulthood. (Income, for instance, is very different measured earlier in adulthood than later.) Therefore, these studies have tended to rely on educational attainment or occupation as the outcome. Educational attainment in particular tends not to change after early adulthood, and respondents often know the amount of schooling other family members have received. In contrast, income tends to change predictably with the life cycle, and it may not be well reported by other family members.

Much rarer are studies using surveys that directly measure the status of three or more generations. Florian R. Hertel and Olaf Groh-Samberg use the PSID and a similar German dataset to track occupational mobility over three generations.[35] The sample sizes involved are relatively small, and the three-generation sample that is available disproportionately consists of grandchildren born to relatively young parents (since not all the grandchildren who will be observable in adulthood are observable as of the latest wave of data). Fabian T. Pfeffer and Alexandra Killewald use the PSID to assess wealth mobility over three generations. In both studies, there are potential issues related to selective attrition over the nearly 50 years of the survey.[36]

Adrian Adermon, Mikael Lindahl, and Mårten Palme use administrative data from Sweden that covers the entire population from 1968 to 2019 and allows them to measure multigenerational persistence rates for educational attainment, lifetime family income, and occupation across four generations. They measure human capital outcomes for extended family members (siblings, cousins, and spouses) in the parents' generation and compare them to child outcomes. The authors find that simple parent-child estimates understate persistence when compared to estimates using extended family outcomes.[37] Pablo Celhay and Sebastián Gallegos use a Chilean survey that concurrently interviewed the parents and children of a sample of adults to assess educational mobility.[38] This strategy is feasible only for stable measures of status.

Few of these studies examine recent generations of Americans. None of those that do include estimates of intergenerational income mobility, and none focus on the persistence of poverty or low socioeconomic status. Finally, only Pfeffer and Killewald consider Black-White differences in multigenerational (wealth) mobility.[39]

Comparison of PSID and NLSY Estimates

As noted in this report, our PSID sample's construction is nonideal in several respects. The sample is censored on parental age at birth for the G3 generation. Incomes are measured at varying ages between 30 and

39 for both the G2 and G3 generations and at even more widely varying ages for the G1 generation. As a robustness check, we used two panels of the NLSY to produce G1–G2 and G2–G3 transition matrices and compared them against results from the PSID.

The NLSY panels are independent samples, so we cannot link three generations directly, unlike in the PSID. The design of the two NLSY panels allows us to observe (in both panels) G2 parents with similar-age G3 children around the same time in the mid-1990s. In these secondary analyses, we compare the NLSY results against PSID estimates when we treat the latter as if we could not average multiple years of income and could not directly link adults to grandparents.

In the 1997 panel (NLSY97), the youth were age 12–16 at the end of 1996, making them age 32–36 at the end of 2016 (the most recent year for which data are available). The initial survey round, which occurred in 1997 and 1998, recorded parental income received in 1996.

The 1979 (NLSY79) sample members were age 14–21 at the end of 1978, so at the end of 1996, they were 32–39 years old. Of this group, the parents of 12- to 16-year-olds were relatively young when their children were born. (The oldest was 27 years old, subtracting 12 from 39.) Most of the oldest members of the sample were not living at home when the NLSY79 began, so we cannot observe the G1 income of their parents. If we confine the sample to G2 youth who were age 14–17 at the end of 1978 (nearly all of whom lived at home), then the 1996 parents of 12- to 16-year-olds were age 32–35 at the end of the year and were age 16–23 when their children were born.

Thus, we can construct comparable NLSY97 and NLSY79 samples that also have the benefit of measuring G3 and G2 incomes at similar ages. We use the NLSY97 sample of 32- to 36-year-olds when their (G3) income is observed in 2016 but restrict it to sample members whose mother or father was age 32–35 at the end of 1996 (when their G2 income is observed and when sample youth were age 12–16). These G2 parents were age 16–23 when G3 children were born. We use the NLSY79 sample members who were age 32–35 at the end of 1996, had children age 11–16, and were thus age 16–24 when the children were born. Because there is no survey wave in the NLSY79 that captures 1996 income, we take 1995 income as recorded in the 1996 survey, which was received when sample members were age 31–34.

We observe the G1 incomes of *their* parents in 1978 in the NLSY79, when the sample members were age 14–17 and when their parents were age 28–78. The marginal income distribution for the G2 population is similar in both our NLSY97 and NLSY79 samples, providing reassurance that we are capturing the same population equally well in both panels.

The NLSY analyses do not average multiple income observations but rather rely only on a single year of income for each person in each generation. Not only do income questions change in the initial waves of each panel (when most youths are living at home), but parental income is not measured once a youth moves out of the home. Unlike in the PSID analyses in this report, incomes are measured in the same year in each generation (1978, 1995, or 2016). Compared with the PSID analyses, the G2 generation is observed at home over a narrower range of ages, and the age range at which the G2 generation had children is narrower. The analyses track a more similar group over time: the children born to adjacent birth cohorts who had their children within a relatively narrow age range. The same data limitations that necessitate such a sample restriction also account for the more recently measured G1 incomes—observed in 1978 rather than roughly a decade earlier in the PSID.

Like the PSID, the NLSY panels also include oversamples of Blacks, facilitating our analyses of racial gaps. In both the NLSY79 and NLSY97, "Black" refers to non-Hispanic Blacks, while "White" refers to non-Black non-Hispanics. Therefore, "White" actually includes Asian Americans, Pacific Islanders, Native Americans, and Aleutian Eskimos. We exclude the small number of "mixed-race" respondents in the NLSY97, and we exclude Hispanics in all analyses. (However, Hispanics and mixed-race respondents are included for computing percentiles.)

As in the PSID analyses, family incomes are based on aggregations of amounts received from various sources and are measured before taxes, excluding noncash transfers and employer fringe benefits.

In the NLSY79, both the G1 and G2 incomes are for families and exclude income from cohabiting romantic partners. In the NLSY97, the G2 income measure includes the income of all household members (including not only cohabiting partners but also roommates and the like). The distributions of "family" income for the G2 generation are similar in both samples, despite these distinctions. The NLSY97 G3 family income measure includes income from cohabiters but not from other household members.

In the NLSY79, we adjust incomes for family size as in the PSID analyses; in the NLSY97, they are adjusted for household size. Our sensitivity checks indicate these adjustments are inconsequential for our conclusions.

The smaller samples in the NLSY panels require using terciles rather than quintiles when we build our transition matrices. We define "poverty" in these analyses as having family income in the bottom third. While the PSID matrices are restricted to adults with three generations of income data, the NLSY matrices from the two panels are restricted only to adults with two generations of data. As in the PSID analyses, we include Hispanics and non-Hispanic non-Whites in constructing the matrices, but we focus only on non-Hispanic Whites and Blacks in the results.

To compare our NLSY results against PSID estimates, we modify the PSID income measures used in this report. Rather than using multiyear averages of family income, we use single-year incomes. For the G3 family income, we use the income in 2018 of adults observed in the 2019 PSID wave between the ages of 31 and 40. For G2 family income, we take the income of parents at the same age as the G3 adult's family income. That is, if G3 family income is measured at age 35, we try to measure G2 family income at age 35. If unavailable, we try to measure it at age 34, all the way to age 30. If both a father and mother are observable, parental age refers to the older parent. The G2 sample is still restricted on age at the child's birth in the same way as in this report. For G1 family income, we use the 1967 income measured in the 1968 PSID wave.

We size adjust these family incomes and create terciles for each generation, restricted to families with income observed in all three generations, as in the report. Thus, the PSID estimates in this appendix differ little from those in the report, except that they are not based on multiyear income averages and "poverty" is defined as being in the bottom third rather than the bottom fifth.

Table A1 shows the results of this NLSY-PSID comparison for key metrics in the report. The estimates for non-Hispanic Whites are all within 3 percentage points in the two datasets, with an important exception. Conditional on a White person growing up in the bottom third, they are more likely to remain in the bottom third in the PSID than in the NLSY. This is true for both the G2 and G3 generations.

Blacks consistently have worse outcomes in the PSID sample than in the NLSY samples, especially for the G3 and G2 generations. Comparing the share of each group that is Black (combining Blacks and Whites), the PSID shares are similar to the NLSY shares. Black G3 adults are a slightly smaller share of the PSID sample than of the NLSY sample. When using the relative population shares of White and Black G3 members and recomputing the share of each group that is Black, the PSID results look even more like the NLSY results—never more than 5 percentage points different.

If we could assume that there were no association between G1 grandparent incomes and G3 adult incomes after conditioning on G2 parent incomes, we could estimate the share of Blacks and Whites in three generations of poverty in the NLSY. Doing so indicates that 1 percent of White adults have experienced three generations of being in the bottom third, compared with 13 percent of Black adults. If we use the same approach in the PSID (this time estimating percentiles and transition matrices for two generations without regard to whether income is observed in the third generation and ignoring that we can link G3 adults to G1 grandparents), we obtain estimates of 1 and 21 percent. (It is just coincidence that these are the same as the headline estimates in the report using quintiles.) If we instead estimate percentiles and transition matrices only for people with three generations of income data and directly link grandparents to grandchildren to assess three-generation

poverty, the estimates are 4 percent and 35 percent. That these are higher than when we assume no grandparent effects shows that grandparent effects on persistent poverty are important above and beyond grandparent effects on parent poverty.

Descriptive Statistics for Main PSID Analyses

Tables A2 and A3 report descriptive statistics for the PSID samples in the report's main analyses. Table A2 includes information on ages at which incomes are measured and the number of income observations averaged, by generation and race. Table A3 displays information on quintile thresholds and income within each quintile, by generation and race.

Table A1. Comparison of Poverty and Mobility Outcomes in the PSID and NLSY

	PSID				NLSY		
	White	Black	% Black	% Black (Using NLSY Distribution)	White	Black	% Black
Adults Today	66	19	22	25	64	22	25
Probability Adult Today Is in Bottom Third of Income Distribution	27	59	38	42	28	48	37
Probability Parent Was in Bottom Third of Income Distribution	26	62	41	45	24	51	41
Probability Adult Today Is in Bottom Third and Their Parent Was in Bottom Third of Income Distribution	12	43	50	55	9	31	53
Probability Adult Today Is in Bottom Third, Conditional on Having a Parent in Bottom Third of Income Distribution	50	64	47	52	38	61	53
Probability Grandparent Was in Bottom Third of Income Distribution	21	74	49	54	23	71	51
Probability Parent Was in Bottom Third of Income Distribution, Conditional on Having a Grandparent in Bottom Third of Income Distribution	43	64	59	64	33	59	65
Probability Parent Was in Bottom Third of Income Distribution and Grandparent Was in Bottom Third of Income Distribution	8	49	62	67	8	42	65

Note: The "White" and "Black" columns display the share of Whites and Blacks in each dataset (PSID or NLSY) among all adults in our sample ("Adults Today" row) or the share of Whites and Blacks experiencing different family poverty outcomes. The "% Black" columns display the Black share (of the combined group of Whites and Blacks) for each row. The "% Black (Using NLSY Distribution)" column shows the Black share in the PSID for each row if the NLSY racial distribution is used instead of the PSID racial distribution.
Source: Authors' calculations using the PSID, NLSY79, and NLSY97.

Table A2. PSID Sample Descriptive Statistics: Age When Income Is Measured and Number of Income Observations Averaged

	White				Black			
	Mean	Standard Deviation	Minimum	Maximum	Mean	Standard Deviation	Minimum	Maximum
Children's (G3) Average Age (When Income Observed)	32.5	1.5	30.0	36.5	32.6	1.7	30.0	39.0
Parent's (G2) Average Age (When Income Observed)	34.2	0.8	30.0	38.0	34.0	0.8	30.0	39.0
Grandparent's (G1) Age (in 1968)	37.4	7.6	15.0	59.0	33.8	8.8	15.0	56.0
Children's (G3) Average Number of Income Observations	2.8	1.4	1	6	2.7	1.4	1	6
Parent's (G2) Average Number of Income Observations	8.0	2.0	1	10	7.1	2.0	1	10
Grandparent's (G1) Average Number of Income Observations	4.9	0.3	2	5	4.7	0.7	1	5

Notes: The mean in row one is the mean across G3 children of the average child age across a child's income observations. The mean in row two is the mean across G3 children of the average parental age across a parent's income observations. For each observation at each age, the G2 parent is the same-sex parent of the G3 child if observed at that age, or the opposite-sex parent otherwise. The G2 parent may be the father at some ages when parental income is measured but the mother at other ages. The mean in row three is the mean across G3 children of the grandparent's age in 1968. This is the grandmother's age (maternal or paternal) if available, or else the grandfather's age. Rows four through six report on the number of income observations averaged to produce the "income" measure for children, parents, and grandparents.
Source: Authors' calculations using PSID data.

Table A3. PSID Sample Descriptive Statistics: Age When Income Is Measured and Number of Income Observations Averaged

	Threshold	Combined Median	White Median	Black Median
Grown-Child (G3) Income		**$91,085**	**$100,851**	**$57,438**
Top Quintile		$222,174	$222,587	$177,275
Fourth Quintile	$151,989	$125,403	$125,901	$121,909
Middle Quintile	$106,174	$91,232	$93,141	$86,459
Second Quintile	$78,125	$64,331	$64,331	$64,843
Bottom Quintile	$47,667	$33,454	$35,122	$32,188
Parent (G2) Income		**$67,874**	**$74,019**	**$35,523**
Top Quintile		$130,093	$135,412	$111,910
Fourth Quintile	$104,542	$92,073	$92,988	$87,255
Middle Quintile	$77,894	$68,341	$68,087	$70,022
Second Quintile	$58,842	$48,587	$48,478	$48,743
Bottom Quintile	$38,213	$25,965	$28,717	$23,120
Grandparent (G1) Income		**$51,453**	**$61,832**	**$25,458**
Top Quintile		$110,716	$110,716	—
Fourth Quintile	$85,126	$68,785	$68,674	$70,208
Middle Quintile	$61,832	$51,344	$51,867	$47,885
Second Quintile	$44,680	$35,545	$35,723	$34,184
Bottom Quintile	$27,635	$19,109	$19,109	$19,413

Note: Estimates are family-of-four equivalents. The quintiles are based on size-adjusted income, in which family income is divided by the square root of family size. The table reports income amounts that are multiplied by two (which is the square root of four) to make them easier to interpret. All estimates are in 2020 dollars, adjusted using the personal consumption expenditures deflator. Dashed cell indicates no observations in the data.
Source: Authors' calculations using PSID data.

Notes

1. Raj Chetty et al., "Race and Economic Opportunity in the United States: An Intergenerational Perspective," *Quarterly Journal of Economics* 135, no. 2 (May 2020): 711–83, https://academic.oup.com/qje/article/135/2/711/5687353; Scott Winship, Richard V. Reeves, and Katherine Guyot, *The Inheritance of Black Poverty: It's All About the Men*, Brookings Institution, March 22, 2018, https://www.brookings.edu/research/the-inheritance-of-black-poverty-its-all-about-the-men/; and Jonathan M. V. Davis and Bhashkar Mazumder, "Racial and Ethnic Differences in the Geography of Intergenerational Mobility" (working paper, Social Science Research Network, Rochester, NY, July 7, 2020), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3138979.

2. In secondary analyses, reported in the appendix, we also use two National Longitudinal Survey of Youth (NLSY) panels, which both link two generations. We use them to produce two-generation poverty estimates comparing adults and their parents and comparing the parent generation to their parents. We show that the Panel Study of Income Dynamics (PSID) and NLSY panels produce similar two-generation poverty estimates, reinforcing the three-generation estimates in the PSID.

3. From this point on, "White" refers to non-Hispanic Whites (those who selected "White" as their first choice in the PSID in 2019, possibly also selecting other non-Black categories, and who did not indicate they were Hispanic), while "Black" refers to anyone choosing "Black" in the PSID among up to four responses they could give (including those who indicated they were Hispanic). If there is no response available in 2019, we look to earlier waves of the PSID.

4. Chetty et al., "Race and Economic Opportunity in the United States."

5. Davis and Mazumder, "Racial and Ethnic Differences in the Geography of Intergenerational Mobility." See also Depom Bhattacharya and Bhashkar Mazumder, "A Nonparametric Analysis of Black-White Differences in Intergenerational Income Mobility in the United States," *Quantitative Economics* 2, no. 3 (November 2011): 335–79, https://doi.org/10.3982/QE69.

6. Winship, Reeves, and Guyot, *The Inheritance of Black Poverty*.

7. Tom Hertz, "Rags, Riches, and Race: The Intergenerational Economic Mobility of Black and White Families in the United States," in *Unequal Chances: Family Background and Economic Success*, ed. Samuel Bowles, Herbert Gintis, and Melissa Osborne Groves (Princeton, NJ: Princeton University Press, 2005); Tom Hertz, "A Group-Specific Measure of Intergenerational Persistence," *Economic Letters* 100, no. 3 (September 2008): 415–17, https://www.sciencedirect.com/science/article/abs/pii/S0165176508000918; Julia B. Isaacs, Isabel V. Sawhill, and Ron Haskins, *Getting Ahead or Losing Ground: Economic Mobility in America*, Brookings Institution, February 20, 2008, https://www.brookings.edu/research/getting-ahead-or-losing-ground-economic-mobility-in-america/; Patrick Sharkey, *Neighborhoods and the Black-White Mobility Gap*, Pew Charitable Trusts, Economic Mobility Project, July 2009, https://www.pewtrusts.org/~/media/legacy/uploadedfiles/wwwpewtrustsorg/reports/economic_mobility/pewsharkeyv12pdf.pdf; and Gregory Acs, Diana Elliott, and Emma Kalish, *What Would Substantially Increased Mobility from Poverty Look Like?*, Urban Institute and US Partnership on Mobility from Poverty, July 2016, https://www.urban.org/sites/default/files/publication/82811/2000871-What-Would-Substantially-Increased-Mobility-from-Poverty-Look-Like.pdf.

8. Bhashkar Mazumder, "Black-White Differences in Intergenerational Economic Mobility in the United States," *Economic Perspectives* 38, no. 1 (2014), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2434178#.

9. William J. Collins and Marianne H. Wanamaker, "African American Intergenerational Economic Mobility Since 1880" (working paper, National Bureau of Economic Research, Cambridge, MA, May 2017), https://www.nber.org/papers/w23395.

10. For historical estimates of Black-White mobility gaps, see also Zachary Ward, "Intergenerational Mobility in American History: Accounting for Race and Measurement Error" (working paper, February 2020), https://drive.google.com/file/d/1Nw0RMU9OdBa6yll2Fa7-0UIMXB7f8NdN/view.

11. Fabian T. Pfeffer and Alexandra Killewald, "Generations of Advantage. Multigenerational Correlations in Family Wealth," *Social Forces* 96, no. 4 (June 2018): 1411–42, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6296851/.

12. In addition to the PSID subsample that was chosen in 1968 to be nationally representative, we use the disadvantaged subsample also selected at the start of the PSID (the Survey of Economic Opportunity sample), which significantly increases the number of Blacks

available for analysis. We use sample weights to keep the data nationally representative and confirm that our weighted sample's racial distribution closely matches that in the 2019 American Community Survey.

13. Intergenerational mobility can differ between men and women when family or household income is the resource measure used, because of the different experiences of single men and women and differential effects of growing up with a single parent. But such differences pale in comparison with measures of mobility based on individual earnings, given sizable differences in labor force participation and earnings between men and women.

14. "Black" means Black alone or in combination with other races. Estimates were computed from the 2020 Annual Social and Economic Supplement to the Current Population Survey, using IPUMS Online Data Analysis System, website, https://cps.ipums.org/cps/sda.shtml.

15. This is consistent with past research. For instance, Winship, Reeves, and Guyot report in a supplemental spreadsheet that 37 percent of Black men in their early 30s and 46 percent of Black women were in the bottom fifth of size-adjusted family income. The figures for non-Black non-Hispanic men were 13 percent and 16 percent. These estimates are from the NLSY97 data, which we also analyze in the appendix. See the dataset at Winship, Reeves, and Guyot, *The Inheritance of Black Poverty*, https://www.brookings.edu/wp-content/uploads/2018/03/es_20180322_inheritance-of-poverty-results.xlsx.

16. Note that the standard error is large for the Black mobility estimate.

17. It is difficult to compare these estimates against other research. Most PSID studies use samples that more closely resemble our G1 and G2 samples, in which we report upward mobility rates out of the bottom fifth of 66 percent for Whites and 37 percent for Blacks. Isaacs, Sawhill, and Haskins estimate rates of 69 percent for Whites and 46 percent for Blacks. Sharkey finds rates of 59 and 25 percent. Acs, Elliott, and Kalish report rates of 74 percent and 36 percent. Using the NLSY79, Winship, Reeves, and Guyot report upward mobility rates out of the bottom fifth of 71–74 percent for White men and 66–70 percent for White women, compared with 54–57 percent for Black men and 38–41 percent for Black women. For a comparison of more recent cohorts, while we find that 56 percent of Whites and 42 percent of Blacks rise out of the bottom fifth, Winship, Reeves, and Guyot, using the NLSY97, report rates of 72–73 percent for White men and 62–67 percent for White women and of 50–53 percent for Black men and 35–38 percent for Black women. As we show in Table A1, the discrepancy between our G2–G3 upward mobility rates and those in the NLSY97 recur when we try to make our PSID sample more comparable to the NLSY97 using thirds rather than quintiles. In terms of downward mobility from the middle to the bottom fifth, Isaacs, Sawhill, and Haskins estimate rates of 16 percent for Whites and 45 percent for Blacks. Using the NLSY79, Winship, Reeves, and Guyot find rates of 10–13 percent for White men and 16–20 percent for White women, versus 32–43 percent for Black men and 30–34 percent for Black women. In the NLSY97, they find downward mobility rates of 14–18 percent for White men, 13–14 percent for White women, and rates of 24–32 percent for Black men, and 30–33 percent for Black men and women. Isaacs, Sawhill, and Haskins, *Getting Ahead or Losing Ground*; Sharkey, *Neighborhoods and the Black-White Mobility Gap*; Acs, Elliott, and Kalish, *What Would Substantially Increased Mobility from Poverty Look Like?*; and Winship, Reeves, and Guyot, *The Inheritance of Black Poverty*.

18. The standard errors are 3.0 for Whites and 9.5 for Blacks.

19. See endnote 17 and the appendix.

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