



LOO Update

Changing Opportunity

Chetty's new study: what it means for Charlotte and what's next

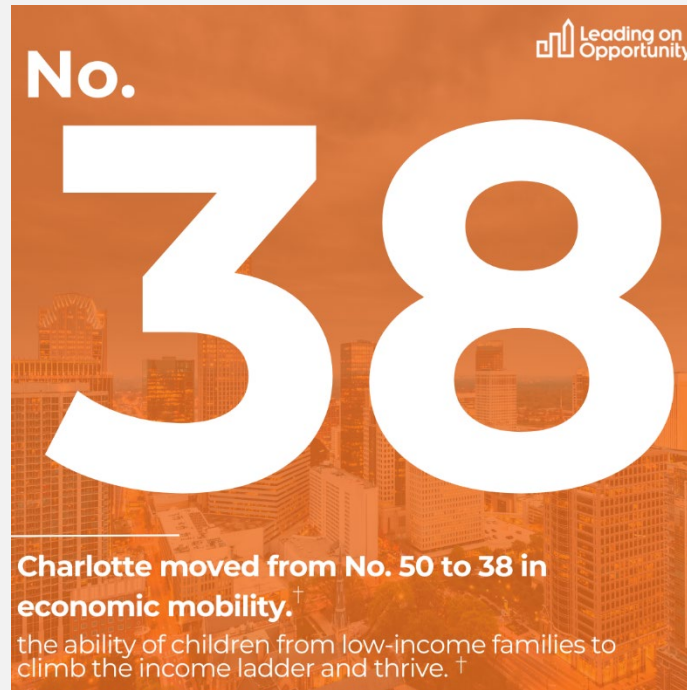
Agenda

An overview of Chetty's new study and what it means for Charlotte

- The headlines you need to know
- New data and Chetty's findings
- Where does Charlotte-Mecklenburg stack up?
- What's driving these changes?
- What does this mean for programs and policy?



We're no longer in last place



No. 38

Leading on Opportunity

Charlotte moved from No. 50 to 38 in economic mobility.[†]
the ability of children from low-income families to climb the income ladder and thrive.[†]

This infographic features a background of a city skyline in shades of orange and red. The number '38' is prominently displayed in white. The 'Leading on Opportunity' logo is in the top right corner.



No. 3

Leading on Opportunity

Charlotte is ranked No. 3 out of 50 on economic mobility progress, moving upward faster than peer cities.

This infographic features a background of a city skyline in shades of blue. The number '3' is prominently displayed in white. The 'Leading on Opportunity' logo is in the top right corner.



Mecklenburg County

Leading on Opportunity

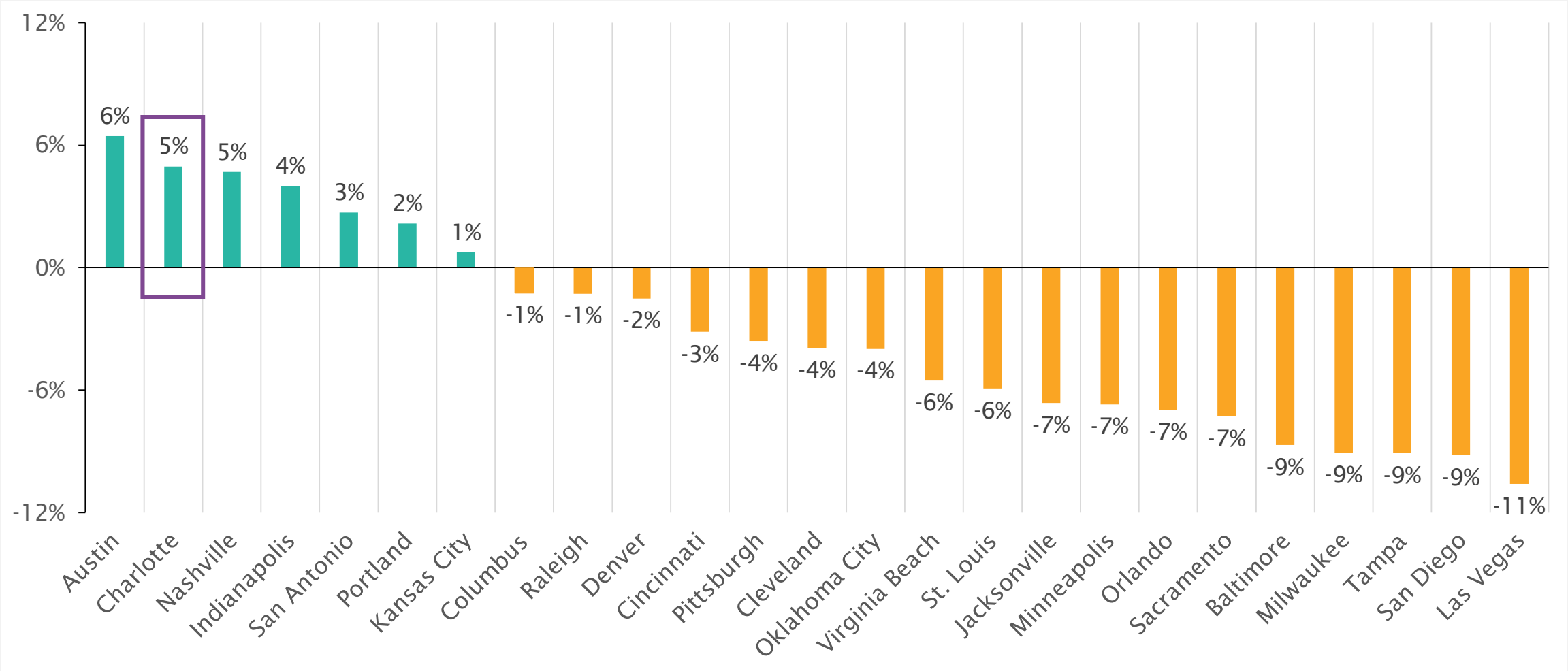
is the only county in the country where low-income white children experienced no decline in economic mobility.

This infographic features a background of a city skyline in shades of green. The text 'Mecklenburg County' is in large white font. Below it, a smaller white text describes the county's achievement. A crown icon is at the bottom right. The 'Leading on Opportunity' logo is in the top right corner.



Changes in Upward Mobility in the United States

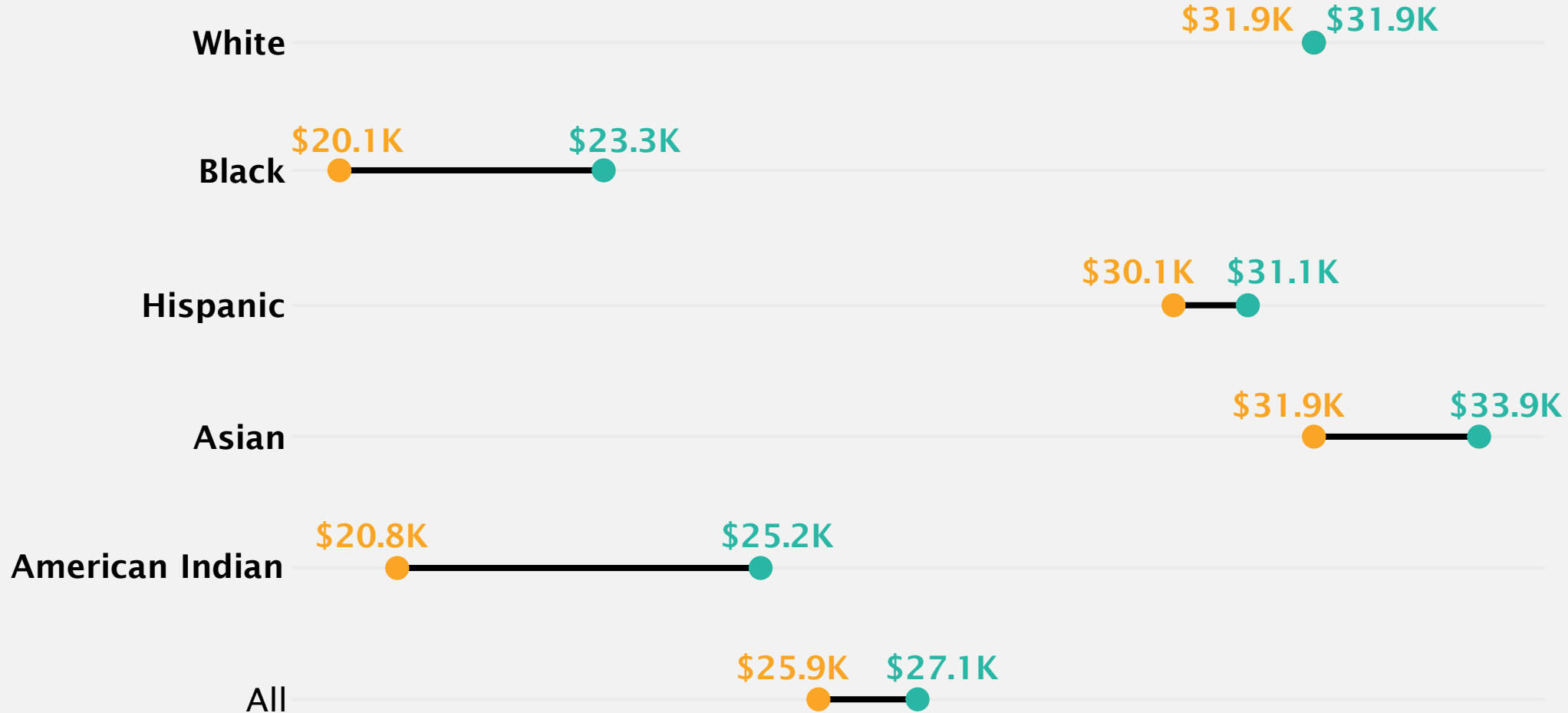
Average Change in Household Income at Age 27 for Children born in 1978 vs. 1992 to Low-Income Parents



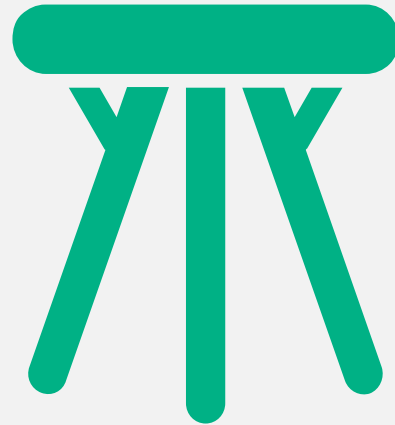
Trends in Economic Mobility by Group in Charlotte

Average Change in Household Income at Age 27 for Children born in 1978 vs. 1992 to Low-Income Parents

● Born in 1978 ● Born in 1992



Why have we improved?



Public-Private
Partnerships

Nonprofit
Navigation

Expanding
Economy



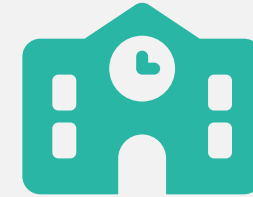
Why Does Growing Up in a Community With Higher Parental Employment Improve Outcomes?

Social Interaction



Higher parental employment improves children's outcomes via social interactions (job referrals, aspirations)

Economic Resources



Higher parental employment increases financial resources at community level (schools, local programs)

Chetty tests between these explanations by exploiting differences in **friendship patterns** across groups to find **social interaction** is the primary driver of outcomes.



Implications for Increasing Opportunity Going Forward

Focus on Childhood Environment



Provide opportunity-rich environments from birth to adulthood

Social Communities as Unit of Change



Target communities that have historically lacked opportunity

Invest in Social Capital



Connect those who don't have opportunity to those who do





Policy



Chetty's recommendations for local policy

Rec #1

Increase connections between communities.

Promote policies to reduce segregation or foster cross-class and race interaction in schools & neighborhoods.

- **Mecklenburg County:** Brooklyn Village development
- **City of Charlotte:** 2040 Plan & Unified Development Ordinance
- **Support MWBE's**

Brooklyn Village
Workforce Housing
Incorporate a park

2040 Plan
Inclusive and Diverse
Livable and Connected

Prosperous and Innovative
(support small biz)
Support small and local businesses
and help all businesses thrive in a
way that also increases upward
mobility.



Chetty's recommendations for local policy (cont'd)

Rec #2

Prioritize two-generational approaches to workforce development for communities.

- **Mecklenburg County: MeckSuccess**
 - Provides case management
 - Coordination services to assist families in achieving greater levels of economic mobility, family stability, and overall wellness.
 - Pilot program embedded at an Inlivan property

Rec #3

Combine financial resources with social support and connections.

Eg: Provide housing navigators, connections to employers or college counselors

- **Freedom Communities**
- **Circle de Luz**
- **Communities in Schools**



Chetty's recommendations for local policy (cont'd)

Rec #4

Invest to turn high-poverty housing projects into mixed income communities change children's lives

- Meck County Community Resource Centers
- Microprocurement/Unbundle contracts to help MWBE firms

Rec #5

Sectoral job training programs

- Target disadvantaged communities
- Combine technical skills with connections to
- Provide pathways to opportunity for those already in the workforce.





Social Capital



Social capital is a key driver of economic mobility

- Chetty (2022, 2024) has highlighted social capital as the **most important factor** in increasing economic mobility.
- His definition focuses on three aspects of social capital
- **Residents of the region prioritized social capital in the Opportunity Compass before Chetty!**

1. Economic Connectedness

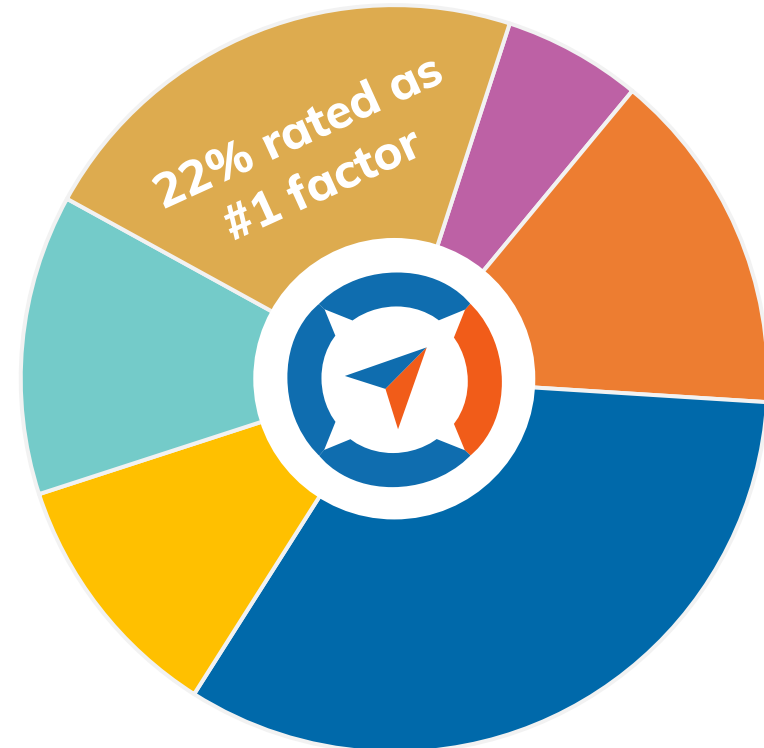
Degree of high socioeconomic friends among low socioeconomic individuals (think of cross-class connections)

2. Cohesiveness

Measures how "cliquey" or open one's networks and friend circles are (think of your own friend-circles)

3. Civic Engagement

Measurement of participation in civic organizations



Social capital is all about relationships

At Leading on Opportunity, we define social capital as...

- **A person's ability to access information resources, support, or opportunity through their social network.**
- Contributing to a person's Social Capital might involve efforts to...
 - Build more tightly-knit communities
 - Increase knowledge and resource sharing within neighborhoods
 - Offer opportunities to learn about culture, art, and economics
- In the context of economic mobility, **an intervention or program that strengthens bonds between members of different socio-economic groups is especially powerful.**
 - These bonds need to be meaningful enough to translate into resources, support, or opportunity
 - *Think... could this relationship translate into an introduction to a friend? Referral to a job in my company? Help with a flat tire? ... has it?*

Social Capital and Work Force Development

Workforce Force Development programs:

- Focus on soft and hard skills required to attain and retain employment.
- Do not prepare **employers** to effectively serve these individuals once they begin work.
- Do not increase cross class or cultural connections.

What if employers provided navigation/wrap-around support to employees who face obstacles?

Navigation Is a Proxy for Social Capital

- Ex: Raydal Hospitality (Sabor's restaurant group), Mecklenburg County and Red Ventures have committed to supporting employees to improve retention and employee wellness and are *seeing positive results*.
- Support includes: food stability, housing assistance, child care assistance, healthcare, transportation assistance, family counseling services, career coaching, financial stipend during training, high school completion classes, language support, financial literacy, tuition reimbursement, and mental health.

Employers can be leaders in social capital

Key Question: How might employers be market leaders in creating effective and innovative social capital policies at work? Here are a few workforce development examples:

- *What would it look like to remove requirements for cost-prohibitive signaling credentials (e.g., college degrees) in hiring?*
- *Could our companies provide navigators for employees experiencing barriers to work? What about training managers in trauma-informed practices?*
- *What would it look like to foster cross-class connections between city departments?*

Next steps

How can you get engaged in the work from here?

- **Partnership to pass city bonds:** LOO serves on campaign committee
- **Opportunity Compass 2.0:** The next version of the Compass launches in 2025.
- **Other stakeholders:** Where else can we share the new Chetty data?



Questions?
Thank You!