

Understanding Economic Mobility in the Richmond Region

Takeaways from Opportunity Insights' Research



Overview

The Richmond region is battling an economic mobility crisis on two fronts. New data from Opportunity Insights, a nonpartisan research and policy institute led by Harvard economist Raj Chetty, reveal that Richmond ranks 49th out of 50 major metropolitan areas for economic mobility, meaning we are one of the most difficult places in America for children from low-income families to achieve upward mobility.

RVA ranks 49th out of 50
in economic mobility.

When it comes to economic mobility over time, Richmond ranks near the bottom at 38th out of 50. This means the already steep barriers to opportunity in our region are growing steeper. Young adults from low-income families born in 1992 are earning 8% less at age 27 than their counterparts born just 15 years earlier – a decline of approximately \$2,300 annually. This 8% decline is nearly double the national average of -4.2%, signaling that Richmond's local economy and community structures are providing fewer pathways to opportunity than most peer cities.

Charlotte, NC, for example, once ranked last nationally for economic mobility and is now 38th. Charlotte has achieved 5% improvement in mobility change, now ranked third, demonstrating that coordinated regional action can reverse even the most severe mobility challenges.

Key Findings

Understanding the data: what we're measuring.

The Opportunity Insights data track intergenerational economic mobility by comparing household income at age 27 for two cohorts of children who grew up in low-income families (at the 25th percentile of the income distribution).

Economic Mobility Over Time

Economic Mobility Levels by Income

	Difference in Income		1978 birth year <i>Income at age 27 in 2005</i>	1992 birth year <i>Income at age 27 in 2019</i>	
	Rank	% Change			
Austin, TX	2 nd	+6.4%	\$29,643	\$31,554	13 th
Charlotte, NC	3 rd	+5.0%	\$26,643	\$28,058	38 th
Atlanta, GA	29 th	-5.2%	\$27,654	\$26,209	50 th
▶ Richmond, VA	38 th	-8.0%	\$28,685	\$27,180	49th
Baltimore, MD	39 th	-8.7%	\$29,769	\$27,180	45 th
Washington, DC	47 th	-9.1%	\$33,179	\$30,152	26 th

Data is inflation-adjusted to 2023 dollars.

Two different but related measurements.

Mobility change over time: This reveals whether generational outcomes are improving or declining and whether opportunity pathways are strengthening or weakening.

Economic mobility levels: This shows earnings at age 27 for children from low-income families, indicating how difficult upward mobility is in a particular metro area.

Richmond performs poorly on both measures. We rank almost last (49th) for how much children from low-income families currently earn, and we rank in the lower tier (38th) for whether things are getting better or worse.

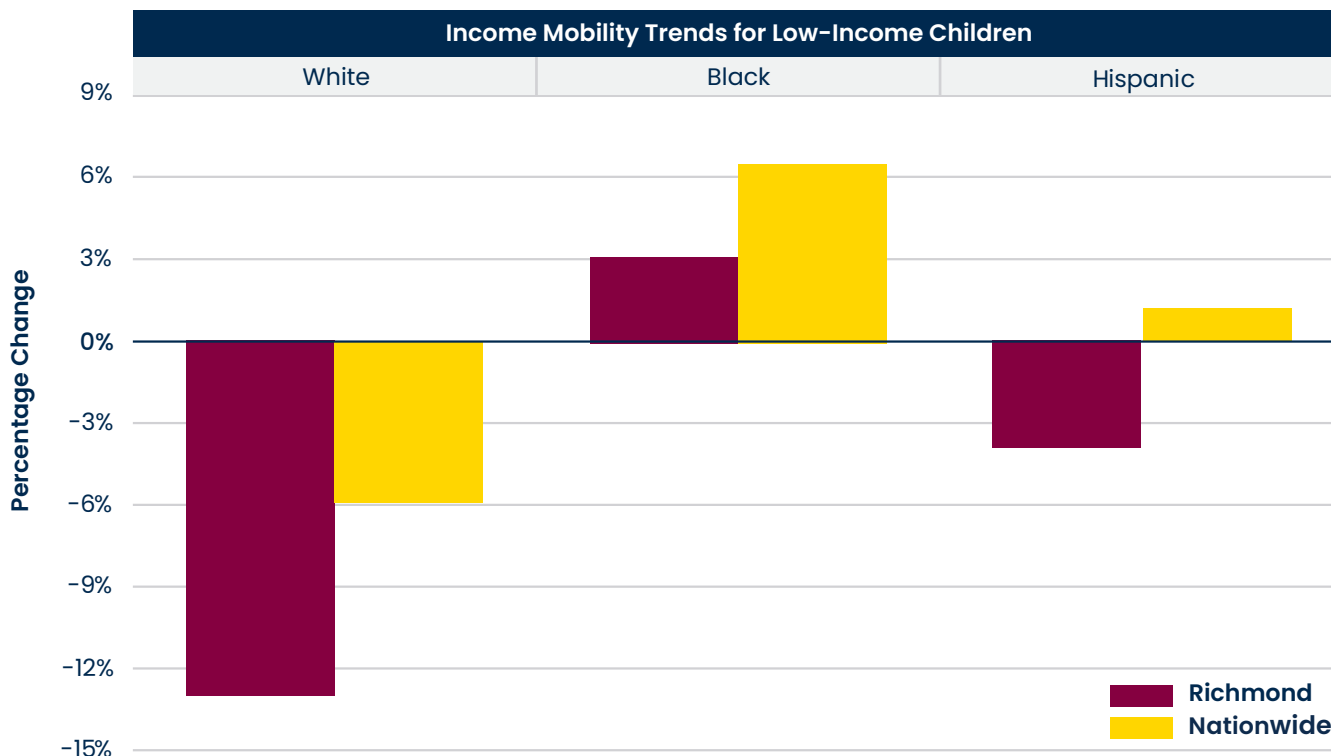
Why this matters.

Regional economies can grow while mobility declines. Richmond's overall economic expansion over the past two decades has not translated into improved outcomes for children from low-income families. Instead, younger generations are starting their economic lives from a lower baseline, with compounding effects over a lifetime of earnings, wealth accumulation and opportunity to invest in their own children.

Deeper analysis by race & ethnicity.

When we look to see how different communities are experiencing these mobility trends, a complex picture emerges:

- **White children from low-income families:** 13% decline (approximately \$4,600 less annually) – more than double the national rate of -5.9% for white children. This steep decline likely reflects erosion of social capital and community networks that previously provided pathways to opportunity.
- **Black children from low-income families:** 3.2% improvement (approximately \$717 more annually), but this positive trend is half the national rate of +6.6% for Black children, suggesting Richmond-specific barriers remain significant despite progress.
- **Hispanic children from low-income families:** 3.9% decline (approximately \$1,200 less annually), in stark contrast to the national trend of 1.2% growth for Hispanic children, indicating region-specific barriers.



Why this matters.

Regardless of race or ethnicity, young adults from low-income families in the Richmond region are doing worse relative to national trends. The pathway to mobility that should strengthen with each generation is instead weakening across the board.

What the Findings Mean for RVA Rising

These rankings validate both the urgency and the ambition of our regional initiative. Being 49th in absolute mobility reveals structural barriers to opportunity that are among the nation’s most severe. Being 38th in mobility change shows those barriers are intensifying rather than loosening. Yet Charlotte’s dramatic turnaround – from worst to third in improvement – proves that even deeply entrenched mobility deficits can be reversed through sustained, coordinated regional action.

RVA Rising’s strategic approach:

The five-pillar framework targets the right systems:

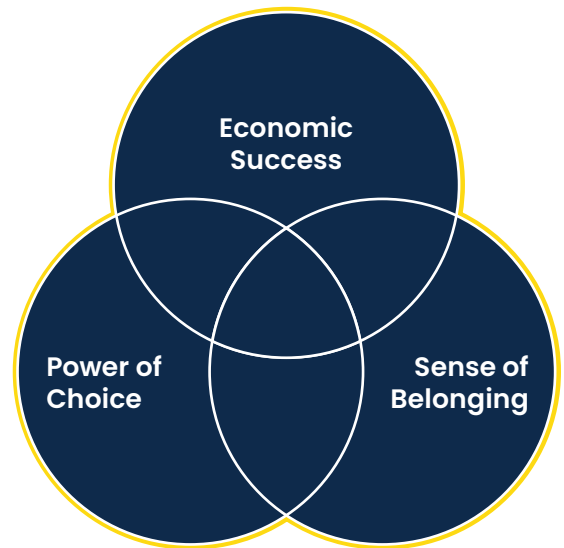
Declining earnings, eroding social capital, and persistent racial disparities all point to breakdowns in rewarding work, inclusive neighborhoods, high-quality education, and the other interconnected systems our framework addresses.

The three-part definition of mobility is essential:

Recent Opportunity Insights research emphasizes that social capital – community ties, networks, mentorship – is eroding for low-income families, particularly white families. This validates our framework’s emphasis on economic success, power of choice and sense of belonging.

Regional coordination is not optional: Charlotte’s success demonstrates that metrowide collaboration can shift mobility trajectories within a generation. Our structure – nine localities, major employers, philanthropy, and community organizations working in concert – mirrors the approach that produces results.

Dimensions of Economic Mobility



Source: U.S. Census Bureau, Opportunity Insights. The Opportunity Atlas: Mapping the childhood roots of social mobility. Retrieved October 2024, from <https://www.opportunityatlas.org/>

To learn more about RVA Rising and the work we do, visit rvarising.org

