

The Rise of Opportunity Markets: How Did It Happen & What Can We Do?

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Abstract: We describe the rise of “opportunity markets” that allow well-off parents to buy opportunity for their children. Although parents cannot directly buy a middle-class outcome for their children, they can buy opportunity indirectly through advantaged access to the schools, neighborhoods, and information that create merit and raise the probability of a middle-class outcome. The rise of opportunity markets happened so gradually that the country has seemingly forgotten that opportunity was not always sold on the market. If the United States were to recommit to equalizing opportunities, this could be pursued by dismantling opportunity markets, by providing low-income parents with the means to participate in them, or by allocating educational opportunities via separate competitions among parents of similar means. The latter approach, which we focus upon here, would not require mobilizing support for a massive redistributive project.

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Is there any pressing need for another paper on the effects of educational expansion and reform on social mobility? Because the ongoing stream of commentary on education reform is so vast, it might seem unlikely that a new contribution to this literature could add much value.¹

But however saturated the education reform literature may be, existing commentary tends to gloss over the rise of “opportunity markets,” a fundamental development that should be treated as a main threat to realizing our country’s long-standing commitment to equalizing opportunity and increasing mobility. We will show that the rise of opportunity markets makes it possible for parents to convert money seamlessly into high-quality resumes for their children and thus create the perception that merit just happens to coincide with money. We will also show that the task of building a merit-projecting resume requires vast infusions of parental money from the very moment of

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conception. Although we are hardly the first to make this point,² the extent to which the merit-construction business has come to depend on financial resources has not been fully appreciated, nor have our reform efforts adequately taken the force of this development into account.

The first step that any reformer should take is to diagnose well. We thus begin our essay by describing the rise of opportunity markets and how they allow well-off parents to buy elite education and other desirable outcomes for their children. As important as this diagnosis is, our essay does not end with it. We also use this diagnosis for the purpose of prescribing. In doing so, we do not insist on treating the “root cause,” given that there is no iron law to the effect that a successful treatment must target the cause. When it comes to reforming our mobility regime, our instinct is that present-day Americans likewise lack the stomach to deal directly with the causes of unequal opportunity, as doing so would entail massive redistribution.

But that is not reason to despair. It only means that we must find another way. We show that, although the mobility process has been deeply recast by the rise of opportunity markets, it is possible to counter this development by intervening at a late point in the process rather than attempting to undo the development of opportunity markets themselves.

We do not mean to suggest that anyone operating under a Rawlsian veil of ignorance would want to live in a society based on opportunity markets. The problem we now face, however, is one of dealing with opportunity markets after they have emerged. In this context, most high-income Americans will aver that they should be allowed to spend their hard-won dollars however they wish, a type of “liberty” that includes the right to participate in opportunity markets for

the purpose of helping their children succeed.³ Moreover, because most high-income Americans are also skeptical of aggressive redistribution, it would be difficult to garner support for a transfer program that would allow low-income families to participate fully in opportunity markets. The good news is that neither of these types of revolutions is necessary. We argue instead that, were a small handful of education-sector elites to decide to restructure the college admissions process, they could trigger a norm cascade that would counter the rise of opportunity markets and lead to a substantial increase in social mobility.

It is rare indeed that an opportunity for transformative change lies within the control of so few. We are, you could say, writing this essay for those few.

The balance of our essay elaborates on this argument by providing prolonged answers to the following two questions:

- 1) Why has the expansion of higher education in the United States failed to bring about an increase in social mobility?
- 2) How might selective institutions of higher education be reformed to increase social mobility and ultimately spawn norm cascades that would lead to more far-reaching change?

We focus more on the diagnostic question than the policy question because, as noted above, it is all-important to get the diagnosis right. After describing the rise of opportunity markets, we introduce several policy options available to us, only one of which might realistically be implemented in the near term. This prescription entails convincing education-sector elites to define merit in a way that adjusts for the different environments in which it is constructed. We feature this solution as an important corrective to the view that any far-reaching commitment to equal opportunity would require a massive redistributive effort.

It is easy to be disillusioned by the unceasing flow of small reforms that are intended to equalize opportunities but that clearly have not made much headway against far more powerful opposing forces. Although these incremental reforms are an important stopgap, they fall short of meeting a democratic society's obligation to act decisively to equalize opportunity. As sociologist Michelle Jackson argues, social scientists should be on perpetual lookout for more radical ways to get the job done.⁴ Even if our preferred radical option is not taken up, there is still value in synthesizing social science insights – from sociology, economics, political science, and psychology – to imagine how a policy intervention could trigger an array of macro-, meso-, and microlevel processes to equalize educational opportunity.

But is the current state of affairs all that worrisome? Is such a radical defense of equal opportunity an overreaction? The available evidence suggests that we are *not* overreacting. We know that the test-score gap between children from low- and high-income families has widened by roughly 40 percent in the last three decades.⁵ We know that, at the thirty-eight highest ranked colleges, more students come from the top 1 percent of the family income distribution than from the entire bottom 60 percent.⁶ We know that less than half of the students in the bottom quintile of family income attend any college at all.⁷ We know that, because the returns to education continue to increase, children without access to a high-quality education are ever more disadvantaged.⁸ We know that approximately two-thirds of the income inequality between poor and well-off families is passed on to the next generation.⁹

As important as these facts are, there are also profound gaps in our knowledge. There is, for example, a troubling

evidence deficit on long-run trends in U.S. social and economic mobility, especially with respect to relative mobility rates.¹⁰ The deficit exists mainly because the available surveys are based on small samples and do not extend far enough back in time. Although we cannot weigh in definitively on long-run trends, there can be no doubt but that present-day departures from equal opportunity in the United States are profound. The current state of affairs simply cannot be reconciled with an “American dream” in which all children, even those with low-income parents, are supposed to have the same opportunity.

When measured against the depth of the problem, the policy response to this state of affairs is disappointing. For the most part, the response has taken the form of either 1) admitting more “first-generation” students to postsecondary institutions; or 2) providing postsecondary loans or grants to low-income children. The former approach falls short because first-generation status is a poor proxy for income, and the latter approach falls short because it wrongly presumes that the main barriers to access are credit constraints at the very end of the training period (the postsecondary years). Insofar as credit constraints are indeed in play, we will show that they are likely to be more problematic in the earlier years of childhood, when low-income families cannot borrow the money needed to rent or buy housing in neighborhoods that offer high-quality education. It follows that low-income children are not receiving the early training that then positions them for a high-quality college track.

It would be conventional at this point to champion some new approach to “fixing” the primary or secondary schools that low-income students attend. The school-fixing literature, which is of course vast, has so far been a disappointment.

David B. Grusky,
Peter A. Hall
& Hazel Rose Markus

Because all prior efforts at equalizing training have been tepid and weak, it is best to look to solutions that do not require us to wait for an authentic effort at rebuilding a training system that truly provides equal opportunity. This will likely be a long wait. After decades of interventions, we still find ourselves in a situation in which, for example, the test-score gap between children from low- and high-income families is widening, not narrowing.¹¹ This leaves us with the decision of either 1) continuing to pretend that the next tepid intervention will somehow succeed where none other has or 2) owning up to the inevitability of running a deeply unequal training regimen for the foreseeable future. The great virtue of moving beyond the usual wishful thinking is that we can then turn directly to the task of building a college admission system that integrates well with the unequal training system we actually have and will likely continue to have for some time. The prescriptive purpose of our essay is to show how doing so could set in motion a norm cascade that would lead to far-reaching change.

The foregoing raises the question of whether current levels of inequality are too deeply entrenched to be addressed by everyday reform efforts. In suggesting that we should own up to the “inevitability of running a deeply unequal training regimen for the foreseeable future,” we only mean to suggest that, *given our existing institutional and cultural commitments*, it will be difficult to dismantle the current system of highly unequal training. The United States has settled, in other words, into a particular type of training regime that is backed by a wide range of institutional commitments that then make it difficult to effect reform using conventional approaches. In principle, the United States could have opted for a different

set of institutions, with some of these very likely to have yielded far lower levels of inequality. The theme of this *Dædalus* issue, which resonates in our essay, is that a society’s inequality regime is the historically specific outcome of the cultural and institutional arrangements characterizing that society. These cultural and institutional arrangements come together and interact in ways that produce an inequality regime that is then naturalized and understood as inevitable.

Although this abstract formulation of the genesis of existing inequalities will strike many social scientists as unobjectionable, it is not the formulation that underlies the typical lay understanding of this process. It is instead conventional to treat inequality as the product of either inevitable variation in the talents or proclivities of individuals or inexorable forces at the heart of late industrialism or market economies. For many commentators, the extreme inequality in the United States and other well-off countries is represented as a “necessary evil,” whereas inequality is in fact an implicit or explicit policy decision arising out of historically specific cultural and institutional arrangements.

These arrangements tend not to be a haphazard congeries of commitments. We use the term *inequality regime* to express the relatively high level of integration that runs across macrolevel institutions (like the economy), mesolevel organizations (like the family), and microlevel processes (like constructing the self) that are implicated in the production of inequality. The rise of opportunity markets, for example, is an expression of a deeper cultural and institutional commitment to allocate scarce goods and services through markets. This macrolevel commitment to opportunity markets travels downward to the mesolevel in the sense that families become the main unit for mobilizing the

resources needed to make investments in these markets. It also travels downward to the microlevel as parents, teachers, and peers pass on class-specific conceptions of the self, conceptions that affect how children will fare in opportunity markets.

The result of these integrative tendencies is an inequality regime that functions so smoothly that its many interlocking components can be invisible. It is nonetheless crucial for our argument that, beneath this appearance of high integration, there remain some quite fundamental inconsistencies and contradictions. By drawing out the antecedents, correlates, and consequences of opportunity markets, our goal is to identify a point of intervention that can unravel the regime. The unraveling will rest on exploiting a contradiction between a commitment to markets as the preferred mode of allocating opportunities (the “neoliberal commitment”) and a commitment to providing opportunities to all children (the “equal opportunity commitment”) even when their families cannot afford to buy them.

This contradiction may seem too fundamental to have been overlooked in any existing inequality regime. How did a society built around a commitment to equal opportunity end up putting opportunity on the market? Although that may seem an unlikely outcome, the neoliberal commitment to defunding and privatizing the public sector swept up everything in its path, in effect blinding us to some of the inconsistencies that this commitment engendered. The marketization of opportunity was in this sense a side effect of a host of smaller decisions, each undergirded by a neoliberal logic, that cumulated into an outcome never explicitly chosen.

This sudden turn to neoliberalism was undergirded by a dual claim about the efficiency and justice of markets so seductive that it was applied even to services

that were a prerequisite for accessing opportunities.¹² The efficiency side of the neoliberal claim assumes that market competition maximizes total economic production. The logic here is that, were we instead to “give training away” to everyone (via free college, for example), some students would opt for it even if the training would be wasted on them. The market ensures instead that resources are only spent where justified by the payoff. The justice side of the neoliberal narrative asserts that market competition yields not only efficiency, but also a fair distribution of rewards. This justice premise holds that the winners of the competition deserve the substantial rewards bestowed on them because they are the most diligent and talented. It assumes, in other words, that universities are making their admission decisions on the basis of merit and that universities are processing their admitted students in ways that produce a merit-based ranking that may then be profitably used by employers. The neoliberal vision is thus a tight and self-reinforcing model that legitimates the market as both efficient (output maximizing) and just (meritocratic). It compactly inspires and defends some of the core inequalities now characteristic of contemporary societies.

But are opportunity markets like all other markets? Can they be defended convincingly in these terms? If a training system is to have good neoliberal credentials, it must at minimum ensure that investments in children are made on the basis of expected returns, not on the basis of the family’s capacity to afford them. With the rise of opportunity markets, a family’s capacity to invest in the human capital of its children depends on its income and wealth, with the implication that many low-income and low-wealth families are locked out of making investments even when the expected returns to those invest-

David B. Grusky,
Peter A. Hall
& Hazel Rose Markus

ments are very high. Although, in principle, this problem could be solved by allowing for borrowing, in practice, there are not well-developed markets that allow for borrowing in early childhood, when investments are likely to have the highest payoff. Moreover, even if these markets did exist, many low-income families would not avail themselves of such loans because they deem them too risky in the absence of fallback resources should the investment go awry.¹³ The upshot is that children born into well-off families are protected from a fair and open competition with their counterparts in poor families.

We now turn to the task of laying out in very stylized terms how opportunity markets came into being. As discussed above, we do not suggest that elite policymakers, operating under the spell of neoliberal stories about efficiency and justice, purposefully brought opportunity markets into being. It was rather the case that they drifted into opportunity markets via a series of small policy decisions that, each taken separately, could be narrowly justified in neoliberal terms.

We begin this story during that period after World War II when the provision of mass education came to be seen as one of the architectonic tasks of modern states. Although mass education had long been represented as a vehicle for increasing social mobility, this function was stressed as a key component of the emerging modern welfare state. In one of the earliest defenses of the welfare state, sociologist T. H. Marshall accorded education a preeminent role in what he termed “class abatement,” the process by which class-based differences in life chances would erode and allow social equality to be secured.¹⁴

The U.S. educational system began to take on a form that approximated this ideal in the aftermath of World War II. The secondary schooling that was need-

ed to enter the middle class was so widely available that even poor families could reasonably expect their children to secure it and thus qualify for a good job in an automobile factory, a steel mill, or a grocery store. To be eligible for these types of middle-class jobs, all that was needed, at most, was the standard secondary schooling available in local neighborhoods. The road to the middle class did not entail parents buying high-quality childcare, moving to an expensive neighborhood, making ongoing investments in off-season or after-school training, or taking on debt to afford years of college tuition.¹⁵ Although there were still vast inequalities of opportunity in the postwar period, it was not the case that the opportunity to enter the middle class was quite so baldly sold to the highest bidder. The profound restrictions faced by African Americans, for example, stemmed from segregation and legal restrictions rather than from purely financial obstacles.¹⁶

We now live in a very different world in which financial obstacles have become an increasingly fundamental challenge to realizing our commitment to equal opportunity. The marketization of opportunity has taken hold gradually and through many seemingly distinct processes. Once in place, it has been protected by a generalized neoliberal commitment to the sanctity of markets, a commitment that has made it difficult to challenge the prerogative of families to buy opportunity for their children on the new opportunity markets. Because these markets are now well developed at every stage of the life course, it is important to review how a child, from the moment of birth up to labor market entry, is processed through them. Although everyone knows that tertiary education is directly purchased, this is but the culmination of a shockingly deep penetration of opportunity markets into our everyday lives.¹⁷

Zone-1 opportunity markets. We begin this review with the early childhood period. The main macrolevel dynamic affecting early childhood training is that it is increasingly delivered on the market rather than via the family. In the postwar period, parents were the main providers of early childhood training, with mothers responsible for the bulk of it. Because mothers are now more likely to work in the formal labor market, childcare and early childhood education have become services to be purchased. Although many countries have reacted to this “differentiation of childcare out of the family” by converting it into a state-provided or state-subsidized service, the United States has instead put it on the market and provided only modest means-tested childcare subsidies to some poor families.¹⁸ It follows that poor parents who want to provide high-quality childcare to their children are now often obliged to rely on their own resources to buy it.

When a function is wrested out of the family, it opens up an opportunity to reduce the effects of the family on how that function is met. The essence of modernization theory, as developed by sociologist Talcott Parsons and others, is that the differentiation of functions out of the family would have, for example, a class-abating effect.¹⁹ Because the family was seen as a conduit for class-specific cultures and sensibilities to be transmitted across generations, any function that differentiated out of the family could in principle be delivered in a standardized way, thus “abating” the effects of class.

Why didn’t modernization theory get it right in the U.S. case? The simple answer: the theory wrongly presupposed that a newly differentiated function, such as childcare, would be delivered in a standardized way. When a service is put on the market, this is rarely true. We don’t have one type of car for sale, one type of

house for sale, or one type of vacation for sale. If childcare differentiates out of the family and into the market, we would likewise expect it to be offered at different price points, with only well-off parents able to afford the highest-quality offering. This differentiation in price would not matter for our purposes if the highest-quality childcare entailed luxury add-ons that did not much affect a child’s life chances. The marketization of childcare investments does, however, matter precisely because the best available evidence shows that children exposed to high-quality early education are profoundly advantaged in their lifetime earnings and employment.²⁰ This is a textbook case, then, of putting a service onto the market, converting it into a commodity, and thereby making money the arbiter of subsequent life chances.

We are not suggesting that the neoliberal narrative was responsible for the differentiation of early childhood training out of the family. To the contrary, a broad constellation of historical, social, and cultural processes led young mothers to enter the labor market en masse, processes that then made it necessary for childcare to be delivered outside the family. Although the neoliberal narrative was not the cause of this transition, it did make it more difficult for the state to ensure that childcare was delivered in a standardized high-quality form, to define childcare as a universal and guaranteed public good, or to deliver comprehensive means-tested subsidies that would allow poor families to buy high-quality childcare. The United States thus ended up with a childcare system that is ensconced in the market, is subject to market logic, and accordingly makes the quality of childcare increasingly dependent on the capacity to pay for it. This is the first critical step in the creation of opportunity markets in the United States.

Zone-2 opportunity markets. The next step in creating robust opportunity markets was to allow parents to buy different gradations of training for adolescent children. This might seem difficult in the context of the largely public system of primary and secondary education in the United States. In the case of early childhood training, the state's involvement in the delivery of care was quite modest and indirect, mainly taking the form of rudimentary regulation, supporting Head Start and other public training programs, and providing limited childcare subsidies to poor families. By contrast, primary and secondary schooling in the United States remains a largely state-provided affair, thereby complicating the task of commodifying it. How, in other words, are well-off parents allowed to *buy* higher-quality education for their children when primary and secondary schooling have been set up to be universal and public?

The well-known answer rests on 1) segregating neighborhoods by household income and 2) allocating the funding for neighborhood schools on the basis of local property values. This two-part process ensures that neighborhoods are income-homogeneous and that the income level associated with each neighborhood dictates the amount of school funding and quality. From the point of view of parents, the result is no different than simply allowing them to buy the desired level of school quality, although the sale comes in the form of a package deal in which access to the school is sold in tandem with access to the neighborhood.

This solution sets up a zone-2 opportunity market that allows well-off parents to buy access to those neighborhoods that increase the human capital and earnings of their children.²¹ These higher earnings are partly attributable to the higher-quality schools disproportionately found in more expensive neighborhoods. Al-

though school effects are notoriously difficult to establish, the best available evidence suggests that children attending schools with high per-pupil funding have higher earnings as adults.²² The social organization of schools in high-income neighborhoods is also distinctive by virtue of providing an academic experience very close to the college experience.²³ The curriculum and social organization of these schools entail open access to class materials, complex and varied tasks, freedom of movement, and ample choice among tasks and activities.²⁴ To promote analytical thinking when solving problems, teachers focus not on following rules but on the importance of understanding the logic behind the process of answering a question.²⁵ This means emphasizing the value of independent work and creativity, encouraging students to ask questions and challenge assumptions, promoting individual expression in essays and class presentations, and developing big-picture thinking. In all of these ways, teachers in high-income neighborhoods are carefully scaffolding the college-bound self, a type of scaffolding that is likely to have a higher payoff in the labor market.

What type of scaffolding is there in low-income neighborhoods and schools? Because educators in low-income neighborhoods often assume that most of their students will not enter the middle class, many provide a scaffolding that prepares the self for a low-wage world. In these schools, the curriculum and classroom practices emphasize more limits on individual freedom, less complex and more structured activities, and more attention to following rules and instruction. Although this type of regimented classroom fits well with a home experience emphasizing the importance of "keeping your head down" and following authority, it can be fraught when students en-

ter secondary school and begin to assert their own voice and autonomy. Because the very same actions that are construed as “finding one’s voice” in a high-income school can be read as defiance in a low-income school, these differences in school organization produce corresponding differences in the likelihood of being disciplined with trips to the principal’s office or suspension.²⁶ This in turn has implications for college attendance and earnings.

We have so far argued that low-income children tend not to attend opportunity-expanding schools because their parents cannot afford the housing in the neighborhoods that deliver these schools. The effects of neighborhoods on opportunity are not, however, entirely due to such differentials in school quality.²⁷ Although it is well-established that neighborhoods have a profound effect on opportunity, we know less about the forces accounting for this effect. The best available research suggests that the payoff to a high-income neighborhood is *not* reducible to “school quality” effects alone and may also be attributable to networks and cultures that cultivate high-status preferences, develop skills for high-earnings jobs, and protect against exposure to trauma, crime, discrimination, and other stressors that suppress later achievement.²⁸ For our purposes, we do not need to know exactly *why* children growing up in high-income neighborhoods are advantaged, since parents who buy into these neighborhoods will regardless have access to the full package of effects.

Have opportunity markets of this sort always been in play? As best we can tell, high-payoff neighborhoods have always cost more, but there is reason to believe that money figures ever more in securing entry into them. The key change here is rising economic segregation. As neighborhoods become increasingly segregated by income, access to neighborhoods

with high-quality schools and other advantages has come to depend ever more on the capacity to buy one’s way in.²⁹ Although there is much debate about how this came to pass, one plausible account is that the rise of the professional-managerial sector and related technological changes increased the returns to college, ramped up the competition for the training and credentialing needed to attend top colleges, and thus induced parents to buy this training and credentialing via the highest-income neighborhood they could afford.³⁰ There are of course many other accounts. Whatever the causes of rising economic segregation, what matters here is that it allows well-off parents to buy opportunity for their children. By contrast, low-income parents can no longer afford the high-amenity neighborhoods that, before the recent intensification of economic segregation, were more open to them.

We are thus left with a pretend public-school system at the primary and secondary levels. In reality, parents who send their children to “public” schools do so only after entering a market that metes out different levels of public school quality, a market that is again legitimated by neoliberal sentiments about the sanctity of markets for all allocative purposes, even evidently the allocation of opportunity. As with the early childhood market, this late childhood market was not created *because* of a commitment to neoliberalism, but once it emerged it came to be viewed as a legitimate – even sacred – exercise of the right of a well-off parent to assist and protect one’s children. The neoliberal narrative was in this sense available at just the right moment to play a valuable legitimating role. Although the American commitment to “equality of opportunity” should have undermined the development of such brazen opportunity markets, the ready availability of a generalized

David B. Grusky,
Peter A. Hall
& Hazel Rose Markus

commitment to market-based allocation successfully smoothed over any possible legitimization problems.

Zone-3 opportunity markets. The rise of opportunity markets within the third zone – the young-adult zone – is just as critical. This is the zone where young adults settle on their initial investments in tertiary training, undertake that training, and then attempt to convert it into a full-time job. The simple problem that emerges in this zone, as with the two childhood zones, is that family money is again deeply associated with outcomes. That is, the children from well-off families not only end up in the best preschools, primary schools, and secondary schools, but also in the best colleges and universities. By contrast, children from less advantaged families often forgo tertiary training altogether, tend to drop out quickly when they do opt for tertiary training, or are frequently relegated to for-profit schools and other institutions with relatively low returns.³¹

These developments are troubling because the pathway to the middle class now depends critically on this transition. In the past, it did not much matter that high-quality colleges were dominated by the children of well-off families, as the main pathway to middle-class jobs (such as union jobs) did not require college or any other type of tertiary training. The typical working-class or middle-class family in the prewar and immediate postwar decades properly viewed college as the irrelevant plaything of the elite. However, now that college is a virtual prerequisite for entry into the middle class, it surely matters that well-off families are deeply advantaged in getting into the best ones.³²

The key question that emerges is *why* children from well-off families are so much more likely to attend selective tertiary institutions. We have already shown

that when one asks why well-off children attend the best primary or secondary schools, the simple answer is that their families are able to buy this schooling for them, either directly (via private schooling) or indirectly (via the purchase of high-amenity neighborhoods). It is not the case, by contrast, that most well-off families can simply buy slots for their children at selective institutions. Although extremely rich parents can sometimes buy their children acceptance into top universities (either licitly or illicitly), the typical well-off parents must instead proceed indirectly by making the requisite investments that ensure that their progeny are seen as meritorious.³³ The winning resume will display high grades and test scores, a high-status secondary school, exposure to high-level classes in math, science, and the arts, the right number of successful advanced placement exams, a strong profile of volunteering activities, and a self that is appropriately independent, confident, self-expressive, enthusiastic, optimistic, and high-energy.³⁴

It just so happens that it costs money to build such a resume. The well-off parent cannot, then, directly buy access to elite universities but must instead do so by spending the money necessary to build a resume laden with signals of merit. These investing and cultivating activities are a direct form of money laundering: one of the main reasons why well-off parents spend so much money on high-quality preschool, the best primary and secondary schools, after-school and summer training, and college coaching is to develop a personal portfolio for their children that signals merit and thus appeals to employers and admissions officers at selective institutions.³⁵

It is surprising that more attention has been paid to the role of money in buying information than to its role in buying merit. The information problem,

as conveyed most famously by economist Carolyn Hoxby, takes the form of low-income children with attractive secondary-school profiles failing to apply to selective institutions because they have not heard of them or because they think that they would never be admitted to them.³⁶ This classic information problem arises because poor children are raised in low-income neighborhoods that do not come with the peers, teachers, and counselors who know the college admission process. When well-off parents buy into high-income neighborhoods, they are not just buying a certain caliber of training, but also a mentoring network that provides high-quality information on colleges and, more generally, assists in conveying middle-class mores and practices. This is yet another way in which opportunities purchased in the second opportunity zone affect behavior and outcomes in the third zone.

We might also assume that children from poor families do not attend college because it costs too much.³⁷ If poor children worry about going into debt or are especially risk averse, they may be deterred from attending college or investing in other forms of tertiary training.³⁸ Over the last twenty years, the average net price of tertiary training, which is the difference between total costs (tuition, fees, room and board) and total grant aid and federal tax credits and deductions, has increased by \$350 per year for public two-year institutions, \$6,110 per year for public four-year institutions, and \$6,020 per year for private nonprofit four-year institutions.³⁹ Although the per-year increase is only slight for public two-year institutions, many of these institutions are oversubscribed, meaning that students cannot obtain the necessary classes to fulfill requirements. This in turn extends the time of enrollment and increases the total cost of completing a degree.⁴⁰

These rising costs express a very direct and simple way in which money increasingly matters. We are reluctant, however, to make too much of these trends in the net price of college, since there is much debate about the extent to which credit constraints are indeed a deterrent to attending college.⁴¹ Even if the rising price of college is an important deterrent, it is still likely less important than the monetary deterrents in zones 1 and 2, in which low-income families face overwhelming price barriers to moving into neighborhoods that can reliably deliver a merit-signaling resume for their children. These costs cannot be mitigated, as they can in zone 3, by taking out loans. That is, because home mortgages are based on a family's income and wealth, they cannot be used to finance a zone-2 investment in a child. The same applies to low-income parents who would like to finance a zone-1 investment in early childhood training. The clear implication: the truly consequential borrowing constraints are likely in opportunity zones 1 and 2.

To this point, we have emphasized the resume-building *skills* that money can buy, including test-taking skills that generate high-achievement test scores (like SAT scores), classroom skills that generate high grade point averages, and writing skills that generate appealing college application essays. We have also emphasized that money can buy valuable *information* about the types of colleges to which one might apply. We have focused on the sale of skills and information within new opportunity markets only because they are the most easily identified mobility-generating commodities for sale. But money also “gets under the skin” and affects how individuals come to view themselves, how they come to understand their role within the world, and how they come to understand their relationships with

David B. Grusky,
Peter A. Hall
& Hazel Rose Markus

others. The purpose of this section is to describe how the middle-class world promulgates in children “neoliberal selves” who understand themselves as independent self-interested actors, how this sensibility pays off, and why it takes money to garner access to the habits of mind and ways of being that constitute the neoliberal self.

What is the neoliberal self? Through engagement with neoliberal systems of ideas and practices, middle-class individuals have increasingly come to understand themselves as separate from others, from the public, and from the civic or the social. They have come to construe their own behavior and that of others as an expression of internal attributes and the consequence of preference-based free choice. By virtue of this heightened individualism and independence, neoliberal selves often devote less time and fewer attentional resources on others and enjoy less connection to and empathy with others.⁴² This sensibility provides answers to basic questions of identity such as “Who am I?” and “How should someone like me act?” The answers on offer perpetuate as obvious and good the priority of the unconstrained individual and the expression of preferences and rights above other possible foundational values, including equality, obligation to family and community, or the public good.

The middle class and especially the upper-middle class is the home ground of the neoliberal self understood in this way. It follows that, when a child lives in a middle-class home or neighborhood, that child will be exposed to practices and behaviors that support the development of a neoliberal self. Likewise, when a family moves from a poor to middle-class neighborhood, the child’s exposure to neoliberal ideas and practices will increase. The children in middle-class neighborhoods learn, for example, to prioritize their

individual needs, to promote and express themselves, to stand out from others, and to attempt to influence the world according to their goals and aspirations.

By contrast, when children grow up in low-income families or neighborhoods, they are less likely to have experiences that foster neoliberal selves and are more likely to have experiences that foster “interdependent selves” that are useful and appropriate for a less-advantaged world.⁴³ In a world with fewer resources, it becomes important to relate to and fit in with others, since doing so builds networks that can be relied upon for both material and emotional support. When one’s fate is more dependent on the actions of others, it makes sense to pay attention to others, to be responsive to them, to be aware of hierarchy, and to maintain loyalty with in-groups.⁴⁴ The resulting self is likely to prioritize interdependence, relationships, and family and community over individualism, individual accomplishment, and independence from family and community.

The neoliberal self is fine-tuned to succeed in the upper-middle-class world of elite universities. This is partly because adolescents under its sway are likely to approach college as something they need and as a natural next step that is, in effect, little more than “grade thirteen.” Because of their family and neighborhood experiences, they are primed to receive precisely the message that selective colleges communicate, a message that celebrates the freedom “to be incredible,” “to be unique,” “to make extraordinary contributions,” “to take risks,” “to chart one’s own course,” and “to choose from more than sixty majors, double majors, and individualized majors.” The university pitch is appealing to neoliberal selves because it allows them to express their uniqueness, focus on individual accomplishment, make choices, and realize

their independence by separating from family and community. Once admitted, they will also be more likely to finish because they experience a comfortable fit between their own preferences, motives, goals, and aspirations and those fostered by the university context.⁴⁵

For many adolescents who instead grow up in low-income neighborhoods, there is often less interest in college, and not just because they have not had access to the types of primary and secondary schools that provide them with college-oriented skills and information. They are also less likely to see college as “the answer”: the neoliberal self sees college as the solution to the problem of securing independence, whereas adolescents raised in low-income environments are often more interested in maintaining family and community ties than escaping them.⁴⁶ Moreover, low-income adolescents may not have previously traveled far from their homes or spent time in unfamiliar environments, nor are they likely to believe that doing so is attractive or important. The university’s invitation to leave one’s home and become an independent, extraordinary, choice-making self may be more bewildering than it is exciting. Some students may wonder, “What kind of a person do I have to become to succeed in a place like this?” As one first-generation student put it, “I want to go to college so that I can give back.... It is just not about me and my success.” When children from low-income neighborhoods do nonetheless opt for college, they often report a lack of fit and a feeling of being like a guest in someone else’s house. Even when they are highly motivated and achieve good grades and test scores, they experience higher drop-out rates, lower feelings of belongingness, and fewer close relationships with peers and professors.⁴⁷

This is all to suggest that money is not just used to buy the skills and information

needed to gain access to and thrive in top universities. It also cultivates an orientation and sensibility (the neoliberal self) that tends to view the college experience as the logical next step, that fits with the college and is accordingly attractive to college admission officers, and that aligns well with the elite university’s social world. It makes the university feel like one’s natural new home. Although there are doubtless many reasons why middle-class neighborhoods tend to increase the earnings of children who lived in them, we suspect that it is partly because they are exposed to sensibilities and orientations that are fine-tuned for the college experience.⁴⁸ If low-income parents want to secure this type of “cultural fit” for their children, they may well conclude that they need to raise them in middle-class neighborhoods that are chock-full of neoliberal selves.⁴⁹ This is likely, however, to be prohibitively expensive.

The obvious point is that it was not always this way. In the past, parents did not have to try to finesse their way into a “neoliberal neighborhood,” as middle-class union or office jobs could be secured by simply attending the local high school in a working-class neighborhood. Because middle-class outcomes now require a college degree, we have obliged low-income parents to think about “cultural fit,” which has been put up for sale at out-of-reach prices. The rise of for-pay college application “advising services” can be understood in this context as an effort to provide a shortcut to cultural fit at a price point that’s at least lower than the cost of eighteen years of a middle-class mortgage.⁵⁰

We have sought to deliver a big-picture overview of where the United States stands on its commitment to delivering equal opportunity to all children. Because the education field is so large and

David B. Grusky,
Peter A. Hall
& Hazel Rose Markus

specialized, it is easy to fixate on just one part of the larger research literature or on one class of narrow-gauge interventions, often with the unfortunate result of obscuring the larger forces at work that are transforming the distribution of opportunity in this country.

The concept of opportunity markets allows us to better understand how the landscape of opportunity is changing in the United States. We have shown that three such markets have become increasingly prominent and that only the third one, the early-adult market, allows low-income families to take out loans that make for fairer competition. In the two childhood zones, many low-income parents would of course like to assemble “high-merit resumes” for their children, but this is a difficult undertaking when they cannot afford private childcare, high-quality preschools, the best primary and secondary schools, amenity-rich neighborhoods, and the usual complement of after-school and summer training activities. Because there is no capacity for borrowing in these childhood zones, they have become simple money-laundering operations in which well-off parents are the only ones who can buy the schools, neighborhoods, and peers that generate what is deemed to be merit (such as accomplishments in music, theater, debate, test scores, grades, or volunteering). In the tertiary zone, the requisite financial aid is then delivered and a commitment to need-blind admissions is trumpeted, making it appear as if there were now an equal and fair competition in which all children have a fair shot. The obvious problem with this arrangement is that the potentially equalizing financial aid is delivered far too late. Were it instead delivered earlier, when the children’s “merit resumes” and selves were being constructed, well-off parents would no longer have an effective monopoly in accessing the schools, neighborhoods,

and information required to construct the appearance of merit.

It would be difficult to imagine a setup that more directly controverts our commitment to equal opportunity. To be sure, middle-class parents cannot directly buy a middle-class outcome for their children, but they can and do buy a higher probability of a middle-class outcome through their disproportionate access to the requisite schools, neighborhoods, and information. This laundering operation is insidious because it creates the appearance that universities are selecting on merit when in fact they are selecting on the capacity to build a merit-projecting resume.

The emergence of opportunity markets becomes even more problematic when it is combined with rising income inequality.⁵¹ Although some economists have argued that rising income inequality is in and of itself incompatible with our commitment to equal opportunity,⁵² in fact it is the emergence of opportunity markets that gives rising income inequality its teeth. If the United States had resisted putting opportunity on the market, it would not have mattered so much that the well-off were securing ever-greater shares of total national income. The extra money at the top of the distribution could have been used to buy more yachts, more Teslas, and more private planes, but not to buy more opportunity for those lucky children born into the top. It is only when opportunity markets are also available that the well-off can use their extra income to reduce the chances of downward mobility for their own children and the chances of upward mobility for other children.⁵³

What can we do? It is easy to be disillusioned by the unceasing flow of incremental reforms that are well intended but ultimately overpowered by the combined effect of rising inequality and growing

opportunity markets. The purpose of this section is to lay out a radical intervention that could cut through all the incrementalism and directly deliver equal opportunity.

At any point in time, the likelihood of radical change is very small, but it would be a gross misreading of U.S. history to rule it out altogether. There is nothing more distinctively American than the idea that our principles should be taken seriously and that our institutions should be continually recast and perfected to ensure that we live up to them. At several points in its history, the United States has acted decisively to effect a correspondence between its principles and institutions, with the civil rights movement perhaps the most recent – and ongoing – example of this type of reconciliation. The commitment to equal economic opportunity, although arguably one of our most sacred principles, has not yet had an equivalent “line in the sand” moment.

If ever that moment arrived, there are several ways in which it could play out. It might, for example, be judged that opportunity markets are here to stay and that we must therefore equip low-income families to compete within them more fairly. This type of equalization could be achieved, at least partly, through aggressive income redistribution that makes it possible for all families to participate more fully in zone-1 and zone-2 opportunity markets. Alternatively, new financial products might be developed to allow loans to be taken out within these two markets, thus making it possible for low-income families to invest in their most talented children. Although either of these efforts would allow low-income or middle-income children to compete on a fairer footing, some residual inequalities in opportunity would inevitably remain. This is because, insofar as the original rank-order inequalities are preserved

even after redistribution, the higher-ranked families could continue to outbid lower-ranked families in key opportunity markets.⁵⁴ Moreover, insofar as low-income families face various environmental conditions (such as high incarceration rates in their neighborhoods) that prevent them from reaping fair returns to their human capital investments, it is possible that they would not make deeper investments in their children even with an increased capacity to do so.⁵⁵ It is nonetheless plausible that an aggressively redistributive program could substantially reduce inequalities of opportunity.

The second approach that might be taken entails reversing the rise of opportunity markets rather than acquiescing to them. This “decommodifying approach” would proceed by installing a full range of public goods – including free high-quality education, free high-quality childcare, and integrated neighborhoods – that would allow lower-income families to access opportunities for their children without having to buy them. With this approach, an aggressive program for redistributing income would presumably no longer be required, since access to opportunities would be directly delivered in the form of public goods rather than purchased in markets.⁵⁶ The obvious difficulty with this approach would be identifying those key services that, once delivered as public goods, would best level the playing field.

It is hard to imagine a more radical agenda. These approaches would require either the most radical redistributive effort in the history of the United States or the most radical commitment to the universal provision of services in the history of the United States. Although the New Deal might, for example, be seen as a precedent, it seems unlikely that sufficient support could be mustered for a new equal-opportunity project that would make even the New Deal seem small.

*David B. Grusky,
Peter A. Hall
& Hazel Rose Markus*

Is there a third way? Is there anything the United States could do – right now – *without* spending a large fraction of the federal and state budgets? There indeed is. The simple way forward is to give up on the ideal of lavishing the same advantages on low-income children as are currently lavished on middle-income children. We have been caught in the trap of thinking that, insofar as we are unwilling to forcibly prevent middle-income parents from making large investments in their children, our only alternative is to raise low-income parental investments to a middle-income level. The resulting “race to the top” is an immensely costly approach when the top has so much to spend.⁵⁷

We thus need a third way that does *not* rest on equalizing access to all investments. The obvious starting point for such a third way is to recognize that, whenever investments in children are affected by the parents’ capacity to invest, the resulting investment tracks must be viewed as incommensurate competitions. It then follows that universities should take a proportionate share of winners from each track. By this logic, universities should admit students who win their within-tranche competition, with each “tranche” comprising children from families of roughly the same economic circumstances.

This approach is inexpensive precisely because we are not compensating for privately financed differentials in early childhood investments. We are instead using the existing competition among low-income children to provide evidence on performance differentials (such as grades, test scores, musical performance, volunteering profiles) when investments are low. We are likewise using the existing competition among middle-income children to provide evidence on performance differentials under a middling infusion of resources. And we are using

the existing supercharged competition among high-income children to provide evidence on what happens when extraordinary resources are applied.⁵⁸ The premise behind this approach is that cross-tranche competitions are intrinsically incommensurate, that any attempt at forced commensuration is folly, and that there is accordingly no alternative but to take a population-proportionate share of winners from each tranche.

We are not suggesting that a three-tranche approach of this sort should actually be used. If the admissions process were indeed based on just three tranches, the winners in each of them would likely be drawn from near the top of their tranche’s income distribution, an outcome that would reflect residual within-tranche differences in the capacity to make investments. This type of “creaming” could be mechanically reduced by using a larger number of tranches. Under a decile approach, the within-tranche heterogeneity in economic resources would be much reduced, and the competition within each decile would be fairer. For selective institutions using a holistic admissions process, each admissions officer could concentrate on a single tranche, allowing that officer to become a specialist in the types of accomplishment that can emerge for any given amount of family income. The “equal opportunity” constraint then takes the form of simply requiring that the same number of students are selected from each of the ten deciles. This approach could be straightforwardly combined with existing racial, ethnic, and first-generation policy.

In practice, there would be no need to divide applicants literally into deciles, given that the admissions process could instead be treated as an optimization problem subject to the constraint that the selected class must have the country’s family income distribution. If admissions

data were merged with tax or earnings data, it would in principle be possible to choose weights on the various input measures, like grade point average, that then serve to maximize long-run earnings and other labor market outcomes.⁵⁹ This approach raises the possibility that, at least for some elite universities, the constrained solution would yield expected earnings and other outcomes that are in fact *higher* than those of graduates admitted under conventional admissions protocols. Because recent research reveals that elite-university graduates from low-income families earn nearly as much as their counterparts from high-income families, we know that imposing a family-income constraint is not very costly, at least not with respect to the anticipated earnings of graduates.⁶⁰

The conventional name for our proposal is of course *economic affirmative action*. Although it has been implemented in many countries, economic affirmative action has never gained much traction in the United States, despite various proposals to introduce it.⁶¹ What accounts for this lack of traction? The strong resistance to economic affirmative action is mainly the result of efforts to treat it as a substitute for existing admissions procedures that deliver racial and ethnic diversity. In the aftermath of the first Supreme Court challenge to affirmative action (*Regents of the University of California v. Bakke*), economic affirmative action was pitched as an attractive substitute for “minority quotas,” an approach that ultimately faltered because the association between race and income is not strong enough to treat the two variables as the same.⁶² The clear implication is that we should never view economic affirmative action as a substitute for equally important measures that correct for inequalities of opportunity arising from racial barriers. The only defensible purpose of economic

affirmative action, therefore, is to address the *economic* barriers that arise because low-income families do not have the money to make investments in zone-1 or zone-2 markets. Because some selective institutions have already developed admissions practices that yield a racially and ethnically diverse student body, there is no need to develop new plans or approaches for realizing that objective (unless existing approaches are deemed unlawful). At the same time, existing approaches for delivering racial and ethnic diversity, as important as they are, do not fully address inequalities that arise from differential capacities to invest in opportunity markets, a deficiency that economic affirmative action does address. It follows that any viable economic affirmative action plan will have to be carried out in conjunction with existing admissions practices ensuring racial and ethnic diversity.⁶³

The same applies to existing policies for admitting students whose parents have not attended college (“first-generation students”). Because the correlation between family income and education is far from perfect, we cannot rely on economic affirmative action to substitute for existing first-generation admission policy, nor can we rely on existing first-generation policy to substitute for economic affirmative action. In many selective institutions, there are very successful practices in place that ensure that first-generation students are admitted in ample numbers, and such practices need to continue (and to diffuse more widely). These policies should be understood, however, as addressing some of the “complementarities” that can reduce returns to investments rather than directly addressing differing capacities to invest in opportunity markets.

The final practical problem of interest, arguably the most daunting one, is of

David B. Grusky,
Peter A. Hall
& Hazel Rose Markus

course that of cost. Although an economic affirmative action plan would be *far less costly* than the alternative of ramping up zone-1 and zone-2 investments in low-income children, it would nonetheless be necessary to substantially increase financial aid allocations within zone 3 (presumably through some combination of federal and university grants). This increase, although hardly trivial from the university's point of view, would be trivial relative to the vastly larger amount that would be needed to equalize zone-1 and zone-2 investments. The main reason why economic affirmative action could be implemented right now is precisely that it allows the country to continue to save money by underinvesting in high-quality training for low-income children. Although our own view is that the country ought to dramatically ramp up its investments in low-income children, doing so would require a stronger commitment to tax-and-transfer policies than seems viable at present. If we reconcile ourselves to this reality, we are left with our third-best option, a reform that we can afford and implement instantly.

In ordinary times, the board of trustees at any top university would brand this type of initiative as too risky, with even a small trial likely seen as irresponsible. But these are not ordinary times. In this moment in history, selective institutions have been called to task on a host of ethical matters, including tuition costs, investment decisions, admissions policy, pay policy, athletics subsidies, outsourcing and deunionization, sexual harassment, and institutional racism and sexism. There are growing concerns that if universities do not act soon and decisively, they may face tax and regulatory interventions with profound financial implications. This is precisely the circumstance in which a bold university might preemptively seize the high ground by

making an unprecedented commitment to equal opportunity. Because the associated costs are substantial (from the point of view of the university), this commitment might be phased in gradually, with mandated signposts that ensure that proportionate steps toward full implementation are taken each year.

It is worth considering how such an initiative might unfold in a university bold enough to implement it. How, in other words, could an economic affirmative action program be implemented so well that other elite universities would understand its logic, see that it is working, and ultimately join the movement? If the first experiment were poorly implemented, it could prematurely cut off what could have otherwise been a transformative initiative. There is likely but one chance to get it right.

It is easy to see how a sudden infusion of low-income students into an elite setting could, if implemented poorly, lead to problems. This is partly because students from different backgrounds bring systematically different understandings of the self to college. It would therefore be critical to devise ways to effectively teach students who, although highly motivated and talented, may not fit well or experience a sense of connection or belongingness with institutions whose practices were devised for well-off students. When low-income students arrive at college, they can find themselves in institutions whose practices are somewhat alien to them and incongruent, in particular, with their own priorities and understandings of self. This may result in short-term deficits in performance, satisfaction, and well-being.⁶⁴ There may also be internal resistance from those who misinterpret economic affirmative action as relaxing standards rather than revising them to reflect the tranche-specific obstacles that students faced. The solution to this

challenge is to openly and transparently discuss the evidence that merit has been wrongly conflated with the money needed to buy it.

These discussions would have to be coupled with wide-reaching initiatives to recast the culture and social organization of the university. It is now well-established that low-cost interventions addressing the challenges of cultural mismatch can be highly effective.⁶⁵ The available evidence suggests that students benefit from discussing strategies for adapting to the demands of college, learning about the effects of family background on college experiences, and learning how to feel more “at home” in the university. These initiatives may include affirming values or identities, shoring up a sense of belongingness, reducing stereotype threat, teaching a growth mindset, encouraging the development of possible selves, developing activities that build relationships across economic divides, providing counseling on majors and careers, providing loans or grants to relieve ongoing financial stress, developing programs and curricula that address the concerns of less advantaged students, and offering mentoring programs that feature faculty and older students who have shared similar circumstances.⁶⁶

We began this essay with a big-picture description of the emergence and consolidation of opportunity markets. Although opportunity is now thoroughly on the market and directly available for purchase, this development has not been widely discussed, with the result that well-off children are usually seen as earning their impressive resumes rather than having them bought for them.

This development, insofar as it is recognized at all, tends to be viewed as natural, inevitable, or too entrenched to be taken on. It is presumed that opportunity

markets are here to stay because we cannot possibly come up with the money needed to allow low-income parents to participate in them equally. Because this would be such a costly undertaking, the possibility of radical reform is immediately taken off the table, and we are left with narrow-gauge reforms that at best tinker on the margins of opportunity markets.

We have suggested that we need not give up so quickly. Although it may be necessary, at least for now, to give up on the admirable objective of equalizing access to human capital investments, this does not mean that we must also give up on our commitment to equal opportunity. We have failed to appreciate that equal opportunity can be secured even *without* equalizing access to human capital investments. This alternative approach allows parents to continue to make variously sized investments in their children, treats the resulting investment tracks as incommensurate competitions, and then takes a properly proportionate share of winners from each track. It is a relatively inexpensive reform because it does not attempt to compensate for privately financed differentials in childhood investments.

Although an initiative of this magnitude inevitably raises a host of practical concerns, we have discussed many of the main ones and shown that they can be satisfactorily resolved. The more fundamental worry, and one with which we would like to close, is that an economic affirmative action initiative of this sort *might* amount in the end to little more than a symbolic commitment. The critical question, in other words, is whether a decision by a single selective institution – such as Stanford University, Harvard University, or Princeton University – to implement such an approach would trigger a wider norm cascade.

In addressing this question, it is relevant that the twenty-first century is

David B. Grusky,
Peter A. Hall
& Hazel Rose Markus

shaping up as a century of norm cascades in which seemingly small events have unleashed a host of cascading social movements, like #MeToo and Black Lives Matter. The commitment to equal opportunity, although a bedrock principle in the United States, has not yet had a moment of this sort. The growing popularity of “rigged game” commentary within the United States nonetheless suggests that this moment could be approaching and that the right triggering event is all that is needed.

If a high-profile university were to announce a new commitment to economic affirmative action, it is not impossible that this would become just that triggering event. How would other universities react to such an announcement? It is possible that they would attempt to change the conversation by pointing to their very generous financial aid packages for those low-income students who *are* admitted. This is of course disingenuous because so few students are the beneficiaries of such largesse. It is easy to be generous when the recipients of the generosity are so few. This long-standing “distraction strategy” deployed by selective institutions entails focusing attention on the enormous size of the financial aid packages awarded to the few low-income students who win the lottery and are admitted. Among selective institutions, it seems that there is a quiet agreement to “live and let live,” each university allowing the others the convenience of continuing with such disingenuous claim-making.

But could the ruse survive once a renegade university broke ranks? This renegade would presumably embrace its newly adopted rebelliousness by directly confronting other selective institutions on the matter of just how many low-income students they were admitting. We suspect that this would in turn reveal that many people understand current practices as

just one more case of a deeply rigged game. Because this sensibility is, we believe, widely shared, the resulting pressure might be overwhelming enough to put all selective institutions, save the triggering institution, immediately on the defensive. This might in turn lead to demands for transparent annual reporting on 1-percent admits, legacy admits, bottom-half admits, and much more.

What would happen next? It is possible that some selective institutions would “dig in” on the defense that it just so happens that students from the 1 percent are intrinsically more meritorious and that their children benefit not one whit from access to elite prep schools, elite neighborhoods, or after-school tutors. This amounts to arguing that existing admission practices *are* consistent with equal opportunity and that the vast resources and legacy privileges lavished on 1-percent children are not distorting. The obvious problem with this “aristocracy of merit” defense is that, while it would prove popular in hard-right circles, those are not the circles in which elite universities typically like to run. Although unremitting pressure would likely be required, we suspect that in the end the decision would be to “give in” rather than “dig in.”

The skeptic might still point out that only a minority of college students are educated in selective institutions and that even a very successful movement within them will leave much unequal opportunity untouched. It is indeed possible that the movement would end at the gates of the selective institutions. If so, it is still no mean achievement to have at least democratized them.

It is also possible that a norm cascade, after coursing through the country’s most selective institutions, would gain force rather than stall out. It could spread by raising the aspirations of low-income children, mobilizing well-off students to

demand more high-quality college slots, and delegitimizing impediments to equal opportunity in government hiring and other institutional settings. This more

fundamental transformation, although perhaps unlikely, cannot be ruled out in a country that has long been defined by its commitment to equal opportunity.

David B. Grusky,
Peter A. Hall
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AUTHORS' NOTE

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- 17 The following discussion of opportunity markets draws heavily on the research and analyses of Richard Reeves, Charles Tilly, and Richard Putnam. See Richard Reeves, *Dream Hoarders: How the American Upper Middle Class is Leaving Everyone Else in the Dust, Why That is a Problem, and What to Do about It* (Washington, D.C.: The Brookings Institution, 2017); Charles Tilly, *Durable Inequality* (Berkeley: University of California Press, 1998); and Richard Putman, *Our Kids: The American Dream in Crisis* (New York: Simon and Schuster, 2015).

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- ²⁰ See, for example, James J. Heckman, Seong Hyeok Moon, Rodrigo Pinto, et al., “The Rate of Return to the HighScope Perry Preschool Program,” *Journal of Public Economics* 94 (1–2) (2010): 114–128; and James J. Heckman, “Schools, Skills, and Synapses,” *Economic Inquiry* 46 (3) (2008): 289. For good reviews of the Perry Preschool and Abecedarian studies, see W. Steven Barnett, “Effectiveness of Early Educational Intervention,” *Science* 333 (6045) (2011): 975–978; and James J. Heckman, “Skill Formation and the Economics of Investing in Disadvantaged Children,” *Science* 312 (5782) (2006): 1900–1902.
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- ²² C. Kirabo Jackson, Rucker C. Johnson, and Claudia Persico, “The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms,” NBER Working Paper No. 20847 (Cambridge, Mass.: The National Bureau of Economic Research, 2015).
- ²³ Samuel Bowles and Herbert Gintis, *Schooling in Capitalist America: Educational Reform and the Contradictions of Economic Life* (New York: Basic Books, 1976); Jeannie Oakes, “Classroom Social Relationships: Exploring the Bowles and Gintis Hypothesis,” *Sociology of Education* 55 (4) (1982): 197–212; and Nicole Stephens, Hazel Rose Markus, and L. Taylor Phillips, “Social Class Culture Cycles: How Three Gateway Contexts Shape Selves and Fuel Inequality,” *Annual Review of Psychology* 65 (2014): 611–634.
- ²⁴ Jean Anyon, “Social Class and the Hidden Curriculum of Work,” *Journal of Education* 162 (1) (1980): 67–92.
- ²⁵ *Ibid.*; and Shirley B. Heath, “What No Bedtime Story Means: Narrative Skills at Home and School,” *Language in Society* 11 (1) (1982): 49–76; and Bowles and Gintis, *Schooling in Capitalist America*.
- ²⁶ Stephens et al., “Social Class Culture Cycles”; and Jason A. Okonofua and Jennifer L. Eberhardt, “Two Strikes: Race and the Disciplining of Young Students,” *Psychological Science* 26 (5) (2015): 617–624.
- ²⁷ Raj Chetty, Nathaniel Hendren, Maggie R. Jones, and Sonya R. Porter, “Race and Economic Opportunity in the United States: An Intergenerational Perspective,” NBER Working Paper No. 24441 (Cambridge, Mass.: The National Bureau of Economic Research, 2018).
- ²⁸ The late childhood opportunity market is likewise expressed in rising expenditures on after-school training, academic summer camps, and test preparation. Between 1972 and 2006, spending on “child enrichment” increased by 150 percent among high-income families, but only 57 percent among low-income families. See Greg J. Duncan and Richard J. Murnane, “Rising Inequality in Family Incomes and Children’s Educational Outcomes,” *RSF: The Russell Sage Foundation Journal of the Social Sciences* 2 (2) (2016); Daniel Schneider, Orestes P. Hastings, and Joe LaBriola, “Income Inequality and Class Divides in Parental Investments,” *American Sociological Review* 83 (2018): 475–507; Patrick Sharkey, *Uneasy Peace: The Great Crime Decline, the Revival of City Life, and the Next War on Violence* (New York: W. W. Norton, 2018); Patrick Sharkey, *Stuck in Place: Urban Neighborhoods and the End of Progress toward Racial Equality* (Chicago: University of Chicago Press, 2013); and Chetty et al., “Race and Economic Opportunity.”

David B.
Grusky,
Peter A. Hall
& Hazel Rose
Markus

- ²⁹ Kendra Bischoff and Sean F. Reardon, “Residential Segregation by Income, 1970–2009,” in *Diversity and Disparities: America Enters a New Century*, ed. John Logan (New York: Russell Sage Foundation, 2013).
- ³⁰ This simplified rendition does not consider other relevant forces, such as the effects of school desegregation on “white flight” and other forms of residential segregation, a rising commitment to the “concerted cultivation” of children, and of course the takeoff in income inequality. See, for example, Annette Lareau, *Unequal Childhoods: Class, Race, and Family Life* (Berkeley: University of California Press, 2003); Sigal Alon, *Race, Class, and Affirmative Action* (New York: Russell Sage Foundation, 2015); and Ann Owens, “Inequality in Children’s Contexts: Income Segregation of Households With and Without Children,” *American Sociological Review* 81 (3) (2016): 549–574.
- ³¹ Sean F. Reardon, “Education,” *The Poverty and Inequality Report 2014* (Stanford, Calif.: Stanford Center on Poverty and Inequality, 2014).
- ³² See Alon, *Race, Class, and Affirmative Action*.
- ³³ When the purchase is overt, it can become more controversial, as evidenced by the 2019 “Operation Varsity Blues” scandal that to date has resulted in fifty people being charged for using bribes to secure admission to top colleges or universities; see Jennifer Medina, Katie Benner, and Kate Taylor, “Actresses, Business Leaders and Other Wealthy Parents Charged in U.S. College Entry Fraud,” *The New York Times*, March 12, 2019, <https://www.nytimes.com/2019/03/12/us/college-admissions-cheating-scandal.html>. These types of payments are, by contrast, legal when they are made to the university itself and disguised as philanthropy rather than anything more instrumental. The Kushner case is perhaps the most famous example of an unusually thin disguise. In 1998, Charles Kushner pledged to give \$2.5 million to Harvard University, just when his older son, Jared, was beginning the college application process. Although Jared was not a top performer in his secondary school, he nonetheless was admitted to Harvard University. See Daniel Golden, *The Price of Admission: How America’s Ruling Class Buys Its Way into Elite Colleges—And Who Gets Left Outside the Gates* (New York: Random House, 2007).
- ³⁴ Nicole M. Stephens, Stephanie A. Fryberg, Hazel Rose Markus, et al., “Unseen Disadvantage: How American Universities’ Focus on Independence Undermines the Academic Performance of First-Generation College Students,” *Journal of Personality and Social Psychology* 102 (6) (2012): 1178–1197; and Hazel R. Markus and Alana Conner, *Clash! Eight Cultural Conflicts That Make Us Who We Are* (New York: Penguin Hudson Street Press, 2013).
- ³⁵ This process of laundering money and socioeconomic status is well described in Raymond Boudon, *Education, Opportunity and Social Inequality* (New York: John Wiley, 1974).
- ³⁶ Caroline Hoxby and Christopher Avery, “The Missing One-Offs: The Hidden Supply of High-Achieving Low-Income Students,” *Brookings Papers on Economic Activity* (Spring 2013).
- ³⁷ See College Board, *Trends in College Pricing 2017* (New York: College Board, 2017).
- ³⁸ Richard Breen and John H. Goldthorpe, “Explaining Educational Differentials,” *Rationality and Society* 9 (3) (1997).
- ³⁹ The amounts here are in 2017 dollars. See College Board, “Average Net Price over Time for Full-Time Students, by Sector,” Table 7: Published and Net Prices in 2018 Dollars by Sector, Full-Time Undergraduate Students, 1990–91 to 2018–19, <https://trends.collegeboard.org/college-pricing/figures-tables/average-net-price-over-time-full-time-students-sector>.
- ⁴⁰ See College Board, “Net Price by Income over Time: Public Sector,” Figure 2013_12: Net Tuition and Fees, Net Room and Board and Other Costs, and Total Grant Aid in 2011 Dollars by Family Income, Full-Time Dependent Students at Public Institutions, 1999–2000, 2003–04, 2007–08, and 2011–12, <https://trends.collegeboard.org/college-pricing/figures-tables/net-price-income-over-time-public-sector>. The graph shown here does not take into account federal tax credits and deductions.

⁴¹ See George Bulman, Robert Fairlie, Sarena Goodman, and Adam Isen, “Parental Resources and College Attendance: Evidence from Lottery Wins,” NBER Working Paper No. 22679 (Cambridge, Mass.: The National Bureau of Economic Research, 2016); Pedro Carneiro and James Heckman, “The Evidence on Credit Constraints in Post-Secondary Schooling,” *The Economic Journal* 112 (482) (2002): 705–734; David Cesarini, Erik Lindqvist, Robert Östling, and Björn Wallace, “Wealth, Health, and Child Development: Evidence from Administrative Data on Swedish Lottery Players,” *Quarterly Journal of Economics* 131 (3) (2016): 1455–1495; and Elizabeth Caucutt and Lance Lochner, “Early and Late Human Capital Investments, Borrowing Constraints, and the Family,” HCEO Working Paper Series 2017-040 (Chicago: Human Capital and Economic Opportunity Global Working Group, 2017).

⁴² Throughout this section, we view selves as mediating and regulating behavior, taking form as individuals engage in the many intersecting sociocultural contexts that configure their experience. As students grow up in neoliberal neighborhoods with neoliberal ideas, practices, policies, norms, and products, we assume they are likely to develop what we term neoliberal selves. As you change contexts, you change selves. Moreover, individuals who grow up in neoliberal contexts will typically reinforce and perpetuate neoliberal systems, given that their individual and collective action will sustain and legitimate them. For an extended characterization of this idea, see Glenn Adams, Sara Estrada-Villalta, Daniel Sullivan, and Hazel Rose Markus, “The Psychology of Neoliberalism and the Neoliberalism of Psychology,” *Journal of Social Issues* (in press), <https://doi.org/10.1111/josi.12305>. In support of the concept of neoliberal selves, we draw heavily on research characterizing the “independent self,” which has been distinguished in form and function from an “interdependent self.” This research shows that independent selves are likely to develop and become active in relatively well-resourced middle-class contexts and that interdependent selves are likely to develop and become active in less advantaged contexts. For a fuller discussion of these ideas, see Hazel R. Markus and Shinobu K. Kitayama, “Culture and Selves: A Cycle of Mutual Constitution,” *Perspectives on Psychological Science* 5 (4) (2010): 420–430; Alana C. Snibbe and Hazel R. Markus, “You Can’t Always Get What You Want: Social Class, Agency and Choice,” *Journal of Personality and Social Psychology* 88 (4) (2005): 703–720; Nicole M. Stephens, Hazel Rose Markus, and Sarah S. M. Townsend, “Choice as an Act of Meaning: The Case of Social Class,” *Journal of Personality and Social Psychology* 93 (5) (2007): 814–830; and Nicole M. Stephens, Stephanie A. Fryberg, and Hazel Rose Markus, “It’s Your Choice: How the Middle Class Model of Independence Disadvantages Working Class Americans,” in *Facing Social Class: How Societal Rank Influences Interaction*, ed. Susan T. Fiske and Hazel R. Markus (New York: Russell Sage Foundation, 2012), 87–106. See also Hall and Lamont, *Social Resilience in the Neoliberal Era*; Adams et al., “The Psychology of Neoliberalism and the Neoliberalism of Psychology”; Pia Dietze and Eric D. Knowles, “Social Class and the Motivational Relevance of Other Human Beings: Evidence from Visual Attention,” *Psychological Science* 27 (11) (2016): 1517–1527; Sebastien Goudeau and Jean-Claude Croizet, “Hidden Advantages and Disadvantages of Social Class: How Classroom Settings Reproduce Inequality by Staging Unfair Comparison,” *Psychological Science* 28 (2) (2017); Hazel R. Markus and Nicole M. Stephens, “Editorial Overview: Inequality and Social Class: The Psychological and Behavioral Consequences of Inequality and Social Class: A Theoretical Integration,” *Current Opinion in Psychology* 18 (2017): iv–xii; and Rebecca M. Carey and Hazel R. Markus, “Social Class Shapes the Form and Function of Relationships and Selves,” *Current Opinion in Psychology* 18 (2017): 123–130.

⁴³ Stephens et al., “Social Class Culture Cycles”; Carey and Markus, “Social Class Shapes the Form and Function of Relationships and Selves”; Hazel R. Markus, “What Moves People to Action? Culture and Motivation,” *Current Opinion on Psychology* 8 (2016): 161–166; Lareau, *Unequal Childhoods*; Adrie Kusserow, *American Individualisms: Child Rearing and Social Class in Three Neighborhoods* (New York: Palgrave Macmillan, 2004); and Michèle Lamont, *The Dignity of Working Men: Morality and the Boundaries of Race, Class, and Immigration* (Cambridge, Mass.: Harvard University Press, 2000).

⁴⁴ Markus and Conner, *Clash! Eight Cultural Conflicts That Make Us Who We Are*.

- ⁴⁵ Nicole M. Stephens, Tiffany N. Brannon, Hazel Rose Markus, and Jessica E. Nelson, "Feeling at Home in College: Fortifying School-Relevant Selves to Reduce Social Class Disparities in Higher Education," *Social Issues and Policy Review* 9 (1) (2015): 1–24; Diane Reay, Gill Crozier, and John Clayton, "'Fitting in' or 'Standing Out': Working-Class Students in UK Higher Education," *British Educational Research Journal* 36 (1) (2010): 107–124; and Antony S. R. Manstead, "The Psychology of Social Class: How Socioeconomic Status Impacts Thought, Feelings, and Behaviour," *British Journal of Social Psychology* 57 (2018): 267–291.
- ⁴⁶ Jennifer L. Hochschild, "Social Class in Public Schools," *Journal of Social Issues* 59 (2003): 821–840; and Carmi Schooler, "Culture and Social Structure: The Relevance of Social Structure to Cultural Psychology," *Handbook of Cultural Psychology*, ed. Shinobu Kitayama and Dov Cohen (New York: Guilford Press, 2007), 370–388.
- ⁴⁷ Teresa H. Housel and Vickie L. Harvey, *The Invisibility Factor: Administrators and Faculty Reach Out to First-Generation College Students* (Boca Raton: Brown Walker Press, 2009); Stephens et al., "Unseen Disadvantage"; William G. Bowen, Martin A. Kurzweil, and Eugene M. Tobin, *Equity and Excellence in American Higher Education* (Charlottesville: University of Virginia Press, 2005); Ernest T. Pascarella, Christopher T. Pierson, Gregory C. Wolniak, and Patrick T. Terenzini, "First-Generation College Students: Additional Evidence on College Experiences and Outcomes," *Journal of Higher Education* 75 (3) (2004): 249–284; Schooler, "Culture and Social Structure"; and Patrick T. Terenzini, Leonard Springer, Patricia M. Yaeger, et al., "First-Generation College Students: Characteristics, Experiences, and Cognitive Development," *Research in Higher Education* 37 (1) (1995): 1–22.
- ⁴⁸ Chetty and Hendren, "The Impacts of Neighborhoods on Intergenerational Mobility II."
- ⁴⁹ Lauren Rivera, *Pedigree: How Elite Students Got Elite Jobs* (Princeton, N.J.: Princeton University Press, 2015).
- ⁵⁰ We have assumed to this point that low-income families have the same incentives for investment as well-off families but do not have access to the money (or loans) needed to act on those incentives. It is often argued, to the contrary, that low-income parents may be faced with a lower economic return to investing in their children. The return to investing in children with "neoliberal selves" might be higher, for example, because they are well-suited to the college environment (and hence have lower dropout rates). If there are indeed "complementarities" of this sort, it would imply that children born into high-income families are doubly advantaged. It is not just that, with the rise of opportunity markets, their parents can now make massive investments in them. If complementarities are also in play, it means that their parents will further benefit from foundational conditions (like neoliberal selves) that increase the payoff to those investments. The rise of opportunity markets thus adds fuel to the fire by allowing high-income parents to better exploit various environmental conditions that have long privileged them. These markets may in this sense be understood as very unfortunate catalysts.
- ⁵¹ Emmanuel Saez, "Striking It Richer: The Evolution of Top Incomes in the United States" (updated with 2015 preliminary estimates), first printed in *Pathways* magazine, Winter 2008, and revised June 2016, <https://eml.berkeley.edu/~saez/saez-UStopincomes-2015.pdf>.
- ⁵² Miles Corak, "Income Inequality, Equality of Opportunity, and Intergenerational Mobility," *Journal of Economic Perspectives* 27 (3) (2013): 79–102.
- ⁵³ David B. Grusky and Jasmine Hill, "Poverty and Inequality in the 21st Century," *Inequality in the 21st Century*, ed. David B. Grusky and Jasmine Hill (Boulder, Colo.: Westview Press, 2017); and David B. Grusky and Alair MacLean, "The Social Fallout of a High-Inequality Regime," *The ANNALS of the American Academy of Political and Social Science* 663 (1) (2016): 33–52.
- ⁵⁴ Erzsébet Bukodi and John H. Goldthorpe, "Educational Attainment—Relative or Absolute—as a Mediator of Intergenerational Class Mobility in Britain," *Research in Social Stratification and Mobility* 43 (2016): 5–15.

- ⁵⁵ Gary Becker, Scott Duke Kominers, Kevin M. Murphy, and Jörg L. Spenkuch, "A Theory of Intergenerational Mobility," *Journal of Political Economy* 126 (2018): S7–S25; and Steven Durlauf and Ananth Seshadri, "Understanding the Great Gatsby Curve," *NBER Macroeconomics Annual 2017*, vol. 32, ed. Martin Eichenbaum and Jonathan Parker (Chicago: University of Chicago Press, 2018).
- ⁵⁶ Although the new public services would presumably be financed via income taxes, those taxes would not have to be progressive.
- ⁵⁷ It would also founder insofar as low-income families face complementarities that reduce their returns to investing in their children.
- ⁵⁸ This approach is consistent with a Roemerian view of equal opportunity. See John E. Roemer, *Equality of Opportunity* (Cambridge, Mass.: Harvard University Press, 2000). We are grateful to Debra Satz for pointing this out to us.
- ⁵⁹ We would presumably want to take into account many other outcomes in addition to earnings (such as taking public service jobs, volunteering, making charitable contributions).
- ⁶⁰ Chetty et al., "Mobility Report Cards."
- ⁶¹ The United Kingdom, Brazil, and Israel have experimented with economic affirmative action. It has also been partially and indirectly implemented in the United States by selecting top-ranked students from within each school. See Alon, *Race, Class, and Affirmative Action*; and Richard D. Kahlenberg, "From All Walks of Life: New Hope for School Integration," *American Educator*, Winter 2012–2013.
- ⁶² Alon, *Race, Class, and Affirmative Action*, chap. 5. See also Richard Sander and Stuart Taylor Jr., *Mismatch: How Affirmative Action Hurts Students It's Intended to Help, and Why Universities Won't Admit It* (New York: Basic Books, 2012).
- ⁶³ It will likewise be necessary to continue existing approaches for ensuring that first-generation students are adequately represented. This result is again established in Alon, *Race, Class, and Affirmative Action*.
- ⁶⁴ Although there can be some deficits in performance, this is not to suggest that low-income or first-generation students would have performed better in other less selective institutions (see Alon, *Race, Class, and Affirmative Action*). See also Jennifer L. Hochschild, *Facing Up to the American Dream: Race, Class, and the Soul of the Nation* (Princeton, N.J.: Princeton University Press, 1996); and Stephens et al., "Unseen Disadvantage."
- ⁶⁵ Cecilia L. Ridgeway and Susan R. Fiske, "Class Rules, Status Dynamics, and 'Gateway' Interactions," *Facing Social Class: How Societal Rank Influences Interaction*, ed. Fiske and Markus, 131–151; Anthony P. Carnevale, Stephen J. Rose, and Ban Cheah, *The College Payoff: Education, Occupations, Lifetime Earnings* (Washington, D.C.: The Georgetown University Center on Education and the Workforce, 2011); and William G. Bowen, Matthew M. Chingos, and Michael S. McPherson, *Crossing the Finish Line: Completing College at America's Public Universities* (Princeton, N.J.: Princeton University Press, 2009).
- ⁶⁶ Judith M. Harackiewicz, Elizabeth Canning, Yoi Tibbetts, et al., "Closing the Social Class Achievement Gap for First-Generation Students in Undergraduate Biology," *Journal of Educational Psychology* 106 (2) (2014): 375–389; Nicole M. Stephens, MarYam G. Hamedani, and Mesmin Destin, "Closing the Social-Class Achievement Gap: A Difference-Education Intervention Improves First-Generation Students' Academic Performance and All Students' College Transition," *Psychological Science* 25 (4) (2014): 943–953; David Yeager, Greg W. Walton, Shannon Brady, et al., "Teaching a Lay Theory before College Narrows Achievement Gaps at Scale," *Proceedings of the National Academy of Sciences* 113 (24) (2016); Markus, "What Moves People to Action?"; Hazel R. Markus, "In This Together: Doing and Undoing Inequality and Social Class Divides," *Journal of Social Issues* 73 (1) (2017): 211–221; and Paul K. Piff, Michael W. Kraus, and Dacher Keltner, "Unpacking the Inequality Paradox: The Psychological Roots of Inequality and Social Class," *Advances in Experimental Social Psychology* 57 (2017): 53–124.

David B. Grusky,
Peter A. Hall
& Hazel Rose Markus