

Social Capital and Economic Mobility

with Prof. Matthew O. Jackson



Created by Leo Price

Key Terms

Social Capital- the strength of an individual's social networks and community

Social Networks- the structures individuals are dependent on for information, opportunities, and social norms

Homophily- the tendency for people to bond with others that have a similar background which concentrates economic opportunities

Economic Mobility- the ability for an individual to change the Socioeconomic status they have at birth

Groundbreaking New Data Sources

Professor Jackson and his coauthors analyze 21 billion Facebook friendships to determine which types of social capital are the most important to economic mobility.

Measuring Social Capital

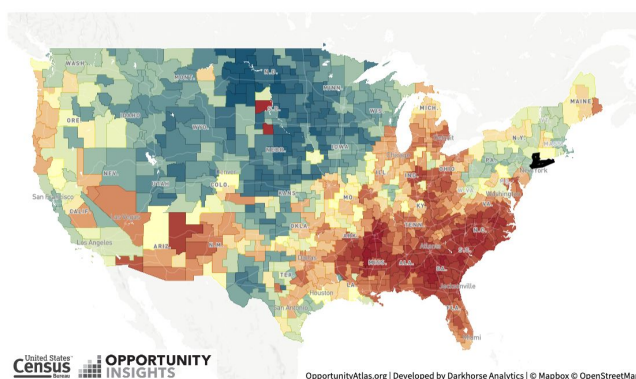
Professor Jackson and his coauthors measure in Social Capital three categories:

Economic Connectedness
The degree to which people of low & high socioeconomic status are friends with each other; also known as bridging capital

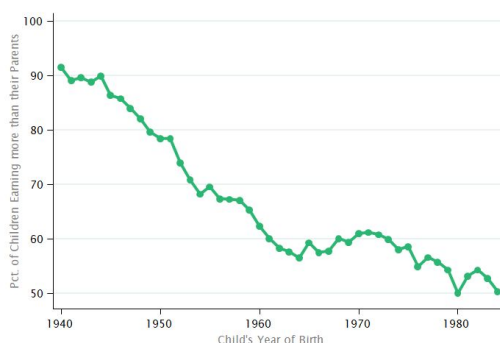
Social Network Cohesion
The degree to which the people in an individual's social networks are connected to each other; also known as bonding capital

Civic Engagement
The level of civic participation seen by members of a community

Household Income at Age 35 for Children of Low Income Parents



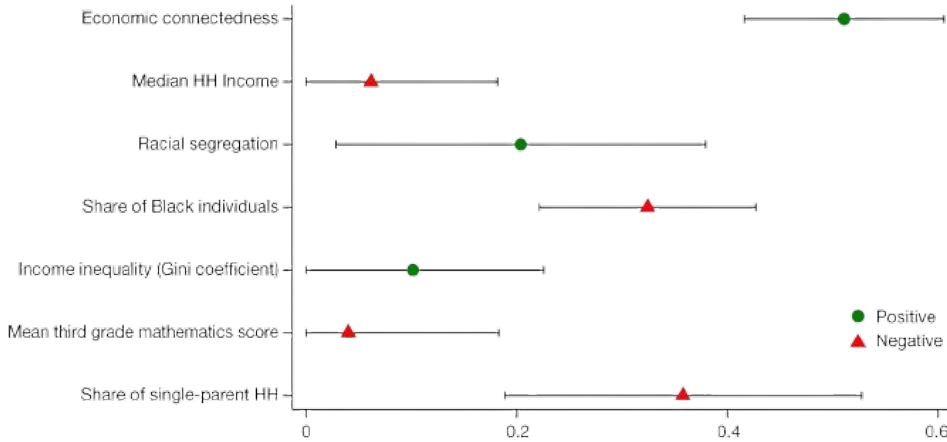
Percent of Children Earning More than Their Parents, by Year of Birth



To what extent does each measure of Social Capital affect Economic Mobility?



Variables That Have the Largest Correlation with Economic Mobility



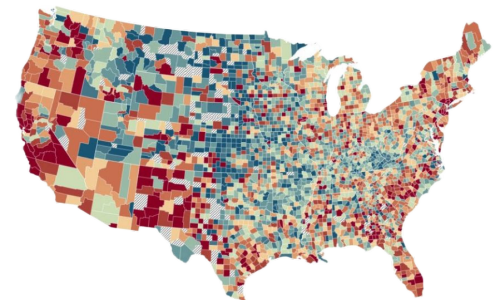
Professor Jackson and his coauthors observe that **Economic Connectedness** is the social capital measure that correlates the most with **economic mobility**. This means that children with more friends of high socioeconomic status tend to have higher rates of upward mobility.

Economic Connectedness is primarily explained by two equally important factors:

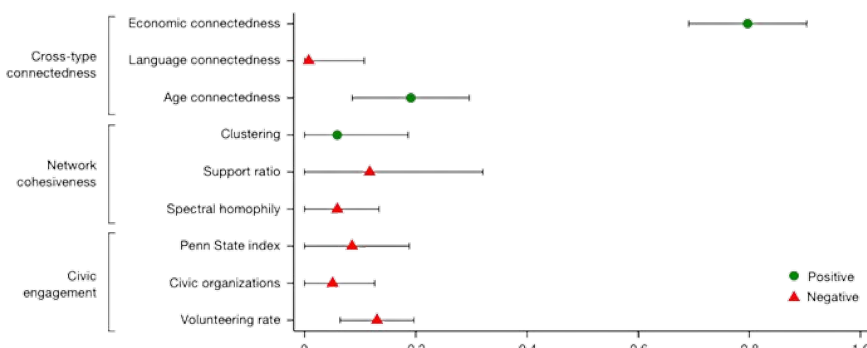
Exposure- the extent to which people of high socioeconomic status and low socioeconomic status are exposed to one another

Friending Bias- The degree that people of high and low socioeconomic status actually interact with one another when given the opportunity

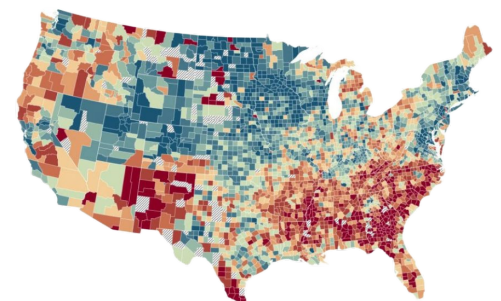
Friending Bias by County



The relation between different measures of social capital and upward income mobility by county:



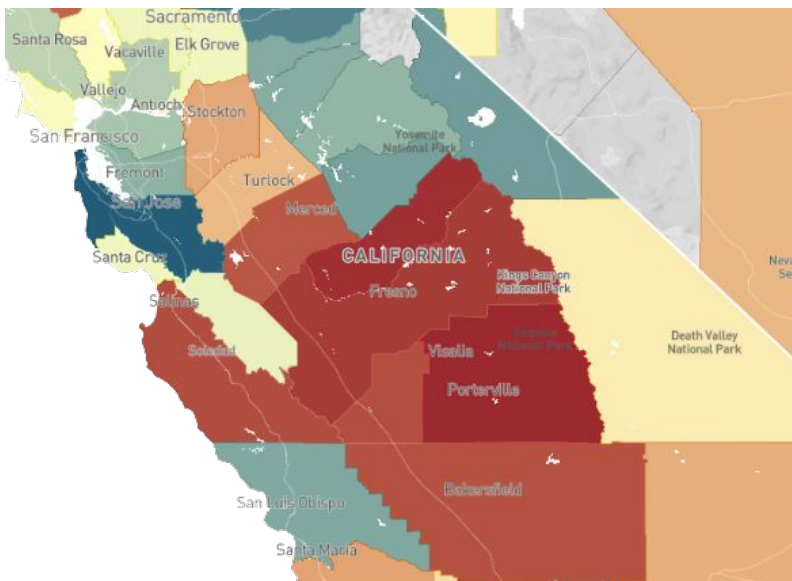
Exposure by County



Social Capital in the Valley at a Glance



Economic Connectedness by County



Organizations will benefit from identifying what factors of **Economic Connectedness** are at play in their focus area when choosing policies to address **economic mobility**. For example, areas lacking in exposure may benefit from changes in zoning policy. Areas with greater friending bias may benefit from policies that address the small-scale connections between individuals.

The Bottom 20 Zip Codes by EC in California (Valley Counties Highlighted)

Name of County	Zip Code	2018 Pop	Economic Connectedness
Fresno, California	93640	12,727	0.2999
Riverside, California	92254	10,385	0.3190
Fresno, California	93660	4,228	0.3378
Kings, California	93204	12,923	0.3508
Tulare, California	93219	10,167	0.3701
Fresno, California	93646	10,873	0.3744
Fresno, California	93648	16,194	0.3844
Tulare, California	93647	10,896	0.3922
Kern, California	93241	16,834	0.3958
Fresno, California	93702	44,139	0.4013
Fresno, California	93622	10,395	0.4022
Madera, California	93638	50,894	0.4026
Kern, California	93203	22,744	0.4116
Los Angeles, California	90001	58,975	0.4148
San Diego, California	92004	2,414	0.4159
Monterey, California	93905	60,408	0.4297
Kern, California	93250	16,088	0.4304
Fresno, California	93706	40,936	0.4327
Tulare, California	93247	18,522	0.4343
Kern, California	93280	27,698	0.4388

To explore this data, please visit socialcapital.org

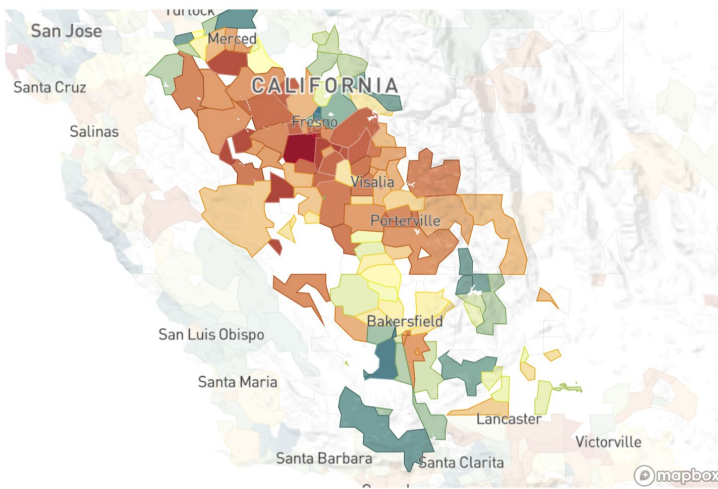
Works Cited
 Chetty, R., Jackson, M.O., Kuchler, T. *et al.* Social capital I: measurement and associations with economic mobility. *Nature* **608**, 108–121 (2022)
 Chetty, R., Jackson, M.O., Kuchler, T. *et al.* Social capital II: determinants of economic connectedness. *Nature* **608**, 122–134 (2022)

Social Capital in the Valley at a Glance



Economic Connectedness of all US Zip Codes (Valley Zip Codes Bolded)

Economic Mobility by County



OPPORTUNITY INDICATORS SOCIAL CAPITAL ATLAS
 explore more at socialcapital.org | developed by Darkhorse Analytics

EC describes the share of friends for low-income people that are high income.

National Percentile compares the previous measure of Economic connectedness with the country as a whole.

Exposure describes the share of high-income people in low-income people's community.

The likelihood relative to the national median that low-income people will friend high-income people. A higher number means less friending bias.

Valley High Schools, Ranked

High School	EC	National Percentile	Exposure	National Percentile	Friending Bias	National Percentile
Madera	29%	8th	33.3%	13th	-13.5	3rd
Edison	30.7%	10th	36.8%	18th	-16.6%	1st
Sanger	31.8%	11th	33.9%	14th	-6.1%	14th
Bullard	53.7%	52nd	56.6%	57th	-5.2%	16th
Clovis West	60.9%	65th	70.4%	79th	-13.5%	2nd
University	86.1%	96th	83.8%	94th	2.7	70th