

CHAPTER 1

The Fragile Ladder of Opportunity

We talk about the American Dream as if it's guaranteed. It's not. It's a system and, like any system, it has to be maintained, repaired, and sometimes rebuilt.

America was built on the promise that hard work and determination could lift anyone higher. That where you start doesn't determine where you finish. It's the story we've told ourselves for generations—from the immigrant arriving at Ellis Island to the factory worker buying a first home in the suburbs. Upward mobility. But for too many today, that ladder to the top isn't just shaky; it's missing rungs entirely. Over the last 50 years, the United States has quietly undergone a shift that has frozen mobility for millions. But it's not that ambition has disappeared. It's that the structure that once supported upward movement—the economic ladder—has splintered.

In the post–World War II decades, the economic ladder was much more stable than it is today. Data from the Equality of Opportunity Project shows that in 1970, more than 90% of children grew up to earn more than their parents. Today, barely half do.¹ This collapse in generational progress isn't an accident. It's the result of policy decisions, economic restructuring, and the slow erosion of the mechanisms that once made the American Dream achievable.

The shift has been so gradual that many Americans haven't noticed it happening. We still point to exceptional success stories—the entrepreneur from a small town, the immigrant family whose children graduate college—and tell ourselves the system works. But those stories are now exceptions, not the rule. For the majority, the distance between where you start and where you end up has narrowed. And for millions, it has become fixed.

Historically, the “mobility engine” was fueled by a combination of affordable education, accessible homeownership, stable jobs with benefits, and a social contract that ensured hard work paid off. But over time, wages stagnated while the cost of housing, healthcare, and education soared. The rungs on the ladder didn't just get farther apart—for many, they broke off entirely.

Consider homeownership. In 1960, the median home price was about twice the average household income. By 2023, it was more than five times the average income, according to the Visual Capitalist using data sourced from the US Census Bureau.² That ratio shift alone tells the story of why younger generations are struggling to build equity the way their parents and grandparents did.

For African Americans, the story is even more complex. The GI Bill and postwar housing boom built wealth for millions of white families, but discriminatory lending and redlining excluded most Black families from those same benefits. That exclusion has a long tail: The neighborhoods that were redlined (i.e., categorically refused loans) in the 1930s are still disproportionately lower income and have lower home values today.

When mobility drops as low as it is currently, the economy stops rewarding merit and starts rewarding existing wealth. This is the opposite of what powered the United States' economic leadership in the 20th century.

You don't have to look too closely at the numbers to see the scale of the problem. It's blatantly obvious. Over the last

four decades, economic gains have flowed disproportionately to the top.

- ◆ Incomes for the top 1% have grown nearly 160% since 1979. For the bottom 90%, growth has been closer to 26%, according to wage data from the Social Security Administration.³
- ◆ College tuition has increased more than 1,200% since 1980, far outpacing both inflation and wage growth, according to data from the US Bureau of Labor Statistics.⁴
- ◆ The median Black household has roughly one-eighth the wealth of the median white household—a gap that has barely moved in over 40 years, according to data from the Federal Reserve’s Survey of Consumer Finances.⁵

And the problem isn’t just inequality, it’s immobility. People born in the bottom 20% of the income distribution now have less than a 10% chance of reaching the top 20%, according to the National Bureau of Economic Research.⁶ That’s lower than in other developed countries such as Canada and Norway.

The HOPE Financial Wellness Index shows a similar pattern. Created by Operation HOPE, the nonprofit organization that I founded, the HOPE Financial Wellness Index is a data-driven tool that tracks credit score averages, savings rates, and other financial health indicators by ZIP code in order to map the financial health of different communities.⁷

Here’s what the Index reveals: Communities with high credit scores (above 700) enjoy stronger local economies, higher entrepreneurship rates, and lower unemployment. Communities with low credit scores (around 500) face limited access to affordable credit, higher rates of financial stress, and greater vulnerability to economic shocks. In essence, the lower you are on the economic ladder, the more fragile—and the farther apart—are the rungs.

This mobility crisis is not an abstract economic trend. It is a daily reality for millions of Americans who feel trapped in place no matter how hard they work. And that means America doesn't have just an economic problem on its hands. It has a cultural one.

When people believe they cannot move up, they lose faith—not only in themselves but in the systems around them. That loss of faith is corrosive to democracy and dangerous to our economy.

How We Got Here

The roots of America's mobility crisis run deep. The economic ladder didn't break overnight—it was chipped away, rung by rung, over decades of policy shifts, corporate decisions, and social changes.

From the 1950s to the 1970s, productivity gains were shared more evenly: When companies grew, wages rose for workers across the board. The postwar boom had created a broad middle class through manufacturing jobs, strong unions, affordable housing, and accessible higher education.

But starting in the late 1970s, the rules began to change. Globalization and automation displaced millions of manufacturing jobs, often without comparable new opportunities in the same communities. Unions weakened, reducing workers' bargaining power. Tax policies increasingly favored capital over labor, and wage growth for the middle and lower classes slowed to a crawl.

At the same time, essential costs—housing, healthcare, and education—rose dramatically. In many cities, housing prices surged far beyond wage growth. College tuition climbed faster than inflation for decades, leaving graduates with unprecedented debt loads. Health insurance premiums and out-of-pocket costs exploded, even for those with coverage.

The racial wealth gap—a product of slavery, segregation, redlining, and employment discrimination—compounded these trends for Black Americans. Even as formal barriers fell, the

legacy of exclusion limited access to prime credit, affordable mortgages, and business loans. The result wasn't just slower economic mobility; it was an entirely new incentive structure: We built an economy where it's easier to make money from money than from work. That's not capitalism in its best form. That's feudalism in a suit and tie.

The Global Comparison

The United States still sees itself as the world's land of opportunity, but the data tells a more complicated story. In measures of economic mobility, America now ranks behind Canada, Germany, and even the United Kingdom, according to *The Global Social Mobility Report 2020* by the World Economic Forum.⁸

In the United Kingdom, a child born in the bottom income quintile has a 12% chance of reaching the top quintile. In the United States, that chance is less than 8%. In Denmark, the odds are closer to 15%.⁹ Canada and Denmark also have lower levels of income inequality, more accessible education systems, and stronger social safety nets.

Critics sometimes argue that such comparisons are unfair because of differences in culture or scale. But the truth is, many of these nations faced similar economic pressures—globalization, automation, aging populations—but made different policy choices that preserved higher mobility. They invested in universal healthcare, affordable childcare, strong worker protections, and, in some cases, pro-immigration policies while keeping education accessible from preschool through university.

Meanwhile, the United States doubled down on an economy that increasingly rewarded wealth over work. The tax code, financial markets, and political lobbying created a feedback loop that concentrated wealth at the top. Over time, that wealth concentration has translated into political influence, further entrenching policies that protect the already advantaged.

Now, America doesn't need to be Canada or Denmark or any other country. But we do need to remember that opportunity isn't self-sustaining. If we don't protect it, it will disappear.

Despite the sobering data, there are reasons for optimism—that's why I believe we are in the Third Reconstruction, when Silver Rights—that is, equal access to wealth-generation opportunities—can become a reality. Across the country, cities, companies, and communities are testing new approaches that show mobility can be revived with the right mix of policy, partnership, and persistence. Here are some of the most promising initiatives we've found.

Minneapolis is tackling the affordability crisis head-on by ending single-family zoning in much of the city, thereby enabling more multi-unit housing and reducing upward pressure on rents. In Stockton, California, a guaranteed income pilot program is providing \$500 a month to low-income residents, leading to measurable improvements in employment rates and mental health.

Corporate leaders, such as Delta Air Lines, are partnering with Operation HOPE to embed financial literacy coaching directly into the workplace, helping employees raise credit scores, reduce debt, and increase savings. Meanwhile, the private equity firms KKR and Apollo have implemented profit-sharing models for frontline workers in portfolio companies, recognizing that shared prosperity drives performance.

Credit unions, community development financial institutions, and mission-driven banks are expanding access to fair, affordable loans in underserved areas. These institutions often pair lending with financial education, increasing the likelihood of long-term success.

And at the federal level, there's renewed attention to child tax credits, affordable childcare, and workforce training—all proven to boost economic participation and mobility.

When we invest in people, they rise. When they rise, so does the country. It's that simple—and that hard. Momentum matters.

Every successful pilot, corporate program, or local reform creates a model that can be adapted and scaled elsewhere. In Part II, I discuss a number of other tools, programs, and plans that we believe will accelerate the momentum we're seeing in pockets of the country and scale it nationwide.

The Road Ahead

This is the Capitalism for All philosophy:

1. **No one is left out.** Everyone has access to economic opportunity.
2. **Wealth over wages.** The focus is on building assets and ownership, not just increasing paychecks.
3. **Financial literacy is economic power.** Economic education is essential as roads and bridges.
4. **Public-private teamwork.** We must leverage government policy, corporate investment, and community leadership together.

Restoring America's economic ladder will require more than isolated programs or one-off policy wins. It demands a coordinated national effort—public, private, and community sectors pulling in the same direction, with Capitalism for All as a shared goal.

Together, we must remove systemic barriers that keep people from moving up. Doing so includes raising community credit scores, expanding access to affordable housing, and making postsecondary education, including vocational training, affordable and cost manageable.

We must align incentives so that companies profit when their workers prosper. That means promoting profit-sharing models, employee stock ownership plans, and corporate-community partnerships that build both financial literacy and financial security.

Finally, we must tell a new story about the American Dream—one grounded in reality yet bold enough to inspire action.

America's story has always been that of the self-made individual, but that story loses credibility when the odds are stacked so heavily against those without inherited wealth or connections. Restoring mobility is about reviving the integrity of the American Dream—not just as an idea, but as a functioning reality. Because if people believe the system can work for them, they will work for the system. Our new story must make it clear that mobility isn't charity; it's the engine of capitalism itself. That this is not a rescue mission; it's an investment strategy for America.

The road ahead will not be easy, but it is navigable. And every rung we repair on the ladder brings us closer to an economy—and a country—where opportunity is not the exception, but the expectation.