Going Backwards:

In Tucson, economic mobility is declining

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Abstract

Economic mobility is the ability of children to move up the economic ladder in adulthood. It is about one generation building greater opportunity for the next.

Economic mobility is not simply a measure of individual success. It is a measure of whether Tucson is building the workforce and economy that future prosperity requires.

A community that creates less opportunity for each new generation also weakens its workforce, its consumer economy, its tax base, and its ability to compete for investment.

The evidence is troubling. Young adults born in 1992 who grew up in Tucson earned less at age 27 than those born in 1978. Tucson's decline was greater than the national decline and greater than the decline in most of the 11 comparison cities.

The decline was not evenly distributed. Women lost more ground than men. Results varied considerably by race and ethnicity. Most groups declined, although some improved—most notably Black men.

The data do not tell us why Tucson declined. They do tell us that the problem is not caused by increases in poverty. The decline occurred in families of all income levels – low, middle, and high. The data also raise important questions about Tucson's labor market, educational and workforce systems, childcare, housing, transportation, social structure, and economic structure.

The information comes from the Opportunity Atlas, a collaboration between Opportunity Insights at Harvard University and the U.S. Census Bureau. All income figures are adjusted for inflation.

Tucson has already begun addressing these problems through the Prosperity Initiative and the work of governments, businesses, and nonprofit organizations, particularly the Community Coalition for Prosperity. But much more remains to be done. Declining economic mobility is Tucson's problem. Reversing it must become a regional priority.

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THE PROBLEM, IN THREE NUMBERS

Tucsonans born in 1992 to middle-income parents earned $2,000 less at age 27 than Tucsonans born in 1978, after adjusting for inflation. Declines also occurred among children from low- and high-income families. No parental-income group was spared.

Change in income, 1978→1992 cohort	Low-income parents	Middle-income parents	High-income parents
Tucson	-5.4%	-5.7%	-4.2%
U.S. average	-4.2%	-3.1%	+0.3%
Average of 11 peer cities	-2.8%	-2.5%	-0.6%

Tucson underperformed both benchmarks at every parental-income level. The data do not establish the causes. They do show that Tucson's decline was broader and deeper than the national and comparison-city patterns.

Who lost ground

The decline was not evenly shared. Tucson women lost more ground than Tucson men, reflecting a pattern found nationally and in the comparison cities.

White and Asian Tucsonans experienced broad declines. Results for Hispanic and American Indian Tucsonans were mixed, although most groups lost ground. Black men were the clear exception: Their earnings increased at all three parental-income levels. That finding deserves additional study, both to understand what produced the improvement and to determine what it might teach us about economic mobility in Tucson.

Why community and business leaders should care

Economic mobility is usually discussed as a matter of fairness. It is that, but it is also a measure of Tucson's long-term economic health.

Pre-pandemic research found that about half of Tucson-area workers held low-wage jobs. When each new generation has less opportunity, the result is a weaker workforce, greater employee turnover, less consumer spending, and fewer residents able to buy homes, start businesses, and build wealth.

This is not only a social-policy problem. It is a workforce and economic-development problem.

Taking action:

The research discussed in this report points to nine areas in which Tucson can act. However, it is well understood that no single strategy will reverse the decline in economic mobility. Progress will require sustained work on several fronts.

First steps:

Fortunately, Tucson already has taken two important first steps in organizing to do that sustained work.

1. **Prosperity Initiative:** The county and city came together in 2023 and 2024 to create the Prosperity Initiative, which identifies 13 policy areas for reducing generational poverty. Wherever feasible, both governments are aligning their actions and the use of their resources to address these policy areas.

2. **The Community Coalition for Prosperity:** CC4P was established in early 2025 to help align broader community action with the policy areas in the Prosperity Initiative. Its early steps have brought many organizations in the nonprofit community together.

Next step:

The Prosperity Initiative and the Community Coalition provide a strong foundation. The next step is to get the business community involved in solving Tucson's decline in economic mobility. A potential problem: It is likely many in the business community believe they are expected to either solve every community problem or to finance somebody else's solving the problems.

A practical place to begin would be for Tucson's community and business leaders to make three commitments:

1. Join the effort. Sign on to the goals of the Prosperity Initiative and join and participate in the Community Coalition for Prosperity.
2. Name an owner and commit resources. Designate one senior staff member to lead the organization's contribution to at least one lever in this report – early childhood education capacity, childcare-workforce solutions, creating economic connectedness, or increasing the supply of housing in opportunity-rich areas – and commit real dollars or staff time to becoming engaged, not just a statement of support. Economic connectedness is perhaps more important than any other effort, but it too often is overlooked.
3. Find ways for employers, governments, educational institutions, and nonprofit organizations to come together to focus their energy and resources on increasing economic mobility. Perhaps an Economic Mobility Summit would focus more attention on practical solutions.

Introduction

Parents want their children to have greater opportunities than they had. They want them to be able to find good jobs, support their families, and build productive and satisfying lives. Economic mobility—the ability to move up the economic ladder in adulthood—is the foundation on which millions of Americans have built so many dreams and hopes.

Yet, Tucson is failing to maintain – let alone improve – economic mobility. Young adults born in 1992 who grew up in Tucson earned less at age 27 than those born in 1978, after adjusting for inflation. The decline occurred among children from low-, middle-, and high-income families. Those born to middle-income parents earned about $2,000 less annually.

Tucson is not alone. Economic mobility also declined nationally and in eight of the 11 cities used for comparison in this report. One might take comfort in that. But it would be false comfort. Tucson's decline was greater than the national decline and greater than the decline in most of the comparison cities.

The data do not tell us why Tucson declined. They do suggest we cannot explain away Tucson's performance by pointing to a national trend. Something local appears to matter. Tucson's labor market, economic structure, educational and workforce systems, and other local factors deserve closer examination.

The decline also was not evenly shared. Women lost more ground than men. Results differed considerably among racial and ethnic groups. Most groups experienced declines, although some improved. The gains among Black men were especially notable and deserve further study.

This analysis is made possible by the Opportunity Atlas, a collaboration between the U.S. Census Bureau and Opportunity Insights, a nonpartisan research organization based at Harvard University. The Atlas combines Census Bureau information with millions of de-identified tax records made available to qualified researchers.

Significantly, the Opportunity Atlas tracks people according to where they grew up, not where they live as adults. The earnings of someone raised in Tucson are attributed to Tucson even if that person later moved elsewhere. The data therefore tell us about the economic opportunity Tucson provided to the children who grew up here.

The Atlas measures earnings at age 27, when most people have entered the workforce but are still young enough to allow comparisons between successive generations. Earnings at that age are not a complete measure of lifetime economic success. They do, however, provide a consistent way to compare outcomes across generations and communities.

This report follows an earlier report I wrote in 2019 and updated in 2024, *Opportunity in Tucson and Pima County*. That report also relied on the Opportunity Atlas. It reached two major conclusions: Tucson lags its comparison cities in providing economic opportunity to young people, and Tucson is economically segregated in ways that are particularly harmful to children from low-income families.

The Opportunity Atlas has since been updated to allow comparisons over time. This report examines the results for people born in 1978 and 1992. It compares Tucson with the nation and with the same 11 cities used by the University of Arizona's Economic and Business Research Center for its MAP Dashboard: Albuquerque, Austin, Colorado Springs, Denver, El Paso, Las Vegas, Phoenix, Portland, Salt Lake City, San Antonio, and San Diego.

These comparisons do not provide a simple explanation for Tucson's decline in economic mobilityor point to a single remedy. They do show that the decline is real, that it affects the high-income as well as the low income, and that Tucson has performed worse than most of its peers.

That should concern everyone who cares about Tucson's future.

Why economic mobility matters to Tucson's future

Economic mobility is often discussed as a matter of fairness. It is that. Every child should have a genuine opportunity to build a better life than the generation before.

But economic mobility is also a measure of a community's long-term economic health.

Every community competes on one resource above all others—its people.

Employers need workers with the skills to help their businesses succeed. Businesses need customers who can afford what they sell. Governments and nonprofit organizations need a strong economy to support the services the community depends upon.

When young adults earn more than the generation before them, they are better able to buy homes, start businesses, raise families, and build wealth. They become the skilled workers employers need and the customers local businesses depend upon.

When young adults earn less, the effects spread throughout the community. Household wealth grows more slowly. Consumer spending weakens. Employers have more difficulty finding qualified workers. Some young people leave Tucson in search of better opportunities.

Over time, these problems make the region less competitive in attracting investment and creating good jobs.

That is why economic mobility is not simply a measure of individual success. It tells us something important about whether Tucson is building the workforce and economy that its future prosperity requires.

The comparison cities provide some reason for hope. Economic mobility declined nationally and in most of the cities studied, but several cities performed considerably better than Tucson. Austin, Portland, and San Antonio increased economic mobility at all three parental-income levels.

This does not tell us exactly what Tucson should do. It does tell us that declining economic mobility is not inevitable. Local conditions and local decisions appear to matter.

Tucson has many of the assets needed to succeed: a major research university, strengths in aerospace, defense, optics, bioscience, and space science, committed nonprofit organizations, and civic leaders who care about the community's future.

But we should not assume that these assets automatically create opportunity. The evidence suggests they are not doing enough to improve the economic prospects of the children who grow up here.

That should concern all of us. But we can reverse the decline. By strengthening children, workers, neighborhoods, and the regional economy, Tucson can improve economic mobility while building a more prosperous community.

The first step is to understand the extent of the decline, who has been most affected, and how Tucson compares with other cities.

The evidence

The following figures compare the earnings at age 27 of people born in 1978 and 1992. The comparisons are made among people who grew up in the same community and whose parents had similar incomes.

A negative percentage means that the 1992 group earned less than the 1978 group, after adjusting for inflation. A positive percentage means that the younger group earned more.

The figures show whether earnings increased or declined. They do not tell us why the changes occurred. They also measure earnings at one point in a person's career, not lifetime income. Those distinctions are important throughout this section.

The data tracks people by where they grew up, which means migration doesn't distort the income numbers. Whatever someone who grew up in Tucson earns at age 27, regardless of where they now live, gets credited back to Tucson. This means the data primarily is measuring how well Tucson – its schools, its neighborhoods, its social networks, its early economic opportunities – prepared children for the labor market they eventually would enter, wherever that turned out to be.

However, about two-thirds of the children who grew up in Tucson had stayed within Pima, Santa Cruz, or Cochise counties in 2015. This means the data also provide insight into how the Southern Arizona current labor market is performing.

A separate analysis shows that in general the lower the parental income, the more likely a person was to stay in Southern Arizona. There were also differences in race or ethnicity, with Hispanics and Native Americans the most likely to stay, while Asians were the most likely to leave.

The effect of parental income on economic mobility

Nationally, people born in 1992 to low- and middle-income parents earned less at age 27 than those born in 1978. Earnings declined by 4.2% among those with low-income parents and by 3.1% among those with middle-income parents. Those with high-income parents saw a slight gain.

Tucson performed worse at all three parental-income levels. The decline ranged from 4.2% to 5.7%. Most of Tucson's comparison cities also experienced declines. Only Austin, Portland, and San Antonio improved at all three parental-income levels. Tucson was not the worst performer; Las Vegas gets that dubious honor. But Tucson performed worse than the national average and worse than most of the comparison cities.

At the low- and middle-income levels, seven of the 11 cities performed better than Tucson. At the high-income level, eight performed better.

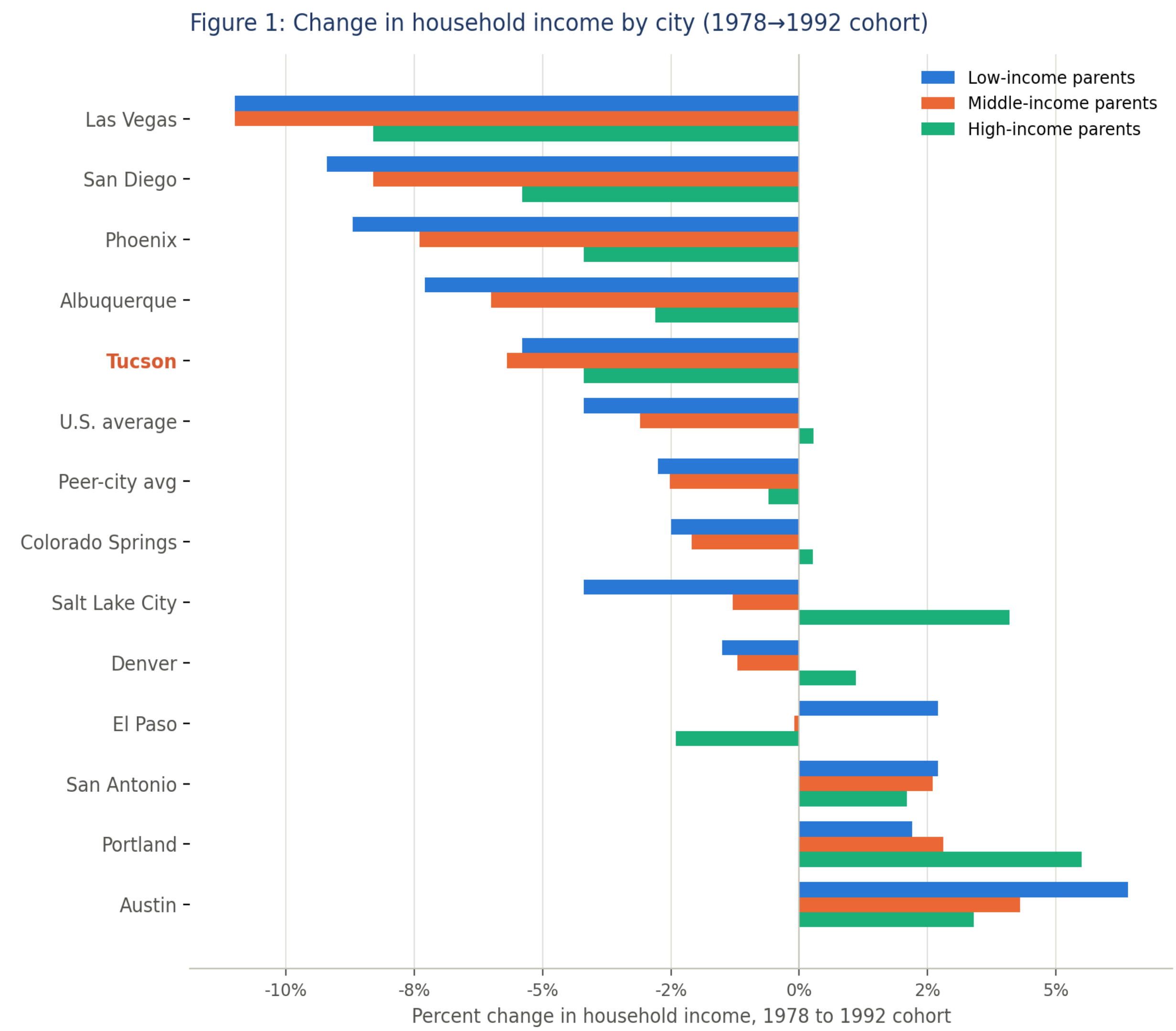

Figure 1: Change in household income: 1978 birth cohort to 1992 birth cohort. All percentages are based on 2023 inflation-adjusted numbers.

Figure 2 shows the same decline in dollars. Tucsonans born in 1992 earned between $1,700 and $2,000 less at age 27 than those born in 1978, depending on their parents' income.

Those are substantial differences. If they persist over time, they could significantly affect the ability of young adults to buy homes, save for retirement, and build wealth. The data, however, do not tell us whether the differences at age 27 continue throughout a person's career.

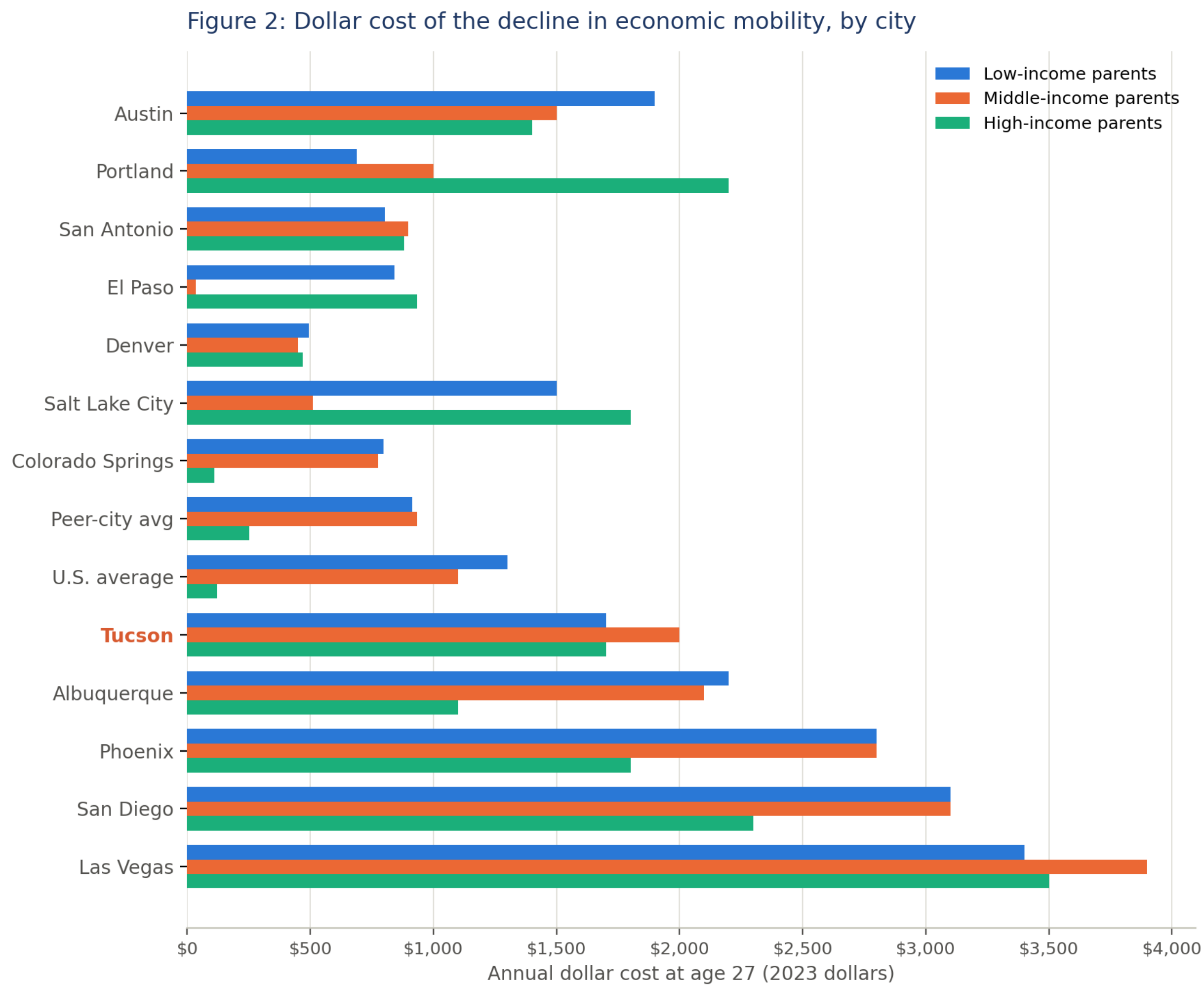

Figure 2: Difference in earnings at age 27 between the 1978 and 1992 birth cohorts. All amounts are adjusted to 2023 dollars.

Because earnings declined at every parental-income level, Tucson's problem is not limited to children from low-income families. The decline extends more broadly across the community.

What these findings do—and do not—mean: The data show that young adults who grew up in Tucson earned less than the previous generation and that Tucson's decline exceeded that of most comparison cities. They do not identify the causes. Instead, they raise questions about Tucson's educational and workforce systems, labor market, economic structure, housing, transportation, childcare, and other local conditions.

The effect of gender on economic mobility

Adding gender produces one of the starkest findings in this report. Women experienced larger declines than men nationally and in every city studied.

Figure 3 focuses on people born to middle-income parents. In Tucson, earnings for men declined by 4%, while earnings for women declined by 7.5%. The difference was 3.5 percentage points.

That difference is substantial. But the size of the gender gap, by itself, can be misleading.

Austin had the largest gender gap—about 10.6 percentage points. That resulted from men's earnings increasing by 9.7% while women's earnings declined slightly. Las Vegas had a much smaller gender gap of about one percentage point, but only because earnings fell sharply for both men and women.

Tucson's gender gap was smaller than the gap in several comparison cities. That provides little comfort. Tucson men lost ground, and Tucson women lost considerably more.

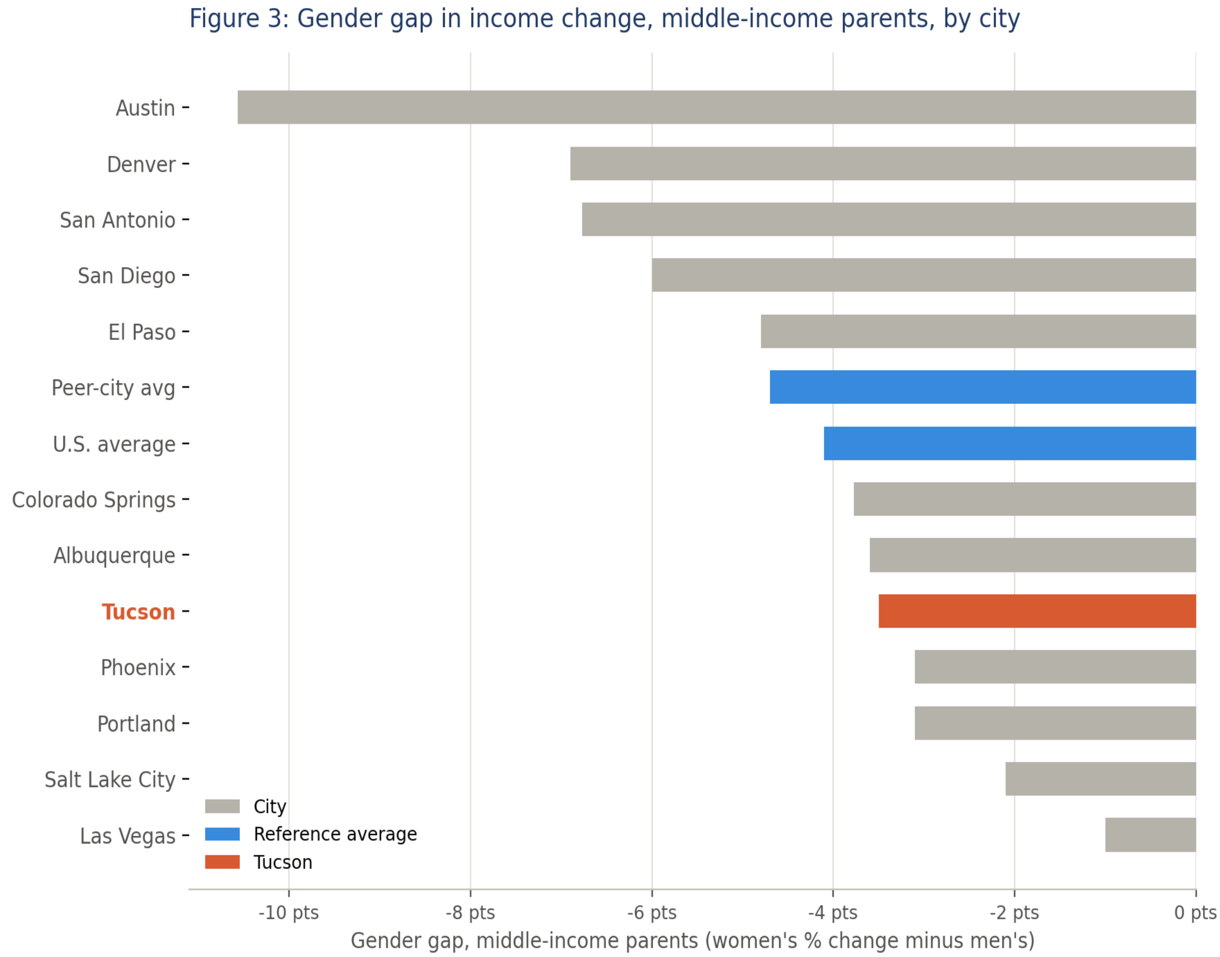

Figure 3: Change in earnings at age 27 for men and women from middle-income families. The gender gap is expressed in percentage points.

What explains the gender gap? It is a critically important question, but these data cannot answer it.

Possible contributing factors include differences in occupation and industry, the disproportionate childcare responsibilities carried by women, career interruptions, labor-market discrimination, and changing returns to education. Additional research would be needed to determine which factors contributed most to Tucson's results.

What the data do establish is that the decline was substantially greater for women. Any serious effort to improve economic mobility in Tucson must take that finding into account.

The effect of race and ethnicity on economic mobility

Adding race and ethnicity reveals a more complicated story. Tucson's overall decline was not shared equally among all groups.

These findings require particular care. A citywide average can conceal substantial differences among groups. At the same time, estimates for populations with smaller samples may be less stable. This is especially important when considering the results for Asian and American Indian Tucsonans.

Figure 4 shows the changes for men and women from middle-income families. The appendix provides results for all three parental-income levels.

Figure 4: Change in household income by race/ethnicity, middle-income parents (1978→1992 cohort)

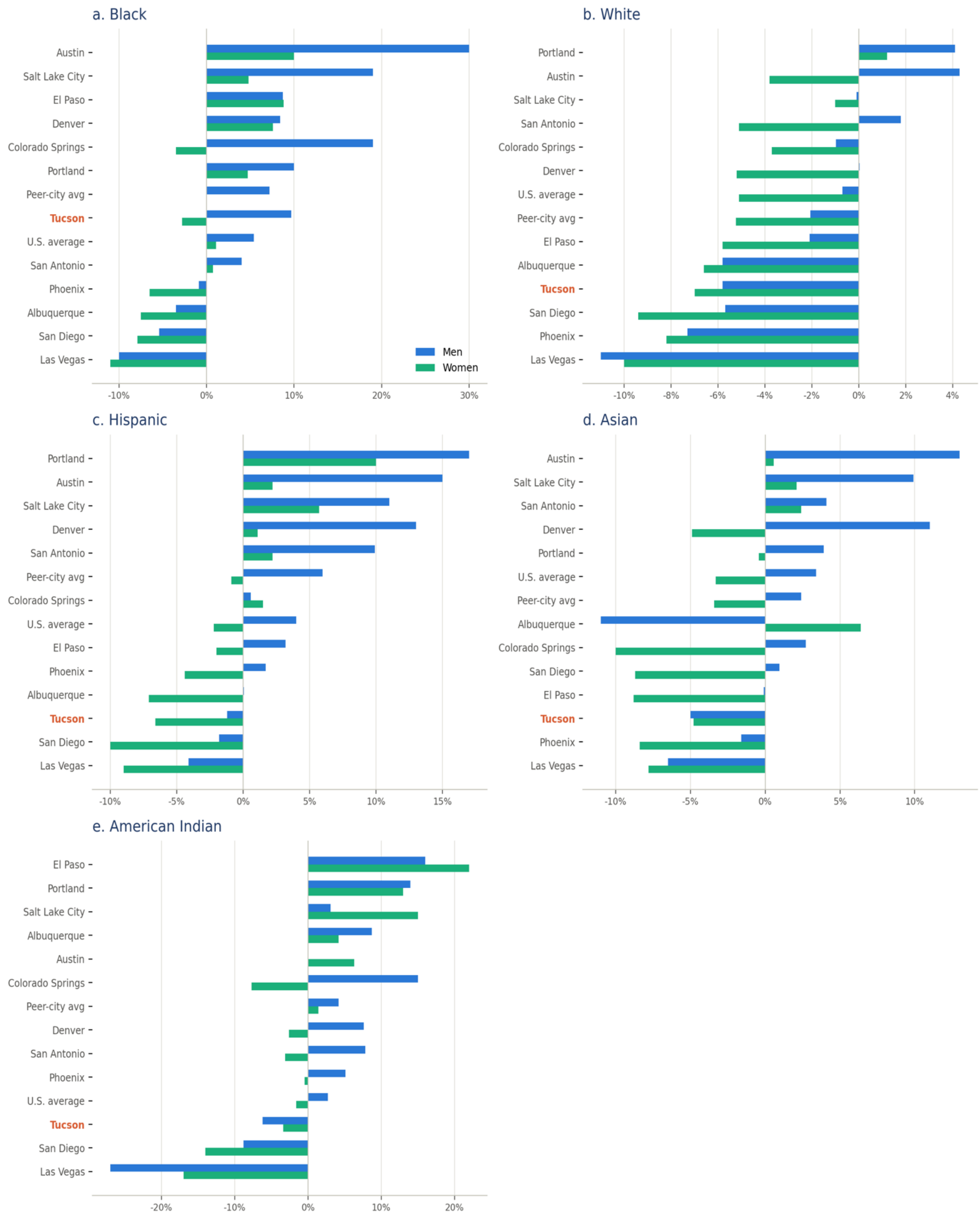

Figure 4: Change in earnings at age 27 by race or ethnicity and gender among people from middle-income families..

Several findings stand out:

- **Black Tucsonans were the most notable positive exception.** Black men recorded gains of 6.5%, 9.7%, and 17%, depending on their parents' income. Black women generally did better than women in the other groups. These results deserve additional study. We need to understand what produced the improvement, whether sample size affected the estimates, and whether Tucson can learn anything from the experience.
- **White Tucsonans experienced broad declines.** Women generally declined more than men. Because White residents make up a large share of Tucson's population, these losses are an important part of the region's overall decline.
- **Hispanic Tucsonans had mixed results.** Men from low-income families improved slightly. Hispanic men from middle- and high-income families declined, as did Hispanic women at all three parental-income levels.
- **Asian men and women who grew up in Tucson lost ground.** This differs from the modest gains among Asian men nationally and in the comparison cities. The smaller size of Tucson's Asian population may make the estimates more variable.
- **American Indian Tucsonans also had mixed results.** Men and women from low-income families improved, while those from middle- and high-income families declined. These estimates also may be affected by smaller sample sizes.

What can we learn from these differences? Three things:

1. Different populations experienced different outcomes. Economic mobility is not one uniform phenomenon.
2. Some populations improved. Declining economic mobility was not universal.
3. Understanding the populations that improved may be as valuable as studying those that lost ground. Sometimes policy can learn as much from success as from failure.

The overall finding remains unchanged: Young adults who grew up in Tucson generally earned less than the generation before them. The decline affected people at every parental-income level, was greater for women, and varied considerably by race and ethnicity.

So, what can we do?

Numerous well-known factors affect an individual's income and a community's total income. For individuals, these factors include the desire, ability, and opportunity to get an education and to learn. Ambition. Opportunity. Initiative. Resourcefulness. Tenacity. Resilience in the face of setbacks. Available and affordable childcare.

For communities, the factors include the availability of quality education. Type and quality of available jobs. Concentration of well-paying industries. Paid apprenticeships. Sufficiency of qualified workers. Extent of local business expansion. Resources available to parents and families. A sense of the common good, the desire to see all boats rise as the economic sea rises.

Following are several suggestions for policies and practices, gleaned from a variety of sources, including "The Prosperity Initiative" and "Opportunity in Tucson and Pima County." However, no single intervention will reverse decades of declining economic mobility. Instead, progress will require simultaneous investments in children, workers, neighborhoods, and the regional economy.

Strengthening Children

1. Expand early childhood education through PEEPS. The Pima Early Education Program Scholarships is a countywide initiative to expand access to high-quality preschool for children ages 3 – 5 from low-income families. The program's 2024-2025 annual report said it served 1,552 children. Other programs, including First Things First and Head Start, assisted another 3,762, for a total of 5,314.[1]

   This means these children will begin developing the skills that determine success in school and in life. They are likely to be physically healthier and more likely to be employed. They are more likely to have higher incomes – and to be less involved in crime.

   Research shows that early childhood education provides high economic returns on investment. James J. Heckman, a Nobel Prize winner in economics from the University of Chicago, has calculated that comprehensive, high-quality, birth-to-five early education has a ROI of 13% annually.[2] Probably no other strategy has such a strong return on investment.

   Tucson's providing of early childhood education to 5,314 children from low-income families is impressive, and it should be celebrated. At the same time, another 7,700 children qualify financially for this assistance but do not receive it because the programs lack sufficient resources. That's just 41% of the need. Finding more money for early childhood education would be a key step in increasing economic mobility for thousands of Tucson's young adults.

2. Fix the childcare-workforce gap. The mismatch between the number of children needing care and the supply of available, affordable slots is a critical economic mobility issue. It prevents parents from participating in the labor market. Yet as the state's population has expanded over the past two decades, the number of licensed childcare providers has fallen by nearly half, according to the Common Sense Institute.

The result has been longer waitlists, declining access, and higher costs that too often lock one low-income parent – particularly mothers – out of the workforce. The cost of licensed childcare for one toddler or preschooler ranges from $1,000 to $1,500 per month in Tucson,[3] between 37% and 56% of the $2,678 before-tax monthly income of a minimum-wage worker.

Fixing the gap is not solely social service. It also is economic infrastructure that can boost labor force participation, allow businesses to encounter less absenteeism and turnover, increase household income, and improve child development.

Creating stronger public-private partnerships that link childcare systems with workforce systems is important, particularly for low-income single parents.

3. Increase economic connectedness. Address economic segregation and encourage relationships between low-income and higher-income residents. The Opportunity Report documented what many Tucsonans already knew: Tucson is economically segregated. Many higher-income neighborhoods north of River Road offer more opportunity to their children than the low- and median neighborhoods south of River Road are able to offer.

   This residential segregation is largely based on income and wealth. It causes school segregation that not only affects the quality of schooling a child may receive, but also the friendships, other relationships and social resources available to the lower-income child. Moreover, it leads affluent adults to lack firsthand knowledge of the poor and makes it less likely they recognize the growing and consequential opportunity gap.

   Friendships between low-income and high-income individuals is the single strongest predictor of upward mobility.

   Harvard economist Raj Chetty and others found a strong negative correlation between income segregation and upward mobility. They found upward mobility to be higher in cities in which low-income families are more dispersed among mixed-income neighborhoods.

   Chetty and other researchers analyzed 21 billion friendships on Facebook. Their primary breakthrough was discovering friendships between low-income and high-income individuals is the single strongest predictor of upward mobility.[4] It matters far more than school funding, racial segregation, or family structure.

   If a low-income child grew up in a neighborhood with a large level of friendships between low-income and high-income individuals, then it increased their future earnings by 20% on average.

Many possibilities exist for a community to increase economic connectedness. These include creating mixed-income schools, mentorship, internships, youth leadership programs, mixed-income housing, shared public spaces, volunteer programs, professional networking, business mentoring, and cross-neighborhood recreation.

If we were to do nothing else – which I'm not proposing – we should do everything possible to ensure frequent contacts between lower-income and higher-income people and to increase interactions across class lines within existing neighborhoods and schools.

4. Increase housing supply in opportunity-rich areas. The evidence is strong that moving from lower-opportunity neighborhoods to higher-opportunity neighborhoods improves later-life outcomes for young children from lower-income families. Consequently, partnering with researchers, Seattle created a program called Creating Moves to Opportunity to encourage housing voucher recipients to move into better, yet still affordable, neighborhoods.

   Seattle's program significantly increased the number of families who moved to high-opportunity areas. An estimate by Harvard economist Raj Chetty is that the program would increase each child's lifetime earnings by $88,000.[5] This is an intervention that can improve outcomes for the next generation.

   At the same time, it is important to expand affordable housing near jobs. About half of renter households spend more than 30% of their income on rent[6]. This forces difficult tradeoffs as the renters struggle with healthcare, childcare, transportation, and food. Adding affordable units near employment centers would reduce the burden of housing costs and shrink commute distances for low-income families.

   Because housing debates quickly become political, it is important to keep the focus on children and economic mobility. This recommendation complements – rather than replaces – expanding affordable housing throughout Tucson.

Strengthening Workers

5. Create workforce pipelines into middle-skill careers. Two of the 13 Prosperity Initiative strategies focus on workforce development and improving job quality for low-income workers. While separate initiatives, they share a focus on programs to allow workers to gain higher qualifications that lead to higher-paid jobs. These include apprenticeships, on-the-job training and other ways to improve worker skills, especially for in-demand, high-growth occupations.

Pima County has relatively low participation in apprenticeships and on-the-job training programs in relation to the total number of eligible clients. That makes it all the more important to increase the scale of these programs. Pima Community College can come in handy here.

Significantly, this recommendation succeeds only if employers help design the training.

6. Address the gender gap. Because women experience disproportionately large declines in economic mobility, reducing barriers to women's career advancement should be a regional priority.

   Tucson cannot solve the nation's gender gap. However, there are steps the region could take to lessen the local gap that sees women who work full time earning roughly 92 cents for every dollar men make. (When part-time and seasonal work is included, the ratio drops to 79 cents for every dollar men make.)[7]

   Other cities have found success through steps including requiring companies with city contracts to provide certification of pay equity, funding workforce training pipelines that steer women into higher-paying trades and STEM fields, and banning salary history questions in city hiring.

   Employers, especially the larger ones, could publish internal pay equity audits, adopt salary transparency in job posting, stop asking about salary history in interviews, offer paid parental leave and flexible schedules, and invest in or subsidize childcare access. Nonprofits can run negotiation training and mentorship/networking programs.

7. Improve transportation access. A number of jobs are inaccessible because workers cannot reliably reach them. In addition to making sure public transportation reaches necessary areas timely and efficiently, there is an opportunity for workforce transportation partnerships.

   Expanding transit access benefits low-income workers and employers alike by widening the talent pool and reducing transportation costs for workers. Tucson's car-dependent infrastructure is a barrier for those who can't afford a vehicle. The formula is simple. Good transportation leads to employment, which leads to earnings and then to economic mobility.

Strengthening Tucson's Economy

8. Build a larger high-wage industry base by expanding clusters in which Tucson has strengths. These include aerospace and defense, optics, space

science, advanced manufacturing, bioscience, and university research. When Sun Corridor and the Tucson Metro Chamber of Commerce merged in April, The Arizona Daily Star reported that one of their key strategies was to focus economic development on regional strengths rather than chasing every opportunity.

Firms cluster together in a region because each firm benefits from being located near other similar firms. They have similar needs for resources and materials and have common competitive strengths and needs.

This allows other firms to develop and grow as vendors to the clusters, and it creates competition among the clustered firms for high-quality employees. Consequently, more high-quality jobs are created, thus improving economic mobility for Tucson residents.

Pre-pandemic data showed half of all workers aged 18-64 in the Tucson metro area were low-wage workers.[8] This means without other sources of income, half the workers were going to be living in poverty, or near it. This single statistic shows the need to change Tucson's economic structure.

Government cannot create clusters. It can encourage them. Universities can strengthen them. Economic development organizations can support them. But private firms ultimately decide where to invest.

9. Extend living wage policies. Pima County and the City of Tucson require contractors in low-paying positions to pay higher wages. This is a policy that so far has affected relatively few workers. However, with half the Tucson workforce in low-wage jobs, it is worth expanding to allow more workers to share in economic goals.

   Apparently no corporations headquartered in Tucson have formal policies defining or requiring a "living wage" for their employees or employees of their contractors. However, some multi-state corporations operating in Tucson do have internal policies that meet or exceed local living standards.

   Costco pays at a baseline significantly higher than the Tucson city minimum. Consequently, Costco has an astonishingly low turnover rate of about 8%. The Bank of America maintains a policy to raise its internal minimum hourly wage ahead of local laws. Quik Trip pays higher than the prevailing local wage level. Illegal Pete's, a regional chain with a location on University Boulevard, structures pay to match higher metropolitan living costs rather than local baselines.[9]

   The evidence shows companies trying to save money by paying lower wages wind up spending those savings in the form of rehiring, retraining, mistakes, and lost sales. "Absence of sufficient pay guarantees high employee turnover," says MIT business professor Zeynep Ton in a report on a "good jobs" strategy by Harvard Business School.

Living wages may improve household stability, reduce turnover, and increase earnings, particularly when combined with workforce development.

Conclusion

Many community initiatives fail to define success. As part of the effort to increase opportunity and build economic mobility, we need to create a public scorecard.

Most worthwhile policy reports begin with a simple question. The question that led to this report was, "Is Tucson creating greater opportunity for the next generation than it did for the last?" That question – and the answers in this report and elsewhere – deserve careful consideration. They reach into the long-term health of the community.

Tucson's challenges are deeply structural. Economic segregation. Low wages. Inadequate pipelines into middle-skilled jobs. Poor transit. Unaffordable childcare. Too large of an unskilled workforce. These all reinforce each other. The most effective strategies will tackle multiple barriers simultaneously rather than addressing each in isolation.

Tucson does not lack intelligence, creativity, or commitment. It has a world-class university, innovative companies, dedicated nonprofits, engaged governments, and residents who care deeply about their community.

Communities shape their own futures through the choices they make. We have the resources to improve economic mobility. What remains is the decision to make it a regional priority. This is not someone else's problem. It is Tucson's opportunity. We need to act.

How I used artificial intelligence in creating this report.

I am familiar with the Opportunity Atlas, having used it to create my earlier report, *Opportunity in Tucson and Pima County*. So first I gathered the data in this report's tables and put it into Excel spreadsheets.

I did my best to analyze the data and draw reasonable conclusions. I then asked three AI programs – Claude, ChatGPT, and Gemini – to analyze the spreadsheets. They came up with some things I hadn't considered.

My next step was to look at the Prosperity Initiative and the Opportunity Report to see what suggestions I could make that would help solve Tucson's declining economic mobility. Afterward, I asked the AI programs for recommendations to include or remove. They came up with several suggestions I hadn't considered.

Claude even referenced a Primavera report on a presentation I had made that included discussing economic connectedness. I hadn't considered that, so Claude was especially helpful by reminding me of the important research that underlies my third suggestion.

Once the report seemed complete, I asked ChatGPT and Claude to review it thoroughly:
- To make sure my conclusions fit the data and to recommend other conclusions.
- To recommend additional suggestions or recommend removing any that didn't appear effective.
- To suggest changes in wording that would make the report clearer and more effective.
- To suggest ways to make the report more accessible to readers.
- To suggest ways to encourage community and business leaders to take action to improve the economic mobility of Tucson's young adults.

I want to give credit particularly to ChatGPT and Claude.ai. Their suggestions helped shift the focus of this report from the decline in Tucson's economic mobility to making it more about improving Tucson's future prosperity.

They also created wording and charts that helped make this report easier to understand. In some places, I used their suggestions word-for-word. In others, their suggestions helped me better present my ideas. Wherever this report becomes aspirational, that's a contribution primarily of ChatGPT.

I'm an experienced writer and editor who has analyzed and written about public policy for many years. I felt comfortable evaluating AI's contributions and deciding whether to accept them. To my surprise, I relied on ChatGPT much more than I anticipated for the final editing.

If there are any errors in this report, I want to say it's AI's fault. But I know that's really not the case.

Appendix – Detailed tables behind figures 1 to 4

Figure 1:

Change in household income: 1978 cohort to 1992 cohort			
City	**Low-income parents**	**Middle-income parents**	**High-income parents**
	All gender all races	All gender all races	All gender all races
Albuquerque	-7.30%	-6.00%	-2.80%
Austin	6.40%	4.30%	3.40%
Colorado Springs	-2.50%	-2.10%	0.26%
Denver	-1.50%	-1.20%	1.10%
El Paso	2.70%	-0.10%	-2.40%
Las Vegas	-11.00%	-11.00%	-8.30%
Phoenix	-8.70%	-7.40%	-4.20%
Portland	2.20%	2.80%	5.50%
Salt Lake City	-4.20%	-1.30%	4.10%
San Antonio	2.70%	2.60%	2.10%
San Diego	-9.20%	-8.30%	-5.40%
Tucson	-5.40%	-5.70%	-4.20%
U.S. Average	-4.20%	-3.10%	0.28%
Average for 11 comparison cities	-2.76%	-2.52%	-0.60%

Figure 5: Change in household income: 1978 birth cohort to 1992 birth cohort. All percentages are based on 2023 inflation-adjusted numbers.

The decline nationally is strongest for people from low-income families. Children from low-income parents saw a 4.2% decline in income, those with middle-income parents a 3.1% decline. Those with high-income parents saw a slight gain.

The decline for those born in Tucson was even worse, ranging from a decline of 4.2% to 5.7%. The performance of most of Tucson's comparison cities also is consistently negative. Only Austin, Portland, and San Antonio saw increases in economic mobility across all three parental income groups. Tucson is not the worst performer; Las Vegas gets that dubious honor. But Tucson performed worse than the U.S. average as well as worse than most of the comparison cities.

At the low- and middle-income levels, seven of the 11 other cities performed better than Tucson. At the high-income level, eight of the other outperformed Tucson. Overall, children who had high-income parents did best in adulthood.

Figure 2:

City	Low-income parents	Middle-income parents	High-income parents
	All gender all race	All gender all race	All gender all race
Albuquerque	$2,200.00	$2,100.00	$1,100.00
Austin	$1,900.00	$1,500.00	$1,400.00
Colorado Springs	$797.83	$774.93	$110.95
Denver	$494.89	$450.55	$468.68
El Paso	$840.75	$35.80	$933.61
Las Vegas	$3,400.00	$3,900.00	$3,500.00
Phoenix	$2,800.00	$2,800.00	$1,800.00
Portland	$687.93	$1,000.00	$2,200.00
Salt Lake City	$1,500.00	$509.92	$1,800.00
San Antonio	$802.37	$896.35	$880.91
San Diego	$3,100.00	$3,100.00	$2,300.00
Tucson	$1,700.00	$2,000.00	$1,700.00
US Average	$1,300.00	$1,100.00	$120.10
Average for 11 comparison cities	$914.70	$934.08	$252.10

Figure 6: Dollar cost of the decline in economic mobility. All numbers are 2023 inflation adjusted.

The dollar losses can be substantial, as shown in Figure 2. When compounded over a working lifetime, the $1,700 to $2,000 annual shortfall at age 27 for the children of Tucson parents represents a significant drag on wealth accumulation. Because the decline occurs across all parental income groups, the problem cannot be explained solely by increasing poverty among the poorest households.

What these findings do – and do not – mean: This data shows that children raised in Tucson experienced lower earnings than the previous generation and that Tucson's decline exceeded that of most comparison cities. It does not identify the specific causes of the decline. Instead, it points toward questions that local policymakers should investigate regarding education, workforce preparation

Figure 3:

Change in household income from 1978 cohort to 1992 cohort						
City	Low-income parents		Middle-income parents		High-income parents	
	Men all race	Women all race	Men all race	Women all race	Men all race	Women all race
Albuquerque	-7.60%	-6.80%	-4.20%	-7.80%	0.83%	-4.70%
Austin	11.00%	1.10%	9.70%	-0.87%	8.20%	-0.23%
Colorado Springs	-1.20%	-4.30%	-0.33%	-4.10%	2.00%	-1.30%
Denver	1.50%	-5.50%	2.00%	-4.90%	3.60%	-1.40%
El Paso	3.60%	1.50%	2.30%	-2.50%	0.42%	-4.60%
Las Vegas	-10.00%	-11.00%	-10.00%	-11.00%	-8.80%	-8.20%
Phoenix	-7.80%	-9.90%	-6.00%	-9.10%	-3.60%	-5.00%
Portland	3.70%	1.30%	4.50%	1.40%	7.30%	3.60%
Salt Lake City	-3.70%	-5.10%	-0.30%	-2.40%	4.50%	3.50%
San Antonio	5.00%	0.23%	6.10%	-0.67%	5.80%	-0.93%
San Diego	-6.40%	-12.00%	-5.00%	-11.00%	-2.50%	-7.60%
Tucson	-4.40%	-6.70%	-4.00%	-7.50%	-3.00%	-5.20%
US Average	-2.40%	-6.00%	-1.10%	-5.20%	2.60%	-2.00%
Average for 11 comparison cities	-1.08%	-4.59%	-0.11%	-4.81%	1.61%	-2.44%

Figure 7: Adding gender to the analysis reveals the extent of the gender gap in Tucson, the comparison cities, and the nation. All percentages are based on 2023 inflation-adjusted numbers.

Portland is the only city in which incomes of both men and women born of all three levels of parental income increased between 1978 and 1992. Most cities saw declines, with four cities – Las Vegas, San Diego, Phoenix, and Tucson – showing declines for men and women at all three levels of parental income.

Tucson's declines are substantial, yet the gender gap in Tucson is not greater than elsewhere. Tucson's gender gap generally is smaller than that in at least half of the other cities. At the high-income parental level, only Phoenix, Salt Lake City, and Las Vegas have a smaller gap between men and women. However, the small gender gap in Las Vegas hides the highest overall decline in income in all the cities.

Even so, compared to the U.S. average and the averages of the other cities, Tucson's men underperformed, while Tucson's women underperformed even more.

Figure 4:

Change in household income from 1978 cohort to 1992 cohort

Black

City	Low income parents Men	Low income parents Women	Middle income parents Men	Middle income parents Women	High income parents Men	High income parents Women
Albuquerque	-4.20%	1.80%	-3.50%	-7.50%	1.90%	-9.80%
Austin	42.00%	15.00%	30.00%	10.00%	27.00%	12.00%
Colorado Springs	23.00%	6.30%	19.00%	-3.50%	21.00%	-6.20%
Denver	12.00%	12.00%	8.40%	7.60%	8.20%	7.00%
El Paso	8.60%	8.10%	8.70%	8.80%	13.00%	13.00%
Las Vegas	-4.80%	-7.50%	-10.00%	-11.00%	-11.00%	-11.00%
Phoenix	-0.43%	-2.80%	-0.86%	-6.50%	2.70%	-5.40%
Portland	14.00%	10.00%	10.00%	4.70%	11.00%	3.70%
Salt Lake City	18.00%	9.10%	19.00%	4.80%	25.00%	11.00%
San Antonio	10.00%	3.20%	4.00%	0.76%	17.00%	1.40%
San Diego	-4.20%	-8.60%	-5.40%	-7.90%	-3.10%	-4.50%
Tucson	6.50%	-2.00%	9.70%	-2.80%	17.00%	0.49%
US Average	9.30%	5.40%	5.40%	1.10%	6.50%	2.20%
Average for 11 comparison cities	10.36%	4.24%	7.21%	0.02%	10.25%	1.02%

White

City	Low income parents Men	Low income parents Women	Middle income parents Men	Middle income parents Women	High income parents Men	High income parents Women
Albuquerque	-9.80%	-3.20%	-5.80%	-6.60%	-0.51%	-3.20%
Austin	2.30%	-6.20%	4.30%	-3.80%	7.60%	-0.31%
Colorado Springs	-3.90%	-6.00%	-0.97%	-3.70%	3.10%	-0.49%
Denver	-2.20%	-9.00%	0.03%	-5.20%	3.90%	-0.21%
El Paso	-5.50%	-7.40%	-2.10%	-5.80%	2.20%	-3.20%
Las Vegas	-13.00%	-13.00%	-11.00%	-10.00%	-7.40%	-6.30%
Phoenix	-11.00%	-12.00%	-7.30%	-8.20%	-2.80%	-3.10%
Portland	2.00%	0.39%	4.10%	1.20%	7.90%	4.10%
Salt Lake City	-4.00%	-5.00%	-0.10%	-1.00%	4.80%	4.30%
San Antonio	-2.80%	-7.30%	1.80%	-5.10%	6.40%	-1.70%
San Diego	-9.70%	-13.00%	-5.70%	-9.40%	-1.30%	-4.90%
Tucson	-9.10%	-8.90%	-5.80%	-7.00%	-1.80%	-4.40%
US Average	-3.50%	-8.30%	-0.69%	-5.10%	4.10%	-0.70%
Average for 11 comparison cities	-5.24%	-7.43%	-2.07%	-5.24%	2.17%	-1.36%

Asian

City	Low income parents Men	Low income parents Women	Middle income parents Men	Middle income parents Women	High income parents Men	High income parents Women
Albuquerque	-14.00%	3.20%	-11.00%	6.40%	-5.50%	11.00%
Austin	2.60%	1.20%	13.00%	0.56%	22.00%	2.50%
Colorado Springs	14.00%	-16.00%	2.70%	-10.00%	-4.00%	-1.30%
Denver	14.00%	-6.40%	11.00%	-4.90%	12.00%	1.60%
El Paso	-4.60%	-9.90%	-0.10%	-8.80%	3.10%	-9.00%
Las Vegas	-5.00%	-8.30%	-6.50%	-7.80%	-6.60%	-5.20%
Phoenix	2.40%	-10.00%	-1.60%	-8.40%	-2.70%	-6.50%
Portland	8.30%	-1.40%	3.90%	-0.42%	2.90%	3.90%
Salt Lake City	10.00%	5.80%	9.90%	2.10%	11.00%	3.20%
San Antonio	3.50%	-3.80%	4.10%	2.40%	7.50%	9.70%
San Diego	1.10%	-9.60%	0.96%	-8.70%	2.10%	-6.50%
Tucson	-0.49%	-0.51%	-5.00%	-4.80%	-5.30%	-6.70%
US Average	4.50%	-3.90%	3.40%	-3.30%	3.60%	-0.18%
Average for 11 comparison cities	2.94%	-5.02%	2.40%	-3.41%	3.80%	0.31%

American Indian

City	Low income parents Men	Low income parents Women	Middle income parents Men	Middle income parents Women	High income parents Men	High income parents Women
Albuquerque	0.06%	9.10%	8.70%	4.20%	18.00%	10.00%
Austin	--	-37.00%	--	6.30%	--	84.00%
Colorado Springs	31.00%	1.40%	15.00%	-7.70%	6.20%	-7.70%
Denver	-5.80%	12.00%	7.60%	-2.60%	21.00%	-8.60%
El Paso	30.00%	59.00%	16.00%	22.00%	6.50%	-7.70%
Las Vegas	-18.00%	-10.00%	-27.00%	-17.00%	-27.00%	-5.30%
Phoenix	2.90%	0.92%	5.10%	-0.47%	9.80%	11.00%
Portland	21.00%	30.00%	14.00%	13.00%	21.00%	8.20%
Salt Lake City	-2.30%	11.00%	3.10%	15.00%	19.00%	26.00%
San Antonio	6.20%	20.00%	7.80%	-3.10%	14.00%	-8.50%
San Diego	-14.00%	-4.90%	-8.80%	-14.00%	-0.39%	-14.00%
Tucson	3.70%	7.90%	-6.20%	-3.40%	-7.80%	-1.70%
US Average	5.70%	-1.30%	2.70%	-1.60%	14.00%	9.30%
Average for 11 comparison cities	5.11%	8.32%	4.15%	1.42%	8.81%	7.95%

Hispanic

City	Low income parents Men	Low income parents Women	Middle income parents Men	Middle income parents Women	High income parents Men	High income parents Women
Albuquerque	-2.70%	-3.80%	0.06%	-7.10%	0.97%	-6.10%
Austin	19.00%	9.20%	15.00%	2.20%	12.00%	1.80%
Colorado Springs	6.40%	6.50%	0.58%	1.50%	-3.20%	1.60%
Denver	15.00%	6.90%	13.00%	1.10%	9.60%	-1.30%
El Paso	5.10%	2.90%	3.20%	-2.00%	1.20%	-3.20%
Las Vegas	-3.10%	-5.90%	-4.10%	-9.00%	-6.10%	-9.00%
Phoenix	1.80%	-0.96%	1.70%	-4.40%	0.81%	-4.00%
Portland	20.00%	18.00%	17.00%	10.00%	13.00%	8.50%
Salt Lake City	12.00%	10.00%	11.00%	5.70%	9.70%	6.60%
San Antonio	9.40%	4.30%	9.90%	2.20%	9.60%	4.00%
San Diego	-2.60%	-8.60%	-1.80%	-10.00%	-1.80%	-9.60%
Tucson	1.10%	-3.90%	-1.20%	-6.60%	-3.50%	-4.90%
US Average	2.30%	0.17%	4.00%	-2.20%	3.30%	-1.10%
Average for 11 comparison cities	7.30%	3.50%	5.96%	-0.89%	4.16%	-0.97%

Some of the more significant findings from Figure 4 are:

- Tucson is a city where young adults who grow up here earn less than the previous generation. This decline in early career earnings affects Tucsonans of all income. It is worse for women. It is uneven across racial or ethnic groups.
  Blacks who grew up in Tucson are a notable outlier – in a positive direction. The men had gains of 6.5%, 9.7%, and 17%, depending on their parents' income. Neither men

nor women of any other race or ethnic group came close to that level of improvement. Indeed, most went down. Black women generally did better than other women who grew up in Tucson. This corresponds with the national trend in which Blacks did better than the other races. This increase by Blacks is an important candidate for additional research. Depending on what drove that increase, it may offer insights into other steps that could be taken to improve economic mobility in Tucson and other cities.

- Whites who grew up in Tucson drove much of the city's overall decline. Mirroring the nation's gender gap, Tucson women generally declined more steeply than men. Whites generally performed poorly across the other cities compared to other racial groups, but whites who grew up in Tucson are at the more negative end of that pattern.
- Hispanics who grew up in Tucson showed mixed results. Men of low-income parents gained slightly, but the rest of Hispanic men and Hispanic women of all three income parents declined.
- Asians of both genders who grew up in Tucson declined, while Asian men nationally and in the peer cities showed modest gains. However, a small sample size may increase the year-to-year variability among Asians and American Indians.
- American Indians showed some of the most volatile numbers among the cities. In Tucson men and women of low-income parents significantly improved their financial standing, but the other two levels of parental income saw declines.

End Notes

[1] PEEPS Annual Report, 2024-2025. PEEPS is the Pima Early Education Scholarship Program.
[2]James J. Heckman, The Heckman Equation, "Lifecycle benefit of an influential early childhood Program."
[3] Tootris News and Education Center, "Cost of Child Care in Arizona: A Complete Guide for 2026."
[4]Raj Chetty and others, "Social Capital I: Measurement and Associations with Economic Mobility, Nature journal, August 1, 2022.
[5] "The Economist Who Would Fix the American Dream," The Atlantic, Aug. 15, 2019.
[6] "Analyze housing cost burden rates in Tucson, Arizona MSA," mapazdashboard.arizonal.edu.
[7] Tucson Gender Pay Gap Statistics, Neilsberg Research, Feb. 27, 2025.
[8] One of several sources is "Meet the Low-Wage Workforce" from Brookings, Nov. 2019. The authors of that report sent me data showing half the jobs in Tucson were low-wage.
[9] Zeynep Ton of MIT makes the case for good jobs in MIT Management, March 14, 2024, and in "Costco and other retailers prove "a good jobs" strategy works," Harvard Business School's Institute for Business in Global Society.