

**For Immediate Release**

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### **Where's My American Dream?**

*Hard Work, Determination Aren't Necessarily Enough Any More*

**New York City** – One reason the ubiquitous “change” mantra of the 2008 White House race resonates, particularly for families struggling to make ends meet, is that the American Dream is increasingly out of reach, say researchers at Columbia University’s National Center for Children in Poverty (NCCP).

“Stagnant incomes combined with the high cost of basic necessities have made it difficult for families to save, and many middle- and low-income families alike have taken on crippling amounts of debt just to get by,” says Nancy K. Cauthen, deputy director at NCCP – part of the Mailman School of Public Health at Columbia. “Too many families are but one crisis – a serious illness, job loss, divorce – away from financial devastation.”

According to research synthesized at NCCP, economic inequality in America has been on the rise since the 1970s; income inequality has reached historic levels. The income share of the top one percent of earners is at its highest level since 1929. In 2007, income increased by about \$180,000 for the top one percent of Americans, compared to only \$400 for middle-income Americans, and \$200 for lower-income Americans.

“Economic mobility – the likelihood of moving from one income group to another – is on the decline in the US,” says Cauthen. “Although we Americans like to believe that opportunity is equally available to all, some groups find it harder to get ahead than others.”

Striving African American families, for example, have found upward mobility especially difficult to achieve and are far more vulnerable than whites to downward mobility, says Cauthen. The wealth gap between blacks and whites – black families have been found to have one-tenth the net worth of white families – is largely responsible.

Each year, child poverty reduces economic output by about 1.3 percent of GDP, and costs the US \$500 billion a year in lost productivity in the labor force and spending on health care and the criminal justice system. For children who experience severe or chronic economic hardship, the future can seem particularly bleak.

“Poverty limits children’s potential and hinders our nation’s ability to compete in the global economy,” says Cauthen. “American students, on average, rank behind students in other industrialized nations, particularly in key areas such as math and science. America’s ability to compete globally will be severely hindered if many of our children are not as academically prepared as their peers in other nations.”

What all of these trends reveal, says Cauthen, is that “the American Dream is increasingly out of reach for many families. The promise that hard work and determination will be rewarded has become an increasingly empty promise in 21st century America. It is in the best interest of our nation to see that the American Dream, an ideal so fundamental to our collective identity, be restored.”

For more information about poverty, including frequently asked questions on the topic, access the NCCP website at [www.nccp.org](http://www.nccp.org).

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*The National Center for Children in Poverty (NCCP) is the nation’s leading public policy center dedicated to promoting the economic security, health and well-being of America’s low-income families and children. Part of Columbia University’s Mailman School of Public Health, NCCP uses research to inform policy and practice with the goal of ensuring positive outcomes for the next generation.*