



Social Mobility and Education Gaps in the Four Major Anglophone Countries
Research Findings for the Social Mobility Summit
London, May 2012



Contents

Key Findings	2
Introduction	3
Social Mobility Levels	4
Education Spending	5
Growing Inequality	6
Early Years Spending	7
Pre-School Gaps	8
Teenage Pregnancy and Single Parenthood	9
Children with Foreign-Born Parents	10
Education Gaps During Adolescence	11
Widening Gaps in the UK and US	12
Long Tail of Underachievers	14
Higher Education Rates	15
Higher Education Returns	17
Table of Figures	18

Key Findings

- Despite being similarly unequal, the four major Anglophone nations have different social mobility levels, with the UK and US significantly less mobile than Canada or Australia.
- The US and UK are characterised by stark school readiness gaps among 4 and 5 year olds. Children from the poorest fifth of homes in the US are nearly 22 months behind children from the richest homes in vocabulary tests. In the UK the equivalent gap is 19 months.
- In the US and UK children are twice as likely to be born to teenage mothers as they are in Canada and Australia.
- Education gaps between poorer children and their richer peers widen in the UK and the US as children age. In the UK this widening occurs at age 11, at the start of secondary school.
- In England students from the highest social class groups are three times as likely to enter university than those from the lowest social class groups. In the US, students from the highest social class groups are twice as likely to enter university than those from the lowest social class groups. These differences are explained largely by children's prior school results.



This summary presents the latest international research findings on social mobility, educational achievement, and other key characteristics of the four major Anglophone countries - the United Kingdom, the United States, Canada and Australia. The report, which highlights some of the key findings to be presented at a London summit jointly sponsored by the Sutton Trust and Carnegie of New York, is the latest in a continuing line of work investigating international comparisons of mobility.

In 2005, a Sutton Trust report catapulted the issue of Britain's low social mobility into mainstream public debate in the country. It highlighted that the chances of climbing (or dropping down) the income ladder had declined for today's adults compared with those from a generation before, and that Britain together with the US has the lowest social mobility of any advanced country for which there is data. In 2008 the Trust jointly organised with Carnegie of New York a summit exploring the factors behind low mobility in the US and UK.

The 2012 Sutton-Carnegie summit is a follow-up to the 2008 meeting, widening the scope of the study to compare and contrast the UK and US with Canada and Australia, two countries which have high mobility rates by international standards. Many of the key findings come from a new book *Parents to Children* published to coincide with the summit by the US based Russell Sage Foundation, following a partnership with the Sutton Trust and the Pew Trusts, also based in the US.

The work is motivated by profound concerns that the educational performance and life chances of less privileged children continues to lag behind their more advantaged peers. The hope is that looking at international comparisons and the differences between countries will yield some lessons to improve mobility.

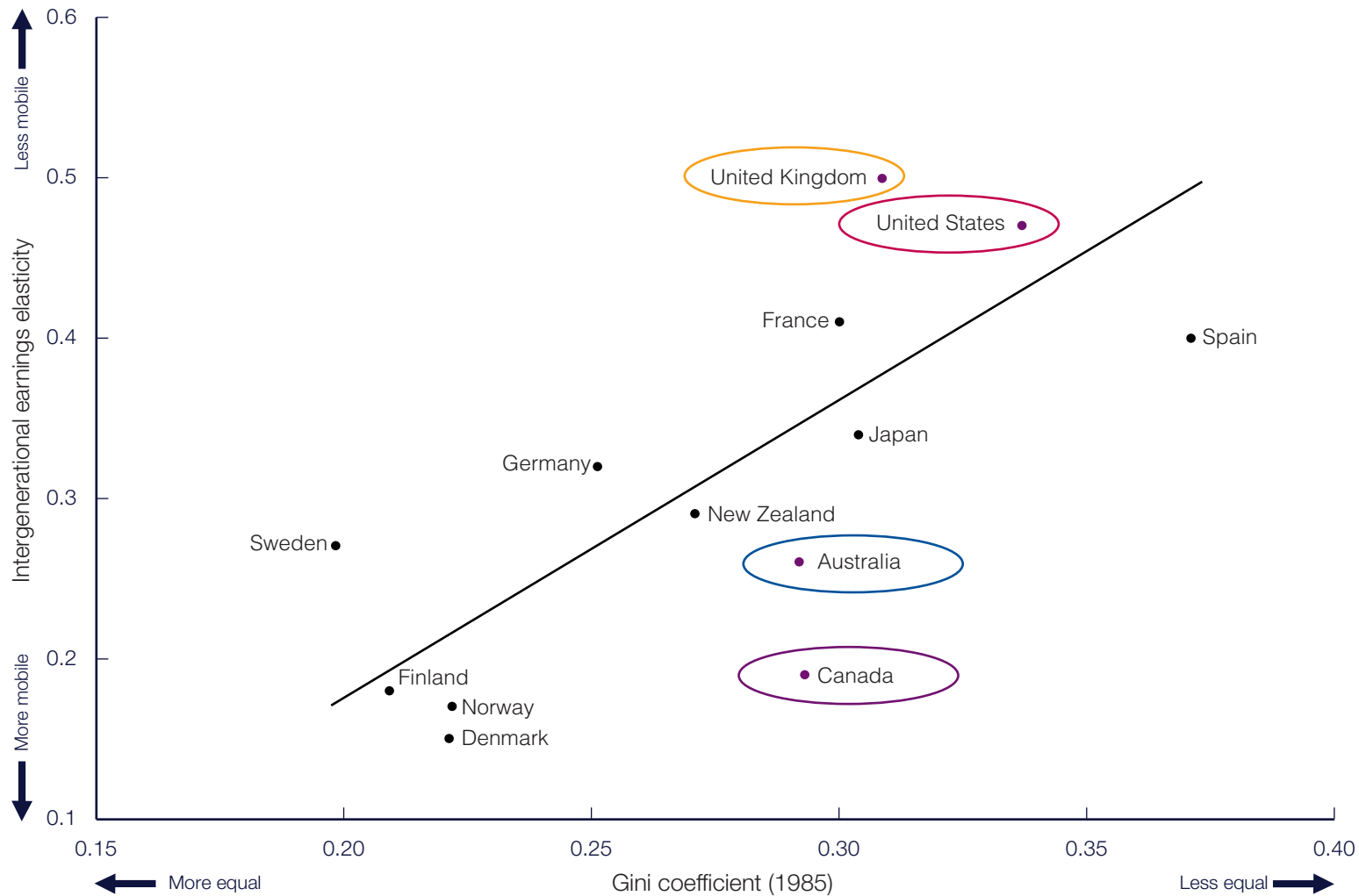
What makes the comparisons of the four major Anglophone countries so interesting is that they can not be explained away by two major factors suggested by some as the drivers of social mobility. Income inequalities in the countries are by international

standards similar (perhaps with the exception of the US). Equally it is safe to assume that the transmission of talent from one generation to the next through genetic inheritance follows broadly similar paths. In short there is something else about Canada and Australia that is allowing greater mobility. The questions for the summit are: are these differences amenable to public policy, and can they be replicated in the UK and the US?

The Trust would like to thank the Carnegie Corporation and Russell Sage Foundation for their continued support in this important endeavour. We are also indebted to the academic presenters at the summit – Miles Corak (University of Ottawa), Jane Waldfogel (Columbia university), Liz Washbrook (Bristol University), John Ermisch (University of Oxford), Anna Vignoles and John Jerrim (Institute of Education, London) – for producing the research findings that follow, which promise to ignite a fascinating and hopefully productive debate.

**Sir Peter Lampl, Chairman of the Sutton Trust
May 2012**

Social Mobility Levels



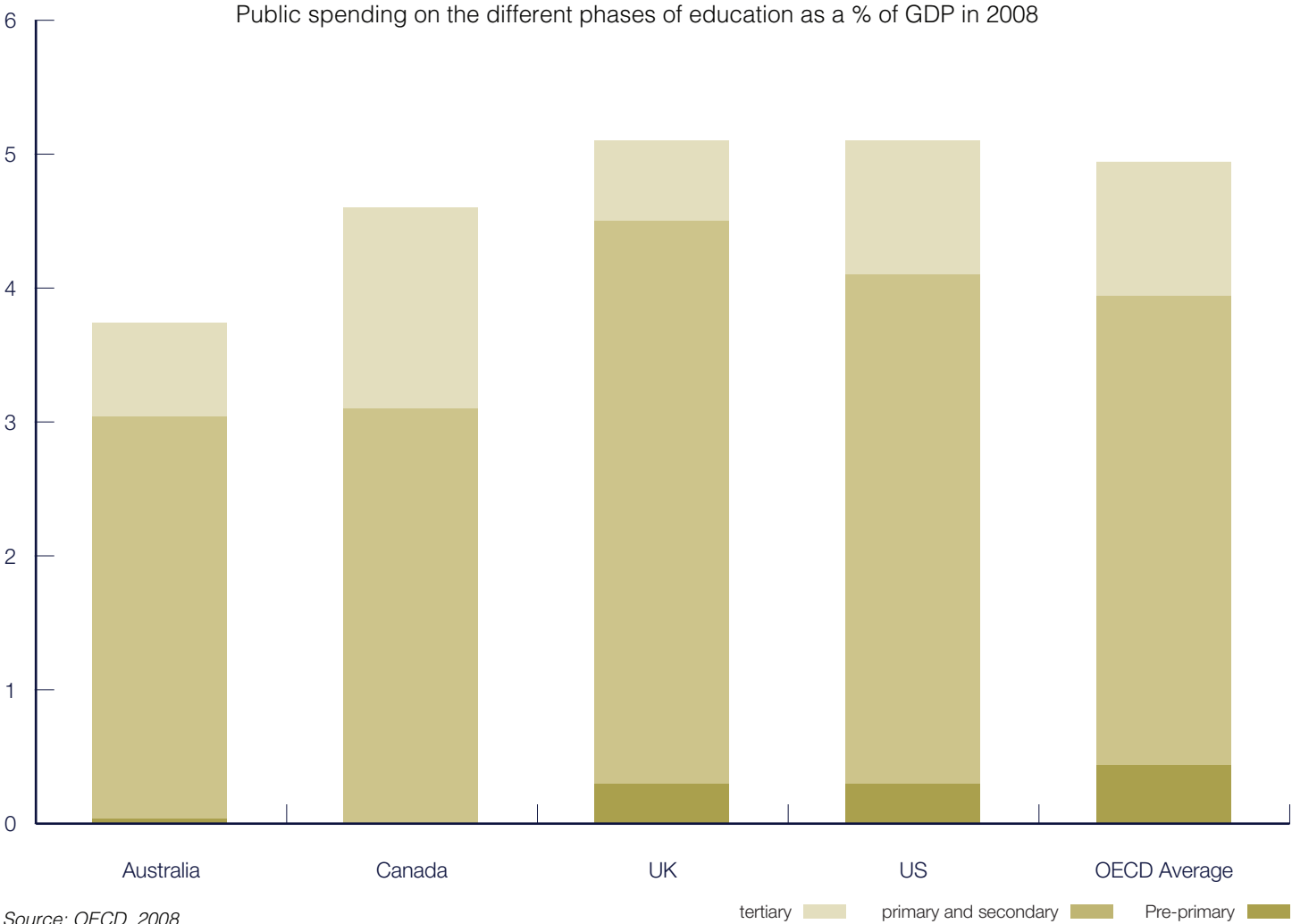
Countries with bigger income gaps between rich and poor tend to have lower levels of subsequent social or income mobility.

Despite being similarly unequal, the four major Anglophone nations have different mobility levels, with the UK and US significantly less mobile than Canada or Australia.

Intergenerational earnings elasticity measures the strength of the link between the earnings of one generation and the next. A lower value indicates higher mobility. If there was no intergenerational mobility at all, the elasticity would be equal to 1, and all poor children would become poor adults and all rich children would become rich adults. If there was complete intergenerational mobility, the elasticity would be equal to zero, and poor children would have the same likelihood of becoming rich adults as rich children.

Source: Corak, 2012

Education Spending

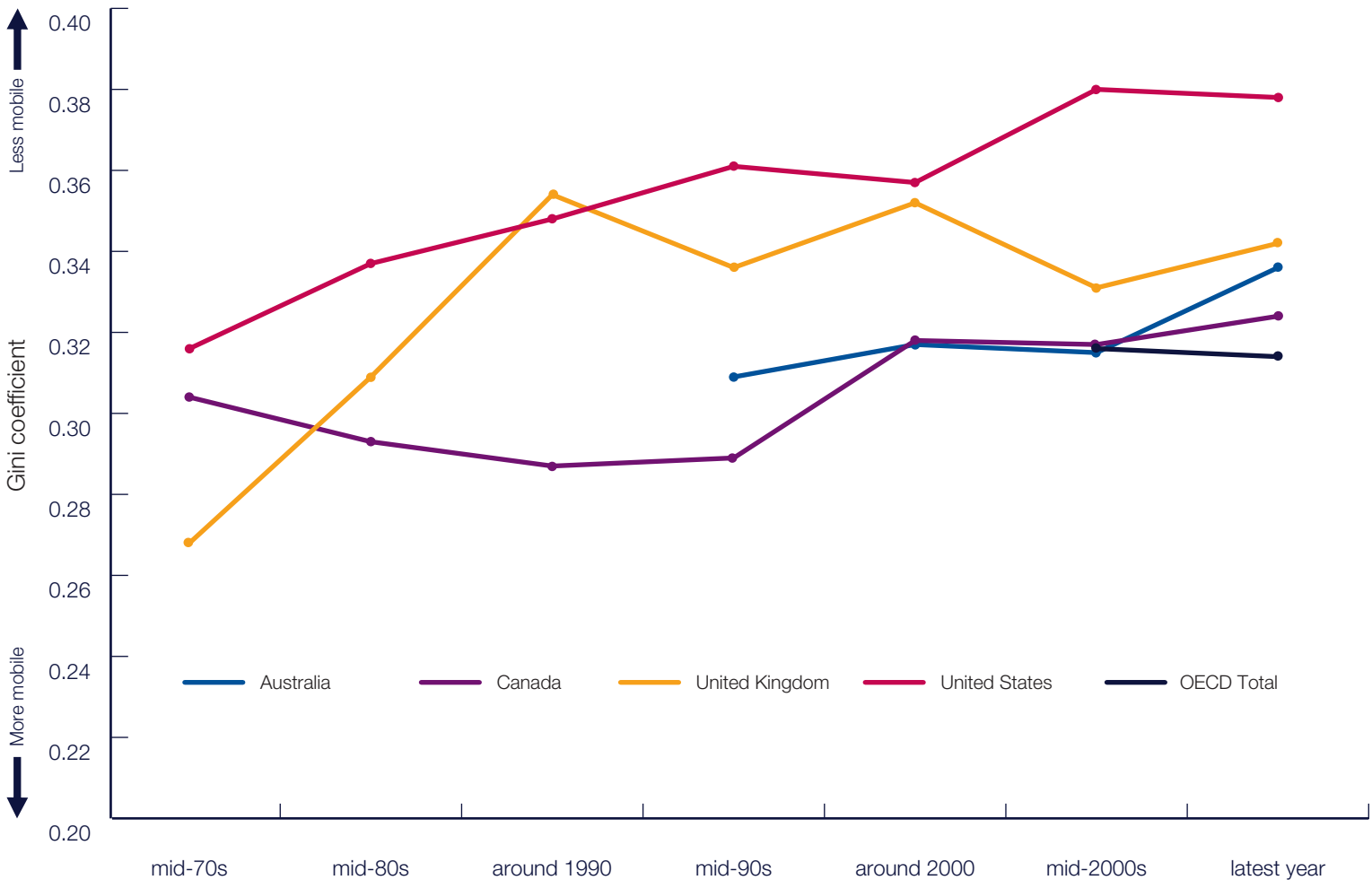


The UK and US spend more on primary and secondary schooling as a proportion of GDP than Australia or Canada.

Canada and the US spend more on tertiary education as a proportion of GDP.

The figures relate to Government spending as a proportion of a country's Gross Domestic Product, a measure of an economy's output. Not included here is spending from private sources at different educational levels. Tertiary education refers to all post secondary education, including colleges and universities.

Growing Inequality



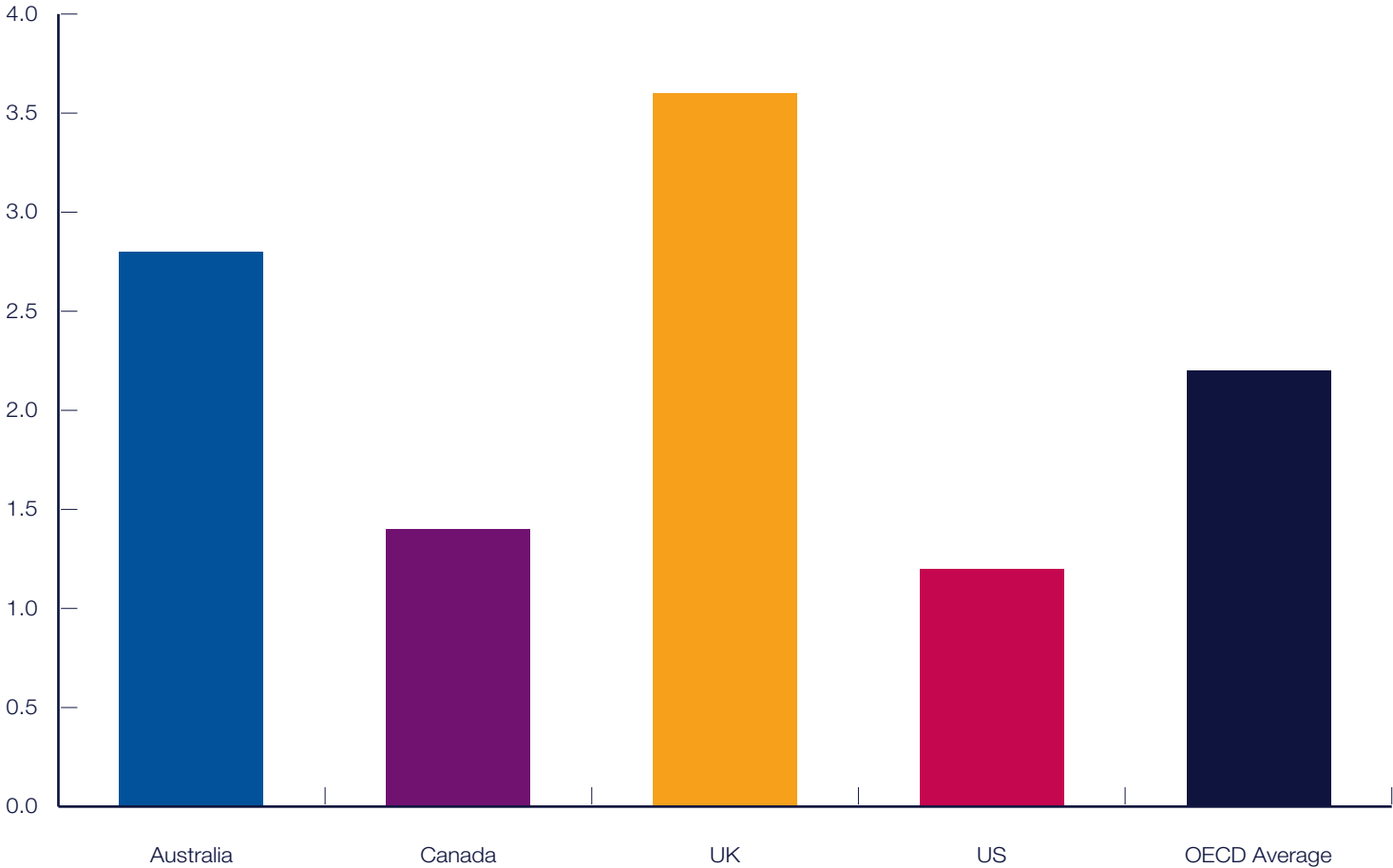
Inequality levels in the four countries have all increased and are all now above the average for developed nations in the OECD.

The Gini Coefficient is the standard measure of income inequality in a country. A value of 0 indicates that all households in a country have exactly the same income (a completely equal society), while a value of 1 indicates a perfectly unequal society.

Source: OECD, 2008

Early Years Spending

Public spending on family benefits (relating to children, including childcare) % GDP, 2007



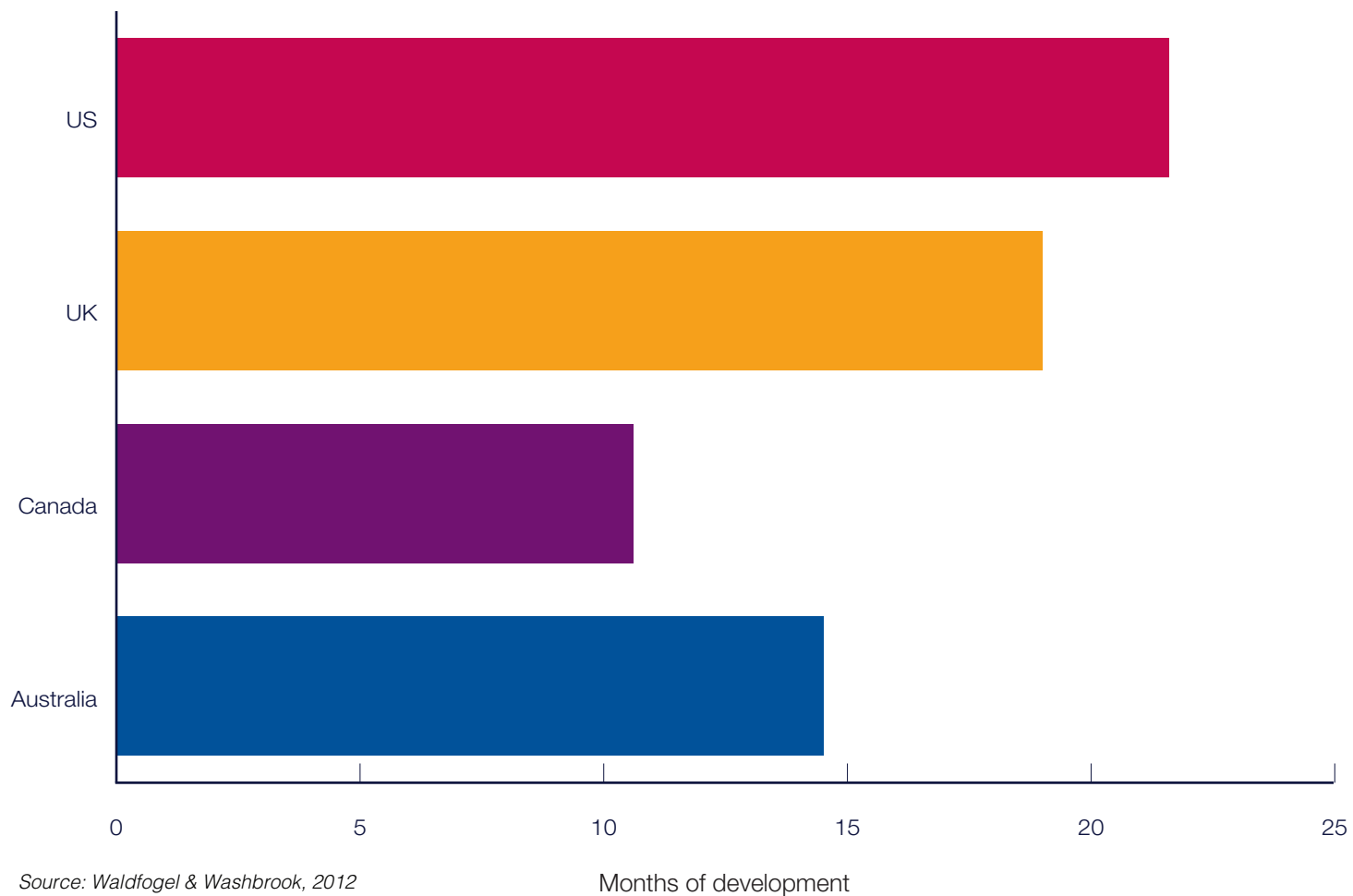
In recent years the UK has increased public spending on support for children during early childhood.

Public spending on family benefits includes cash transfers to families with children, public spending on services for families with children, and financial support provided through the tax system.

Source: OECD, 2007

Pre-School Gaps

Gaps in vocabulary between children from low income and high income homes at age 4/5 in terms of months of development



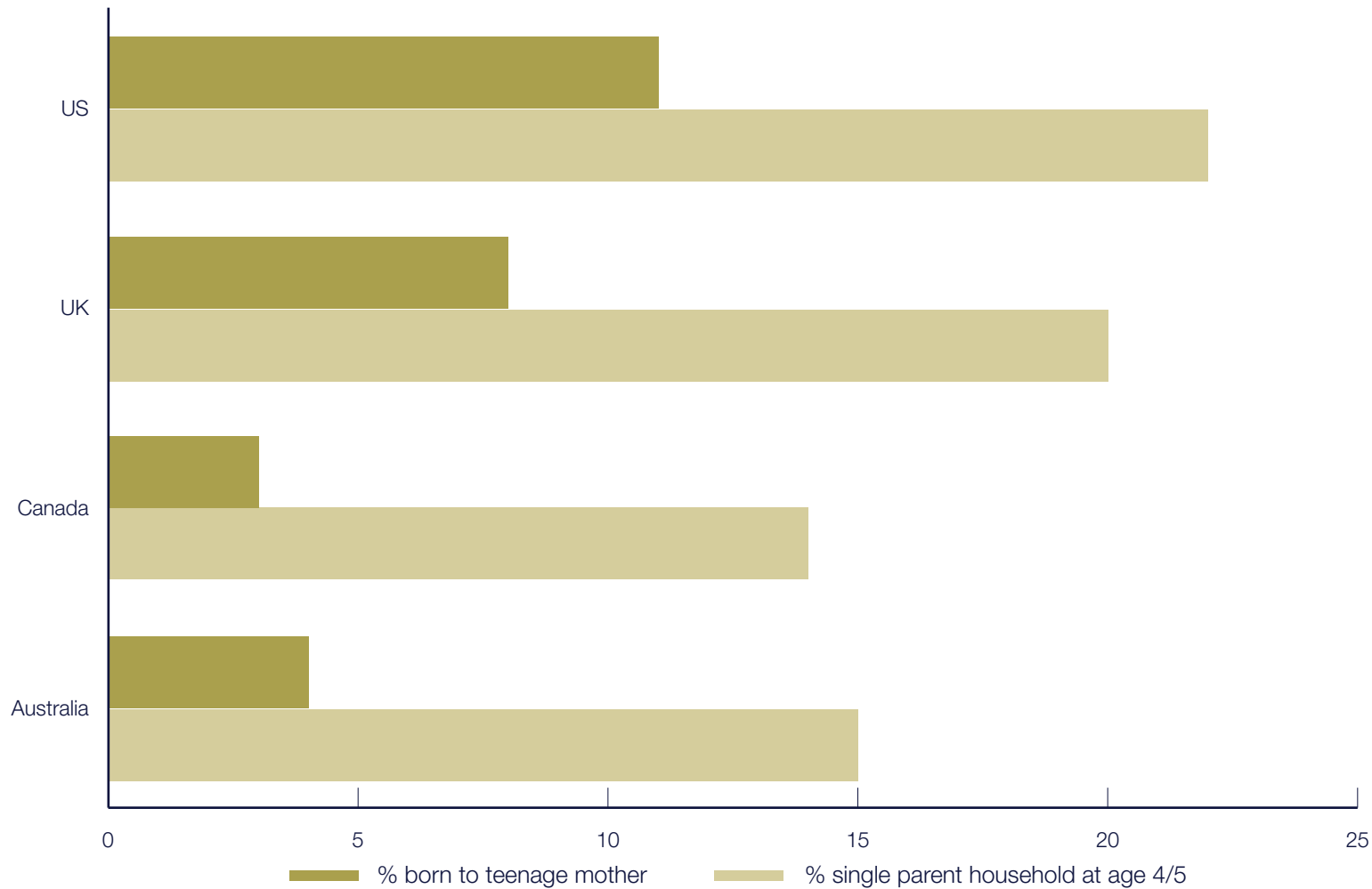
In the US and UK there are larger school readiness gaps among 4 and 5 year olds starting school.

Children from the poorest fifth of homes in the US are on average nearly 22 months behind children from the richest homes in vocabulary tests.

In the UK the equivalent gap is 19 months; in Australia it is 14.5 months; in Canada it is 10.6 months.

Source: Waldfogel & Washbrook, 2012

Teenage Pregnancy and Single Parenthood

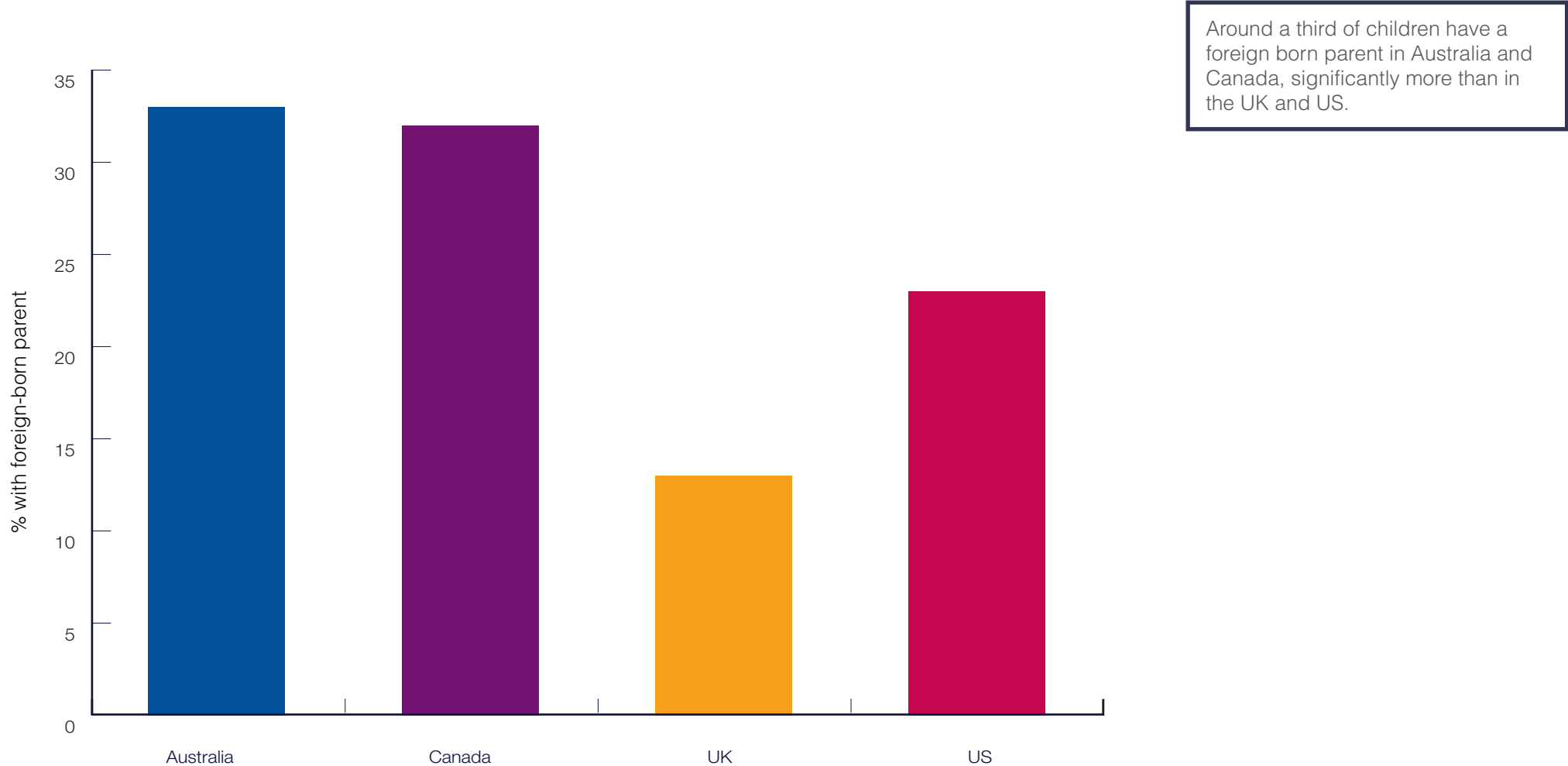


In the US and UK children are at least twice as likely to be born to teenage mothers as they are in Canada and Australia.

In the US and UK four and five year olds are also significantly more likely to be living in a single parent household.

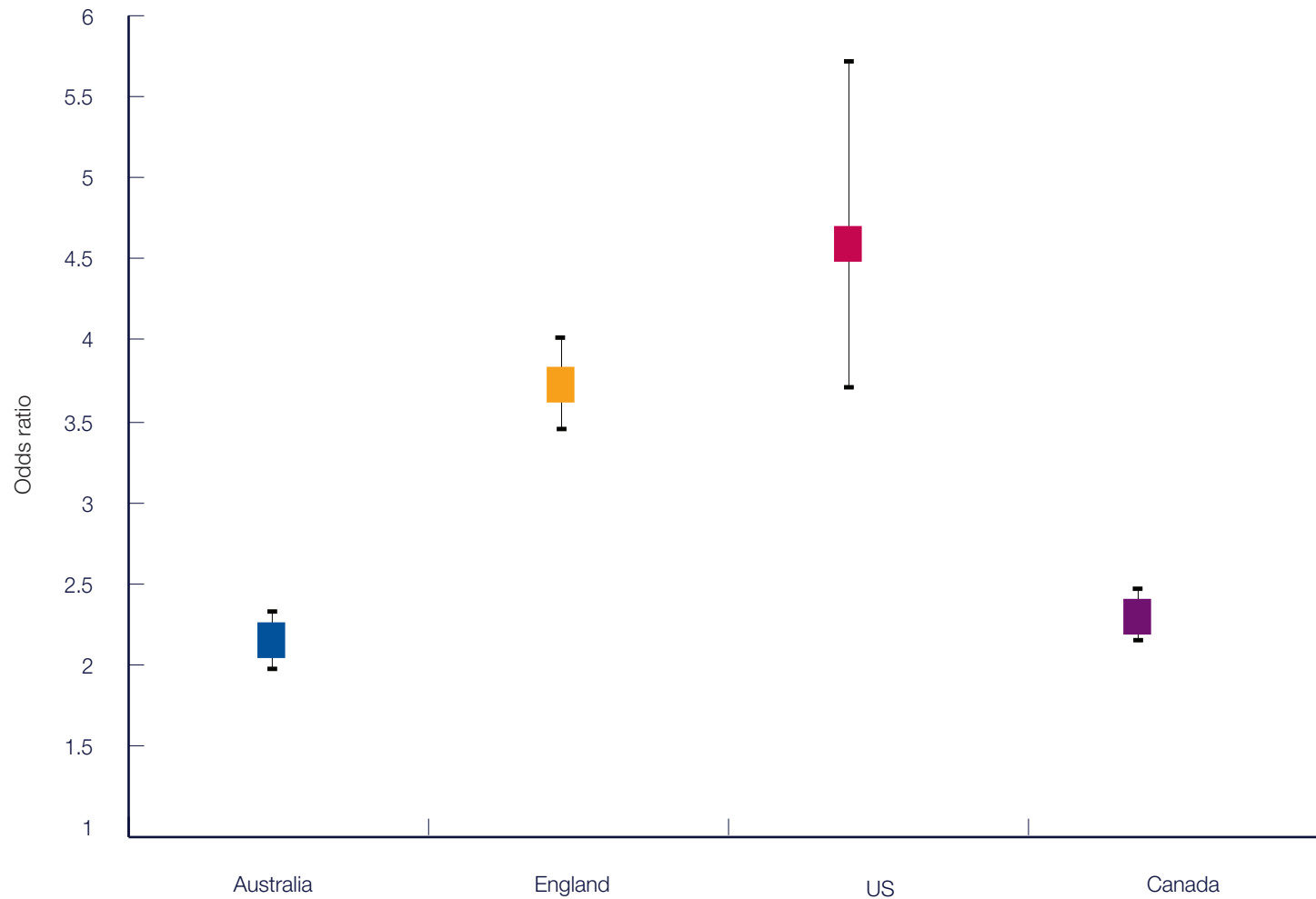
Source: Waldfogel & Washbrook, 2012

Children with Foreign-Born Parents



Source: Waldfogel & Washbrook, 2012

Education Gaps During Adolescence



The relative chances of being in the top half of the class at age 14/15 are much higher for pupils from higher educated parents in the US and England.

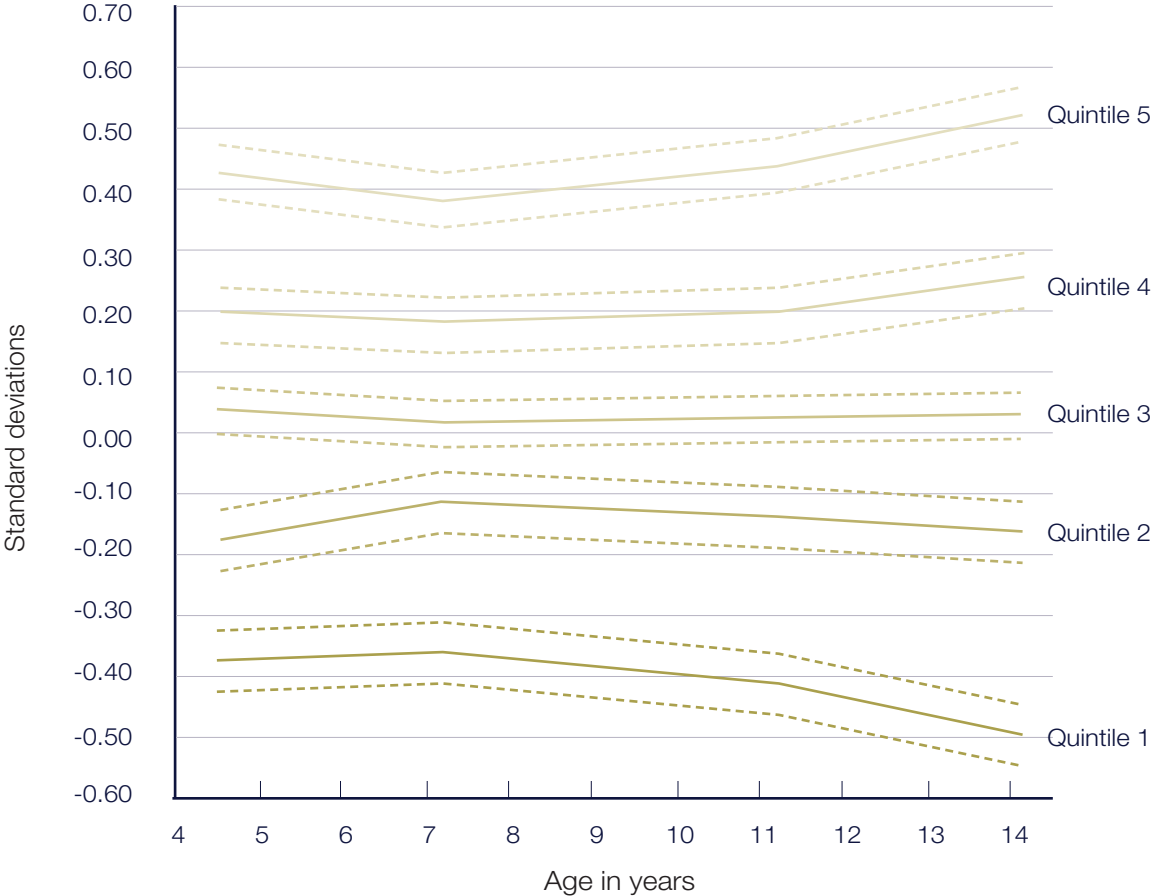
In the US and England students with parents with tertiary education are around 4 times as likely to be in the top half of test scores than children with parents without tertiary education; in Canada and Australia they are around twice as likely.

The odds ratio is a measure of the odds of an event happening (here being in the top half of the test scores at age 14/15) in one group (here children with parents with tertiary education) compared to the odds of the same event happening in another group (here children with parents without tertiary education).

Source: Ermisch, 2012

Widening Gaps in the UK and US

England (Avon) Maths standardized scores, by parental income (UK)



Education gaps between poorer children and their richer peers widen in the UK and the US as children age.

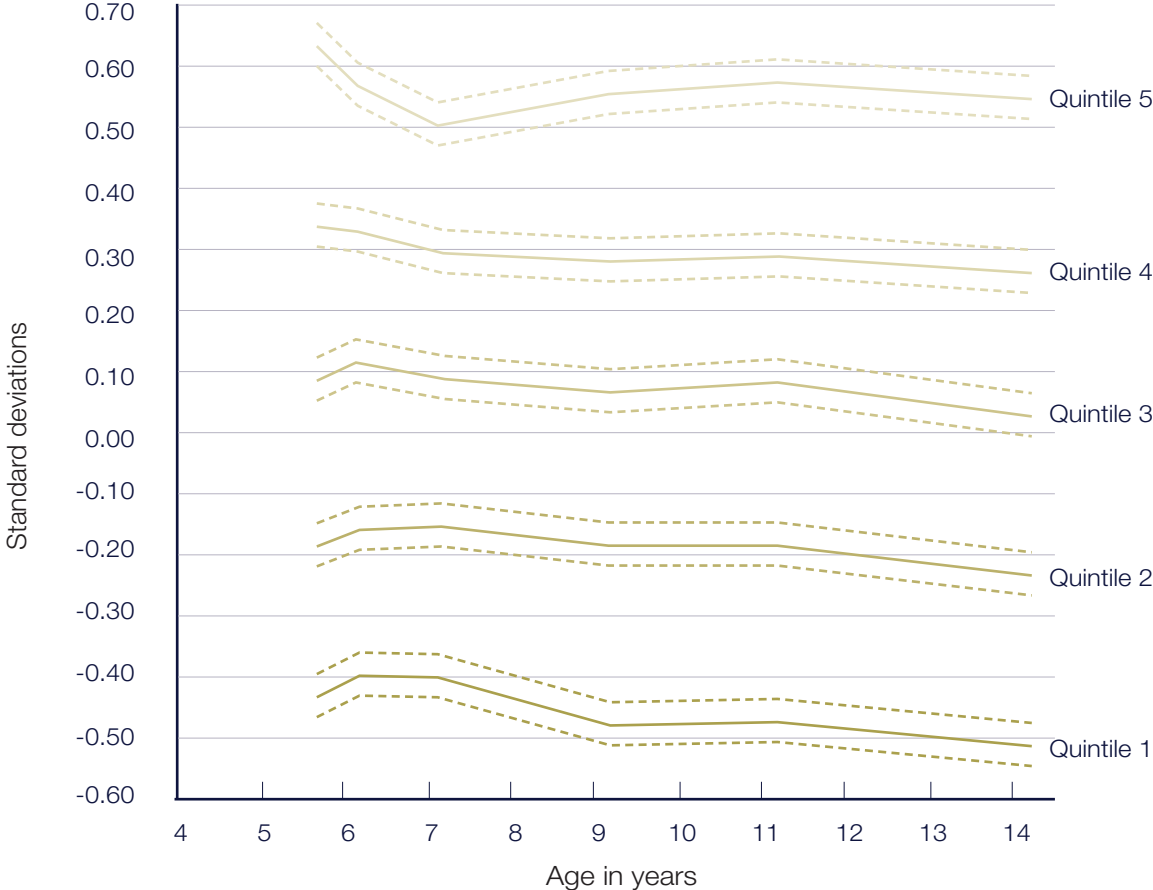
In the UK this widening occurs during primary and secondary school, but the gap increases particularly after age 11, at the start of secondary school.

Standard deviation is a measure used here to show how far test scores for different groups of children are from the mean test score for all children. Children are grouped by family income into five groups, with the richest in quintile 5, and the poorest in quintile 1. The graph shows how the gaps in scores widen as children age.

Source: Waldfogel & Washbrook, 2012

Widening Gaps in the UK and US

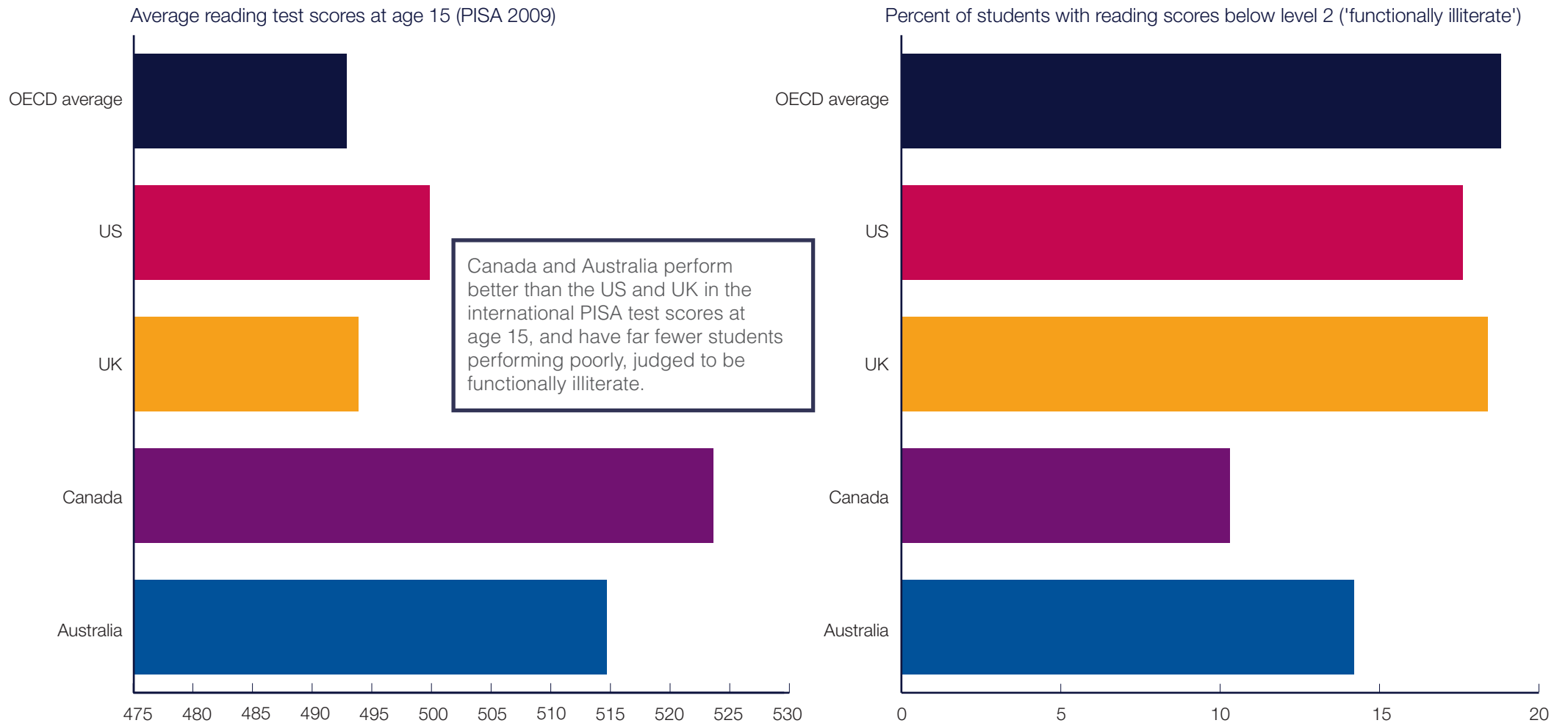
US Maths standardized scores, by parental income (US)



In the US there is a narrowing of the gap in reading scores around the age of 7 and then a subsequent widening of the gap between children from poorer and richer homes.

Source: Waldfogel & Washbrook, 2012

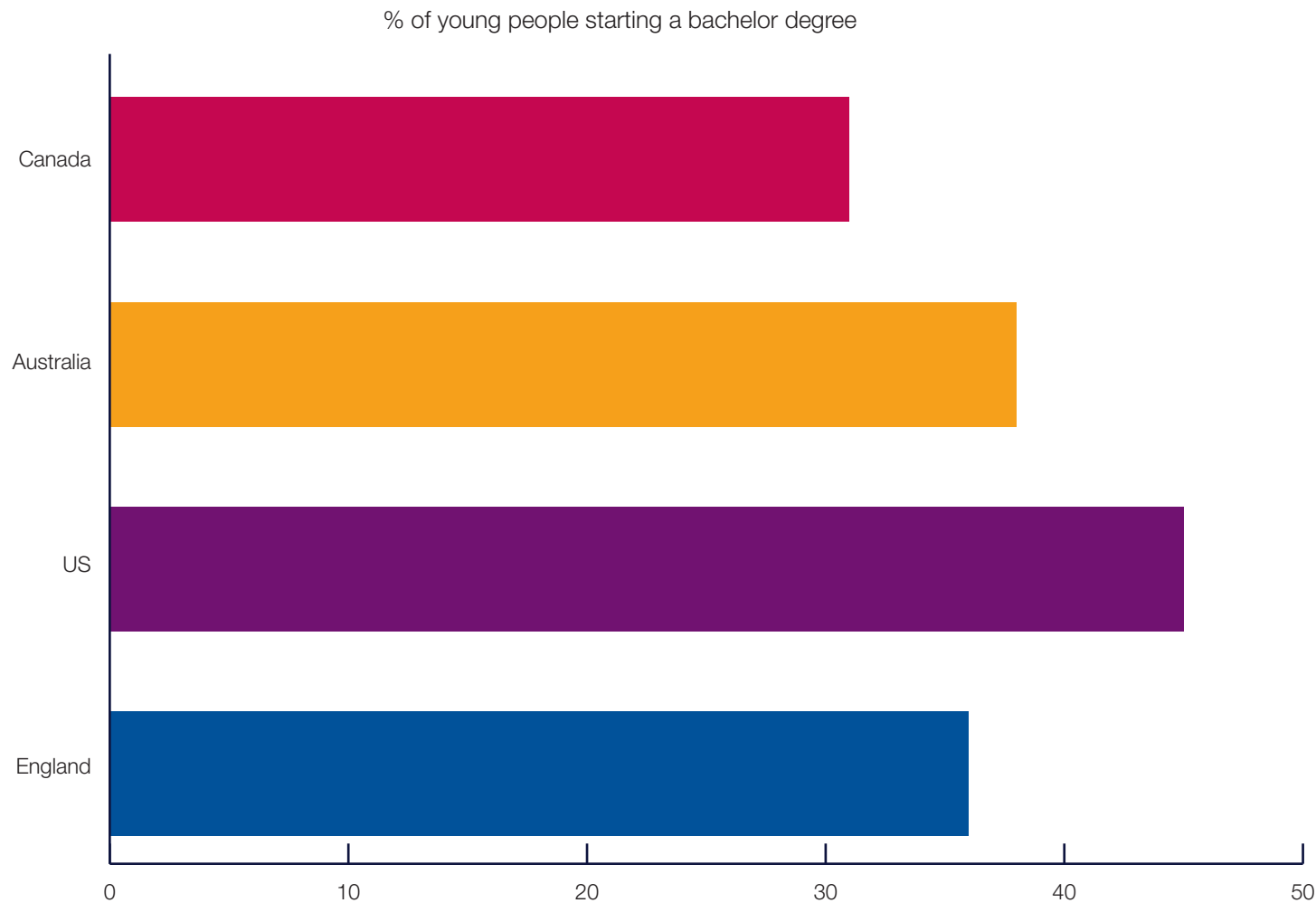
Long Tail of Underachievers



Canada and Australia perform better than the US and UK in the international PISA test scores at age 15, and have far fewer students performing poorly, judged to be functionally illiterate.

Source: OECD, 2009

Higher Education Rates

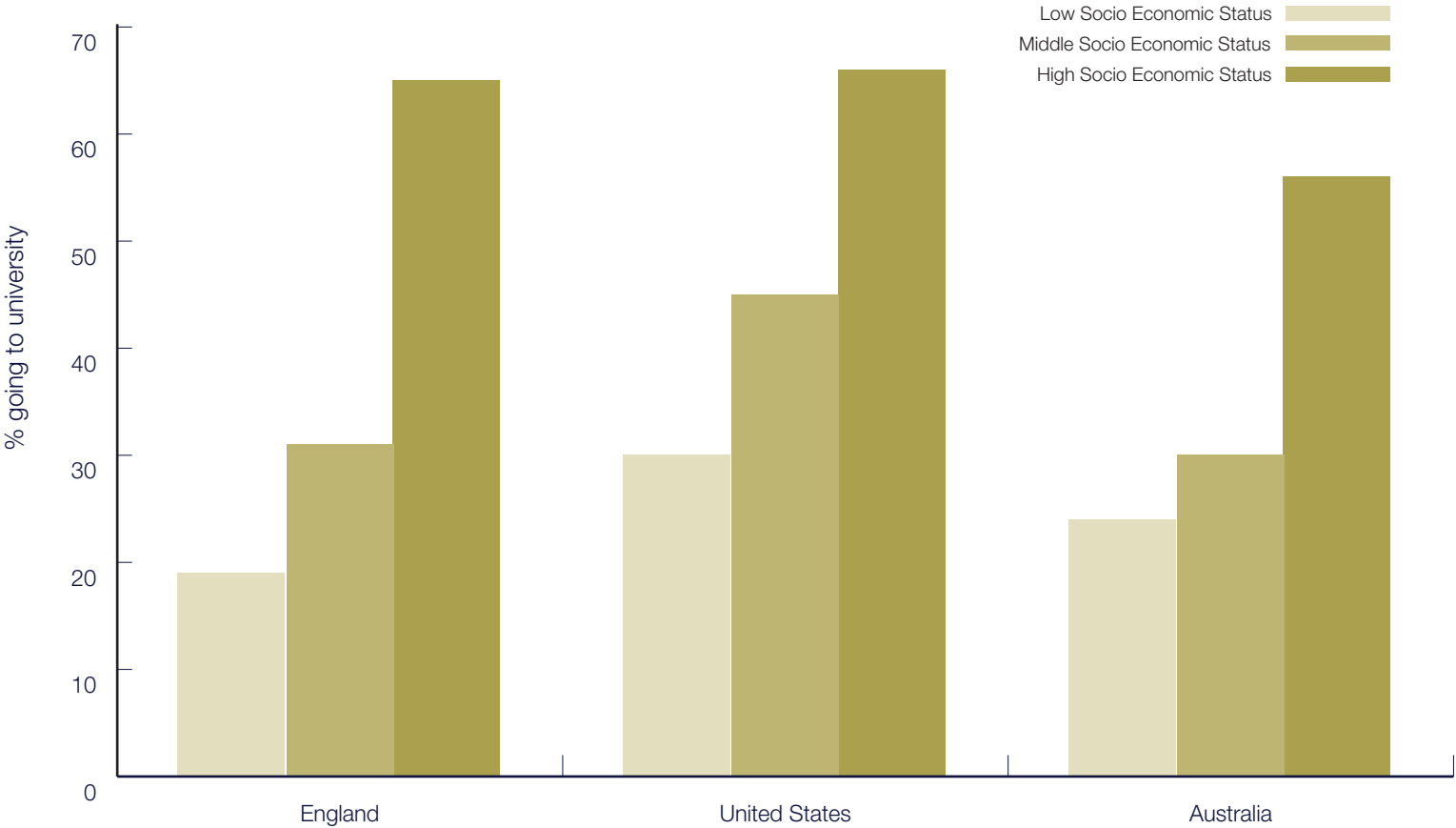


The US has much higher university participation rates among young people, but higher incompleteness rates during higher education.

Final graduation rates for the four countries are similar, around 35% of young people.

Source: Jerrim & Vignoles, 2012

Higher Education Rates



In England students from the highest social class groups are three times as likely to enter university than those from the lowest social class groups.

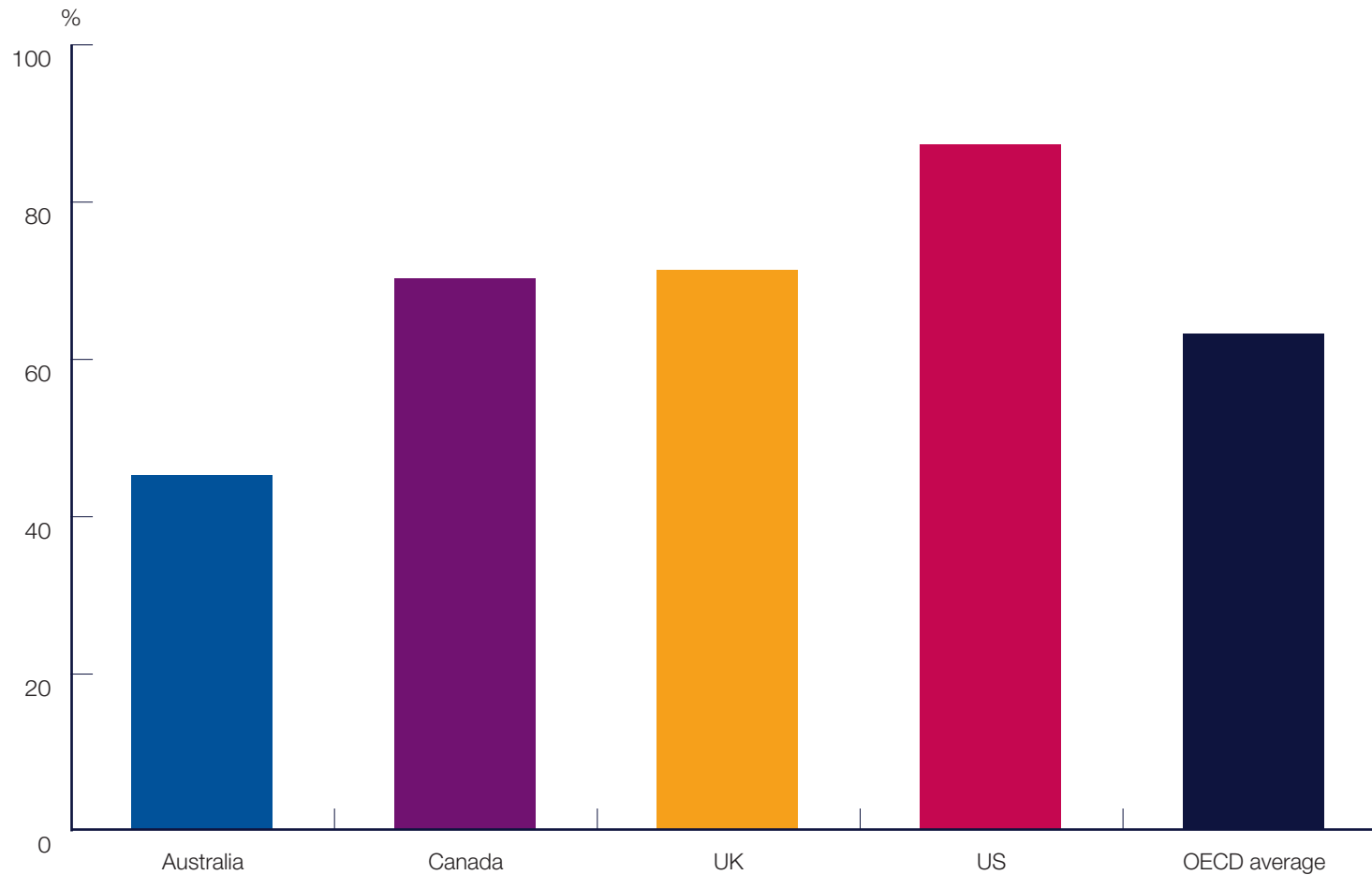
In the US, students from the highest social class groups are twice as likely to enter university than those from the lowest social class groups.

These differences are explained largely by children's prior school results.

Socio economic status measures the position of someone (or the position of their parents) on a socio-economic scale that combines a number of factors including education, income, and type of occupation.

Source: Jerrim & Vignoles, 2012

Higher Education Returns



The earnings premium from a degree is particularly large in the US where graduates earn on average 87% more over their lifetime than non-graduates. In Australia the graduate earnings premium is half this.

These figures show the percentage gains in lifetime earnings for students for particular university degrees - 'tertiary-type A programmes' defined by the OECD as those designed to provide sufficient qualifications for entry to advanced research programmes and which last at least three years' full-time equivalent.

Source: OECD, 2008

Table of Figures

Key national statistics	Australia	Canada	UK	US	OECD Average	Source
Overall statistics						
Estimated 'income elasticity' - measure of immobility for current adult populations	0.26	0.19	0.5	0.47	n/a	Corak, 2012, Sutton Trust summit presentation
Estimated 'income elasticity' - measure of immobility for current adult populations	0.25	0.23	0.37	0.41	n/a	Blanden, 2008, Sutton Trust New York summit
Income inequality (Gini coefficient, 2008)	0.34	0.32	0.34	0.38	0.31	OCED
Gross Domestic Product (GDP) per capita 2010 (US 000\$)	41	39	36	47	34	OCED
Population 2009 (000,000's)	22	34	61	307	n/a	OCED
% Employment rate (working age population)	72	72	70	67	65	OCED
Education spending as a proportion of GDP, 2008 (public spending unless stated otherwise)						
Pre-primary	0.04	n/a	0.3	0.3	0.44	OECD
primary and secondary	3	3.1	4.2	3.8	3.5	OECD
tertiary	0.7	1.5	0.6	1	1	OECD
tertiary (private)	0.8	1	0.6	1.7	1.5	OECD
Public spending on family benefits (relating to children, including childcare) % GDP, 2007	2.8	1.4	3.6	1.2	2.2	OECD

Table of Figures

Key national statistics	Australia	Canada	UK	US	OECD Average	Source
Early years (nationally representative statistics for all children born around 2000-2003, year varies slightly by country)						
Gap in vocabulary at the start of school in terms of months of development between children from poorest fifth of homes and those from the richest fifth	14.5	10.6	19	21.6	n/a	Washbrook and Waldfogel, 2012 summit presentation/RSF book
% single parent household at age 4/5	15	14	20	22	n/a	Washbrook and Waldfogel, 2012 summit presentation/RSF book
% born to teenage mother	4	3	8	11	n/a	Washbrook and Waldfogel, 2012 summit presentation/RSF book
% with foreign-born parent	33	32	13	23	n/a	Washbrook and Waldfogel, 2012 summit presentation/RSF book
School years						
Average reading scores (PISA 2009)	515	524	494	500	493	OECD
Percent of students with reading scores below level 2 (PISA 2009)	14.2	10.3	18.4	17.6	18.8	OECD
Odds ratio for being in the top half of test scores at age 14/15 comparing pupils from parents with tertiary education against children from parents with no tertiary education	2.14	2.29	3.72 (England)	4.59	n/a	Ermisch, 2012 summit presentation/RSF book
% 15-19 year olds Not in Education and unemployed in 2009	4.6	3.4	5.5	3.4	3.1	OECD
Secondary school teachers' salaries in public institutions after 15 years of experience (000 Euros)	48	-	47 (England)	45	42	OECD

Table of Figures

Key national statistics	Australia	Canada	UK	US	OECD Average	Source
Higher education						
% of young people starting a bachelor degree	38	31	36 (England)	45	n/a	Jerrim and Vignoles, 2012 Sutton Trust summit presentation
%gap in Higher education participation rates between students from low and high Socio Economic Status	32	n/a	46 (England)	36	n/a	Jerrim and Vignoles, 2012 Sutton Trust summit presentation
Graduation rates for university (defined as 'tertiary A' by OECD) for home students, 2009 (US 2008)	33.9	34.3	35.6	36.3	n/a	OECD
% 25-64 population holding a degree	26	25	26	30	30	OECD
% extra lifetime earnings of graduates compared with non-graduates	45	70	71	87	63	OECD



The Sutton Trust
9th Floor
Millbank Tower
21-24 Millbank
London, SW1P 4QP

T: 020 8788 3223
F: 020 8788 3993

www.suttontrust.com

Charity Registration No. 1067197