Going Backwards:

Why a generation of Tucsonans is earning less – and the implications for Tucson's future

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Abstract:

This is an update of a report I wrote in July. It fixes an overgeneralization in which I wrote "economic mobility is declining in Tucson" though I had only one example, and it identifies a probable cause for the decline.

This version makes four key points:

- The generation of young adults who grew up in Tucson and turned 27 in 2019 earned less annually than the previous generation earned when it turned 27, after adjusting for inflation. This is a decline in economic mobility, the ability to climb the economic ladder and to make more than the previous generation.
- While most of Tucson's peer cities also experienced a decline in economic mobility, Tucson's decline was steeper. Tucson's decline in economic mobility also was steeper than the national decline.
- The decline in economic mobility most likely was caused by the 2008 Great Recession, as surprising as it may seem for the recession to still have an effect 11 years later.
- The report offers recommendations for creating a more prosperous and resilient future – a future that can better weather and recover from subsequent economic downturns when they come, as they will.

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Executive Summary

THE PROBLEM IN THREE NUMBERS

Tucsonans born in 1992 earned $1,700 to $2,000 less annually at age 27 (in 2019) than Tucsonans born in 1978, after adjusting for inflation. Declines occurred among children from low-, middle-, 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 the U.S. average and the average of 11 peer cities at every parental-income level. The comparisons are strongly statistically significant for the middle-income and high-income parents. If there truly had been no change in earnings between generations, a decline this size would occur by chance alone less than one in 10,000 times.

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.

When each new generation has less opportunity and fewer resources, the result is a weaker workforce, greater employee turnover, less consumer spending, less tax revenue to pay for government services, 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.

It is a problem, too, that raises questions about Tucson's future. The decline in economic mobility between these two generations reveals an economy that recovers from downturns unusually slowly. Why? And what, if anything, can be done to reduce that vulnerability?

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 a decline in economic mobility. Progress will require sustained work on several fronts.

Key steps:

Fortunately, Tucson has taken two important steps in organizing to create a more prosperous and resilient future.

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 poverty that passes from one generation to the next. Wherever feasible, both governments are aligning their actions and use of their resources to focus on 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 to work to improve prosperity.

Next step:

The Prosperity Initiative and the Community Coalition for Prosperity provide a strong foundation. However, the problem cannot be solved without wider community participation, including especially the business community's participation and leadership.

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

1. Join the effort. Review the goals of the Prosperity Initiative and join and participate in the Community Coalition for Prosperity. This is easy and free-of-charge.

2. Name an "owner" and commit resources. Designate one senior staff member to lead the organization's contribution to at least one recommendation in this report and commit real dollars or staff time to becoming engaged, not just issuing a statement of support.

3. Find ways for business, governments, educational institutions, and nonprofit organizations to come together to cooperate and focus their energy and resources on economic mobility. Identify the reasons for Tucson's slow recovery from the downturn and take steps to improve future recoveries.

The Problem – The decline of economic mobility in 2019

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—is the foundation on which millions of Americans have built so many dreams.

Yet there is evidence for at least one generation Tucson failed 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. In adulthood, their earnings ranged from $1,700 to $2,000 less annually.

The likely cause of these declines: The 2008 Great Recession. It may seem unrealistic that a recession in 2008 would affect incomes 11 years later. That's what I thought at first. But as I learned more about the effect the recession had on Tucson – especially Tucson's long, slow recovery – it came to make sense.

Tucson is not alone. Economic mobility also declined between these two years 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 many of the comparison cities.

Tucson's decline was real. It is statistically significant. A decline this size would appear by chance alone less than once in 10,000 times.

However, Tucson's decline was not evenly shared. Women lost more ground than men. Results appeared to differ considerably among racial and ethnic groups, with most showing declines. However, the small sample sizes from the analysis of racial and ethnic groups kept the results from being statistically significant.

The data isn't available to determine whether other generations have been similarly affected. But the recession's effect on Tucson was so strong that it is a possibility.

This report looks first at the decline in economic mobility for this generation, then it summarizes some of the Great Recession's effects on Tucson.

Why economic mobility matters

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

But economic mobility is also a measure of a community's long-term economic health. 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. They create the strong economy governments and nonprofit organizations need to support the services the community depends upon.

When young adults earn less, the effects spread throughout the community. Household wealth grows more slowly. Consumer spending weakens. Some of the more ambitious young people leave Tucson in search of better opportunities. Employers have more difficulty finding qualified workers. Over time, the region becomes less competitive in attracting investment and creating good jobs.

This 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 will provide a resilient and prosperous future.

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.

Notes on the data

- The economic mobility data in this report comes from the Opportunity Atlas, a collaboration between the U.S. Census Bureau and Opportunity Insights, a nonpartisan research organization based at Harvard University. The online Opportunity Atlas combines Census Bureau information with millions of de-identified tax records the IRS makes 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 provides children who grow up here.
- Family income levels are defined using national household income percentiles from income tax data. Low is the 25th percentile. Middle the 50th percentile. High the 75th percentile.

- The Opportunity Atlas measures earnings at age 27 because researchers found that to be the earliest age at which reliable estimates of adult income can be measured. The Opportunity Atlas also found historical outcome data to be better predictors of outcomes than more recent data on poverty rates or test scores.
- This report 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.
- In this report "Tucson" is the Tucson Commuting Zone, which includes Pima, Santa Cruz, and Cochise counties. The Opportunity Atlas uses commuting zones, but others, including the MAP dashboard, define "Tucson" as the Tucson Metropolitan Statistical Area. The Tucson MSA is Pima County, of which the City of Tucson makes up half the population.

  A thorough examination showed that had the Tucson MSA been used instead of the commuting zone, the household income results essentially would be the same. Pima County contains 85% to 88% of the commuting zone's population, so it makes sense that the results would be similar. Changing the definition would not materially change the report's argument or its findings.

Evidence of the decline

Data from the Opportunity Atlas reveals the extent of the economic mobility decline in Tucson, in Tucson's 11 comparison cities, and the nation.

In Tucson, those born in 1992 earned smaller household incomes than those born in 1978 with declines of 5.4%, 5.7%, and 4.2% respectively for those with low-, middle-, and high-income parents. This put Tucson among the greatest decliners, with seven cities and the U.S. and peer-city averages doing better.

Figure 1 shows Tucson's young people experienced greater declines than young people in Colorado Springs, Salt Lake City, Denver, and El Paso, while young people in San Antonio, Portland, and Austin saw increases.

Young people in Las Vegas, San Diego, Phoenix, and Albuquerque experienced larger declines in household income than Tucson's young people.

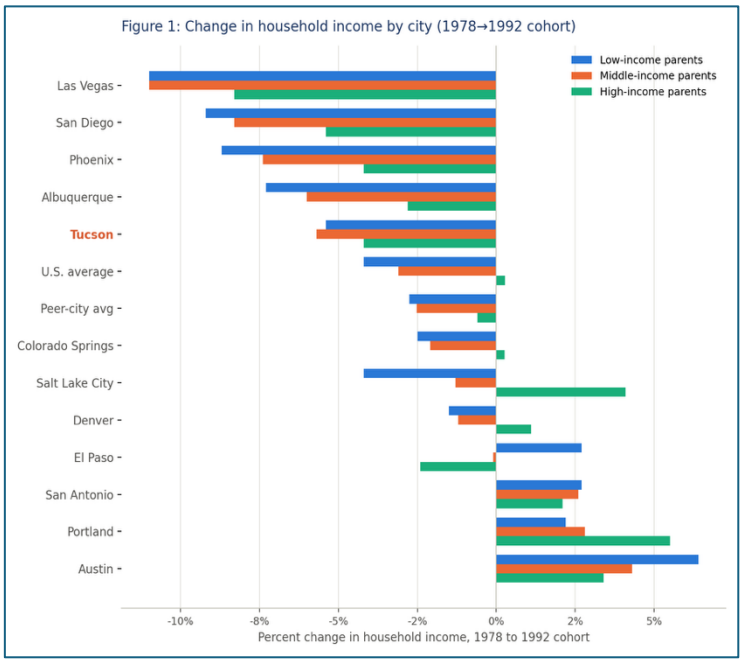


Figure 1: Change in household income: 1978 birth cohort to 1992 birth cohort. All percentages are based on 2023 inflation-adjusted numbers.

The declines from the 1978 to the 1992 cohorts in Las Vegas, San Diego, Phoenix, and Tucson are strongly statistically significant for all three parental income levels, as is the gain in Austin.

This tells us that in Tucson the declines at all three parental income levels were substantial and they were real. However, there is one exception to these declines. Tucson's young adults who grew up with parents from the highest parental level – the 100th percentile – had a 1.4% increase in income.

Figure 2 shows the same change 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. These are substantial differences. If they persist over time, they could materially affect the ability of young adults to buy homes, save for retirement, and build wealth.

It might be suggested that increases in poverty caused Tucson's decline for the 1992 cohort, but these results show that not to be the case. Because earning declined at every parental-income level except the very highest, Tucson's problem extends more broadly across the community.

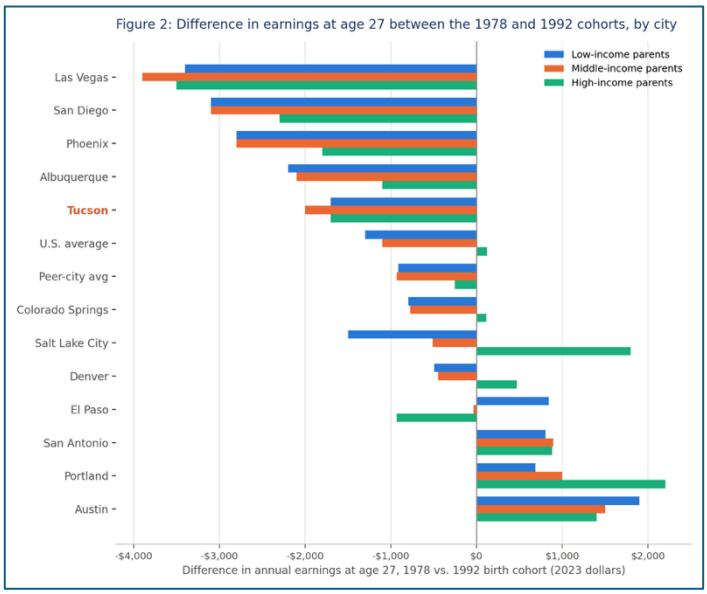


Figure 2: Difference in household income at age 27 between the 1978 and 1992 birth cohorts. All amounts are adjusted to 2023 dollars.

The effect of gender

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

Figure 3 shows the extent of the gender gap between men and women born to middle-income parents. In every city, men either earned more than women or declined less.

In Tucson, earnings for men declined by 4%, while earnings for women declined by 7.5%, for a difference of 3.5 percentage points. This difference is strongly statistically significant. If there truly had been no difference between the genders, a gap this large would appear less than once in 170 times.

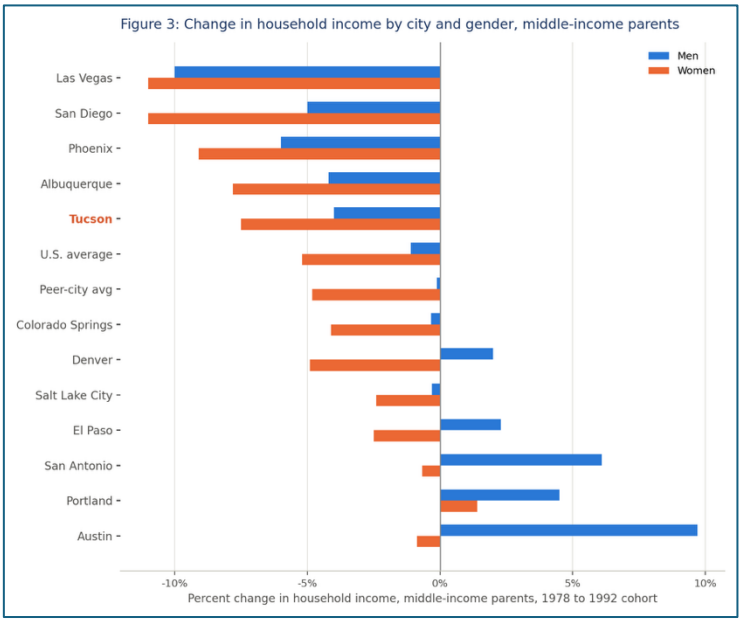


Figure 3: Difference in household incomes between men and women at age 27 from the 1978 and 1992 birth cohorts. All amounts are adjusted to 2023 dollars.

What explains the gender gap? It is an important question, but this data cannot answer it. What the data does establish is that the decline was substantially greater for women. Any serious effort to improve economic mobility in Tucson should take that finding into account.

The effect of race and ethnicity

Adding race and ethnicity to the analysis appears to reveal that Tucson's overall decline was not shared equally among all groups. However true that conclusion may be, all but two of the differences from race or ethnicity in Tucson are not statistically significant. That is because dividing the Opportunity Atlas data into three parental income levels, two genders, and five racial or ethnic groups creates 30 different demographic groups. Almost all of the groups are too small or variable to be statistically significant, even if they reflect the underlying reality.

When the relationship between two numbers is not statistically significance, it doesn't mean the relationship isn't real. It may be, and it may be worth exploring. For that reason, three findings appear to stand out:

- **In Tucson, Blacks 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. However, this pattern was not unique to Tucson; blacks generally outperformed other races or ethnicities in the other cities. These results deserve additional study. It would be worthwhile to understand whether the improvements were real and, if so, why they happened.
- **White Tucsonans experienced broad declines.** Because White residents make up a large share of Tucson's population, their losses are an important part of the region's overall decline.
- **Tucson Hispanics and American Indians had mixed results.** Men from low-income families of both groups improved slightly, while men from middle- and high-income families declined. Among women, the only group that improved was American Indians from low-income families.

In summary, while Tucson's young adults didn't have the largest decline in economic mobility of the 12 cities, they were among the five hardest hit. We'll see this pattern of Tucson during worse than most of the other 11 cities repeated in its recovery from the Great Recession.

The Cause: A devastating recession casts a long shadow

The evidence points toward the 2008 Great Recession being the primary, if not the only, cause of Tucson's 1992 generation's decline in economic mobility. That is true even though the generation members' income wasn't measured until 2019, 11 years after the recession. By that point one might expect the city would have fully recovered. But it hadn't.

The Great Recession, as it is officially known because of the devastation it wrought, began in December 2007 and lasted 18 months to June 2009. It was the nation's worst economic crisis since the 1930s. Driven initially by the housing bust, it caused 8 or 9 million people to lose their jobs, and more than 10 million to lose their homes. Millions of Americans were pushed below the poverty line. The consequences were so far reaching that fertility rates even dropped, particularly among teenagers and unmarried women.

In Tucson, mortgage foreclosures doubled, homebuilding plunged, GDP plummeted, unemployment doubled, thousands of construction and other jobs evaporated, housing prices tumbled, small businesses closed, bankruptcy filings doubled, apartment vacancy rates skyrocketed, the city and county governments cut budgets and laid off staff, and many lost sizeable portions of their life savings as financial markets collapsed.

The downturn caused the 1992 generation to enter the workforce at a particularly difficult time. In much of the nation, young people entering the workforce *during or after* the recession, as they did, were more likely to have to accept low-wage service jobs or lower starting salaries in career jobs. They found a labor market with fewer mid-tier professional jobs. Low turnover essentially trapped many in low- paying roles, causing them to earn less years later.

The 1978 cohort had luckier timing: Its members entered the workforce during a strong economy *before* the recession. They were able to negotiate higher initial pay. Many also were able to switch to higher-paying jobs, which drives up wages. They had a strong start to their financial futures, which propelled them ahead for years.

Several regression analyses I asked Google Gemini and Claude to conduct found that the recession accounted for a third to all of Tucson's decline in economic mobility, depending on the variables they used. The most rigorous analysis said the recession caused all of the decline. That analysis applied the findings from economist Kevin Ninz's study of the Great Recession's effect on four million workers to Tucson workers. It was a good, but not perfect fit, which is why I have treated the recession as "most likely" causing the decline in economic mobility.

That is an answer to the question of what caused the decline in economic mobility, but it raises other questions: Tucson had a vulnerability to the recession that still hadn't been fixed a decade later. Why? And why was Tucson's recovery so slow?

It is not within the scope of this report to answer these questions, but a preliminary analysis revealed some findings that raise the question of why?

- While Tucson experienced a large economic shock, it wasn't worse than some of the other cities. Phoenix and Las Vegas lost employment at rates much higher than Tucson, but they both recovered employment years earlier. The obvious question is why?
- Tucson's economy was among the least diversified, but in 2007 Austin was almost equally undiversified and it thrived in its recovery. Again, why the difference?
- For two decades after 2007 Tucson created jobs at a rate lower than almost all the 11 comparison cities. It's job creation still is low compared to the other cities.
- During and after the recession, Tucson had a net increase in new establishments and new jobs of less than 1%.
- While mining and construction were not an especially large segment of the Tucson economy (7.3% of nonfarm employment in 2007), they accounted for 36% of the job loss from 2007 to 2010. That's 4.9 times their share of employment. Tucson was 6th in its dependence on construction but 3rd in the severity of its housing price bust.
- Tucson's recovery was painfully slow. Even by 2025 some economic sectors had not recovered to their pre-recession heights. These included local government, information, other services, professional and business services, and construction.
- The recovery was not even. Employment and housing prices recovered at different rates, with the housing price index taking longer. By 2019, the housing price index was still below its 2007 level.

The Solution: Creating a more resilient Tucson

> *"It ain't about how hard you hit. It's about how hard you can get hit and keep moving forward; how much you can take and keep moving forward. That's how winning is done!"*
> – The fictional boxer played by Sylvester Stallone in the 2006 film *Rocky Balboa*, which echoes similar comments by famous prize fighters.

How does Tucson build a broad-based, diversified, high-wage economy that is harder to knock down and more likely to keep moving forward when hit by a downturn?

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*.

Of the suggestions, number eight speaks most directly to creating an economic structure more capable of providing a prosperous future. However, you cannot just impose a new economic structure on a community top down. It requires a workforce that can adjust and implement new jobs and an educational system and public policies that create that workforce. There's a symbiotic relationship: Worker capabilities determine the type of industries a community can support, and existing industries dictate what kinds of skills are needed.

The Prosperity Initiative's purpose is to eliminate intergenerational poverty. That is humane, and it is fair. But it also is a critical step toward creating the workforce that leads to a more resilient community. This is where the other recommendations come in. Education, skills, and overall well-being are not just personal achievements. They are not just fighting poverty. They are direct economic investments.

A resilient economy requires a flexible, resilient workforce. Creating that workforce begins not when the prospective employees are 18 or 20, but when they are 2, 3, or 4.

The suggestions fall into three categories: Strengthening children, strengthening workers, and strengthening Tucson's 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 children, for a total of 5,314 children.

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 be more economically mobile, 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**.** That's 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 future 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 childcare 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.

   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, 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.

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 middle- income 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.

Harvard economist Raj Chetty and others found upward economic 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. One breakthrough was discovering that friendships between low-income and high-income individuals is the single strongest predictor of upward economic mobility. 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.

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. This is an intervention that can increase economic mobility and 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. 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 has a better chance to succeed 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.)

   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.

   This is one of the most important recommendations.

   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. This single statistic appears to show the need to change Tucson's economic structure.

   Creating clusters takes participation by a variety of organizations: government to encourage them with tax and other policies, universities to strengthen them with research, and economic development organizations to support them. But it is the private sector that creates them.

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.

   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

The evidence is that the decline in economic mobility between the 1978 and 1992 generations was largely, if not entirely, the result of the Great Recession. This had great consequences, not just for Tucson, but for Tucson residents:

- It blunted the careers of young people who entered the workforce during the recession, with the damage in some cases lasting deep into their careers.
- It locked some workers into lower-paying or less enjoyable jobs.
- It reduced the amount that home sellers received, which means in the majority of cases that it reduced the nest egg they were depending on for retirement. (On the other hand, it helped home buyers.)
- It dashed the hopes of numerous entrepreneurs and small business owners who were forced to abandon their dreams and close their doors.
- It denied people who wanted to move to another home or even to another city the opportunity to do so because lower prices locked then into their current homes.
- It caused talented and capable young people to seek their fortunes elsewhere.
- It caused some people to leave, and it kept even others from coming here.

In addition to the 2019 decline in economic mobility, Tucson's challenges include an economic structure that recovered unusually slowly after the Great Recession.

Even so, Tucson has many strong points. Tucson does not lack intelligence, creativity, or commitment. It has a world-class university, innovative companies, dedicated nonprofits, engaged governments, and leaders and residents who care deeply about our community.

Since communities shape their own futures through the choices they make, we need for these institutions and leaders to be deeply engaged in helping make Tucson's choices.

How I used artificial intelligence in this report

I made extensive use of artificial intelligence in creating this report. I used it primarily in two ways: As a personal research analyst that gathered volumes of data and performed regression analyses, and as an editor. Not just as an editor who pays attention to punctuation and word choice, but as an editor who helps you understand and think through the document you are creating, who helps you decide what is important and what isn't, who suggests new lines of thought.

I frequently felt as if I were learning about the Great Recession and the pandemic from a highly knowledgeable researcher who had the unique ability to do tremendous amounts of research in mere minutes. It was truly impressive. I feel like I learned a lot.

AI also proved to be a surprisingly good thesaurus. Several times I asked AI to suggest a synonym for a word that didn't convey the meaning I wanted. In those cases I learned to give AI the complete sentence and to point out the word I wanted to change. Invariably I got a list of nuanced word choices.

In this time when there is much concern about whether AI is too powerful – a concern I share – it is only fair to say this report has benefitted greatly from the help of OpenAI's ChatGPT, Google's Gemini, and Anthropic's Claude.

However, I also learned to be careful about accepting what AI told me would be a good next step. I spent much of my career researching issues and writing about them. I still let AI lead me down a deep rabbit hole that took many days and hours to climb back out of.

I wanted to know why Tucson took so much longer to recover from the recession than other cities. More than once I was told by one of the AIs that the research it had just done was new information that offered a new insight into the problem. Every single time that proved not to be true. I still don't know why Tucson took so long to recover from the Great Recession. I've come to believe I'll never know.