



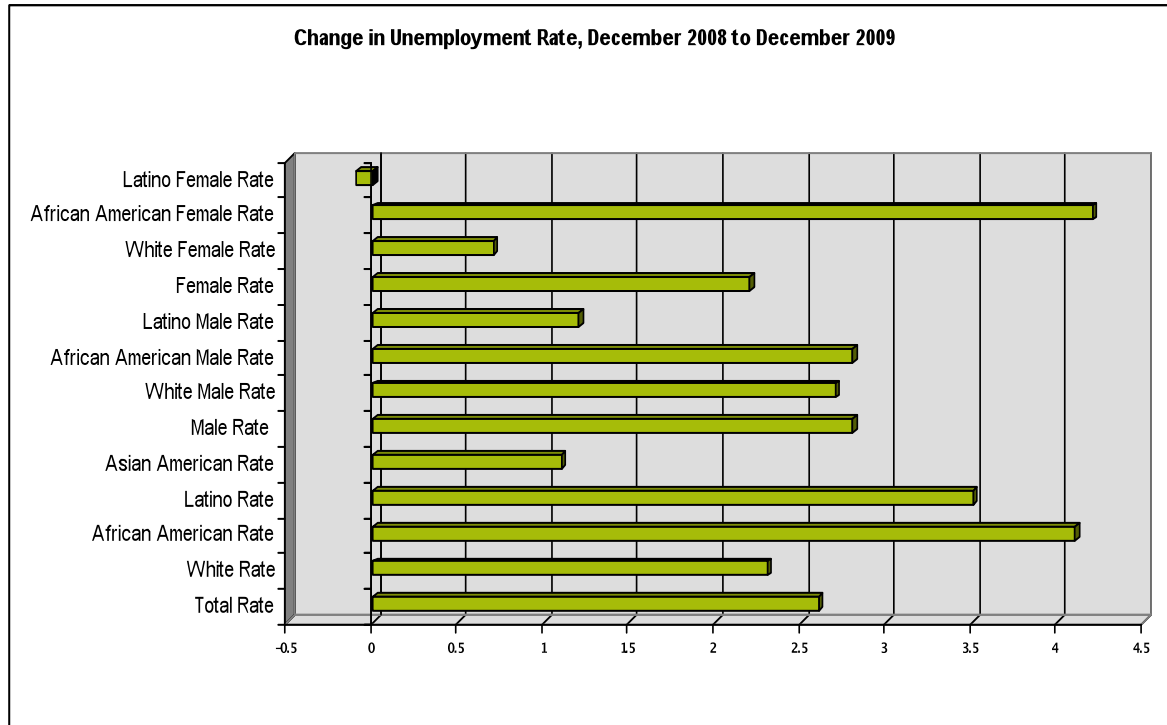
The State of Opportunity: Measuring Equality in the Economic Downturn

The State of Opportunity in America is a national assessment of our country's progress in achieving opportunity for all. Analysis of government data calls for a focus on the relationship between greater and more equal opportunity—the American ideals that everyone deserves a fair chance to achieve his or her full potential, and that what we look like and where we come from should not determine the benefits or burdens that we bear in society. The full report is available online at www.opportunityagenda.org/stateofopportunity.

Findings:

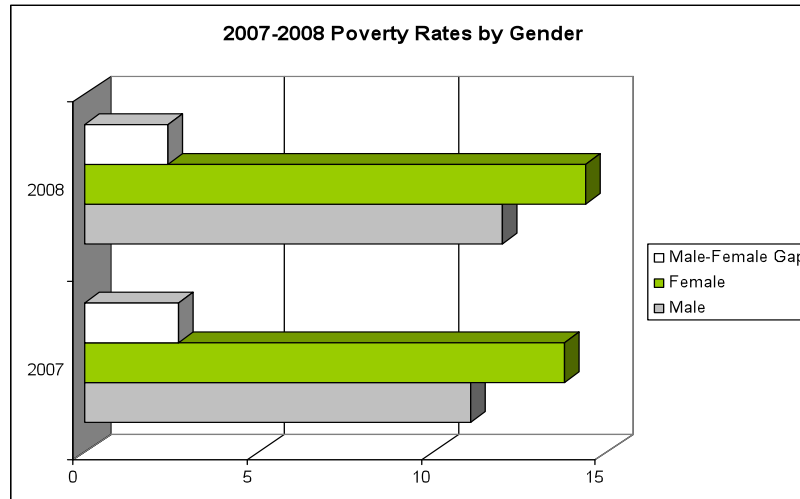
Updated equality indicators show striking changes from last year, and a disconnect between overall opportunity numbers and the barriers to opportunity facing women and people of color. For example:

- While the overall unemployment rate increased 2.6%, from 7.4% in December 2008 to 10% in 2009, the increase in unemployment was *significantly higher* for African Americans and Latinos. African American unemployment increased 4.1%, from 12.1% to 16.2%, and Latino unemployment increased 3.5%, from 9.4% to 12.9%.¹





- Paradoxically, many other opportunity indicators showed *greater* equality than in past years, even as overall opportunity *declined* for Americans as a whole:
 - At the end of 2008, women, with a poverty rate of 14.4%, were 20% more likely than men, with a poverty rate of 12%, to live in poverty. Yet, this staggering gap is actually an improvement from 2007, when women were 24% more likely than men to live in poverty.²



- Racial and ethnic gaps in educational attainment, a key tool in surviving an economic downturn, persisted in 2008. African American young people were 55% as likely as white young people to have obtained a bachelor's degree, and Latino young people were 33.3% as likely as white young people to have obtained a bachelor's degree.³ These numbers are largely unchanged from 2007.

The increases in equality of opportunity, where they occurred, were due largely to a decrease in overall opportunity, and the fact that men or white Americans experienced a larger decline in those indicators than did women and people of color. In short, overall opportunity and equality of opportunity are independent variables that demand independent and simultaneous attention if the national economy is to recover and shared prosperity is to be achieved.

Closing opportunity gaps while preventing overall opportunity declines would significantly improve the overall economy. For example:

- Closing the gap between white and Latino employment, for example, would result in 875,000 jobs, while closing the gender gap in poverty would move 3.75 million Americans out of poverty and have a ripple effect on family members and future generations.



Recommendations:

Despite the complexity of the data, analysis of the indicators has clear implications for national policy. The Opportunity Agenda's recommendations include:

- **That federal, state, and local governments apply a dual lens of greater and more equal opportunity to their economic recovery efforts, including using an Opportunity Impact Statement⁴** requirement to prioritize, select, and evaluate current and planned public investment in transportation, urban development, green energy, and other priorities. Making equitable job creation, living wages, small business development, and economic security explicit criteria in existing publicly subsidized programs is a cost-neutral approach to promoting opportunity for all.
- **Government, corporations, and civil society should prioritize initiatives that close opportunity gaps while expanding opportunity for all**, including childcare tax credits and subsidies, community clinics in underserved neighborhoods, need-based student scholarships over loans, and anti-predatory lending enforcement.
- **American corporations, and particularly those receiving public funds, should analyze their labor and other practices to maximize direct and indirect creation of living wage jobs on an equal opportunity basis.**
- **The U.S. Department of Justice, Labor Department, and Equal Employment Opportunity Commission should identify and investigate private and public employers that have persistently underemployed or underserved women and people of color, particularly those receiving Recovery Act, TARP, or other federal funding.**
- **The Administration should collect, analyze, and report the nation's progress in expanding opportunity across the indicators identified in *The State of Opportunity in America*, including equality of opportunity for different American populations.** These indicators should become part of American Recovery and Reinvestment Act evaluation, and federal reporting on the state of opportunity should be among the first applications of 2010 Census data.

The Opportunity Agenda urges lawmakers, journalists, and civil society groups to use *The State of Opportunity in America's* indicators to investigate and evaluate economic recovery efforts, and to craft public and private policy efforts toward full and lasting national prosperity. Additional information on The Opportunity Agenda and *The State of Opportunity in America* can be obtained at www.opportunityagenda.org.

¹ <http://www.bls.gov/news.release/empsit.toc.htm>

² <http://opportunityagenda.org/stateofopportunity/indicators/equality#poverty> or U.S. Bureau of the Census, Current Population Survey, Annual Social and Economic Supplement, "Historical Poverty Tables – People," Table 7, available at <http://www.census.gov/hhes/www/poverty/histpov/perindex.html>.

³ <http://opportunityagenda.org/stateofopportunity/indicators/equality#education> or National Center on Education Statistics, *Digest of Education Statistics, 2007 and 2008*, Table 9, available at http://nces.ed.gov/programs/digest/d07/tables/dt07_009.asp and <http://nces.ed.gov/pubs2009/2009020.pdf>.

⁴ http://opportunityagenda.org/files/field_file/The%20Opportunity%20Impact%20Statement%20%28Summary%29.pdf