

Economic Mobility and Opportunity Strategy Grant Announcement

Fact Sheet

December 2023

Overview

When it comes to securing long-term economic mobility and opportunity, people aspire to find good jobs and climb the economic ladder. But achieving those aspirations is difficult for millions of people in this country.

Economic mobility is on the decline. One indicator is that, on average, 90% of children born in the 1940s grew up to earn more than their parents. That figure has dropped to 50% for children born in the 1980s. Systemic barriers such as race, ethnicity, gender, and socioeconomic status continue to predict economic outcomes for individuals.

We know that education is the key to creating opportunities to climb the economic ladder and we have spent years working to improve the U.S. education system from kindergarten through college. But research also shows that education alone is not enough to guarantee that everyone will have access to opportunities or experience long-term, equitable economic outcomes.

In 2022, the Bill & Melinda Gates Foundation made a \$460 million, four-year commitment through its Economic Mobility and Opportunity Strategy to improve economic mobility for the 50 million people experiencing poverty in the U.S. — those earning at or below 200% of the federal poverty level which is an annual income of \$29,160 for an individual or \$60,000 for a family of four. As part of that commitment, **the foundation is announcing over \$100 million in new partnerships and investments being implemented across three strategy pillars: Making Lives Better Now, Creating and Sharing User-friendly Tools and Insights, and Bringing Together Partners Across Sectors.** These investments continue the foundation's efforts to improve job quality for workers earning low wages, help connect skilled workers who don't have bachelor's degrees with higher-wage jobs and employers in search of talent, remove barriers to safety net benefits for those seeking

Fast Facts

- [STARs](#) are workers who are skilled through alternative routes, rather than through a bachelor's degree. They're the 50% of the workforce that have developed valuable skills through military service, community college, training programs, partial college completion, or, most commonly, on-the-job experience. At 70 million strong, STARs are a massive pool of skilled talent, larger than the populations of California and Texas combined but are often overlooked by employers for higher-paying jobs because they don't have a bachelor's degree.
- We know [through research](#) that for most employees, job quality isn't just about income. Workers also care deeply about jobs with stable and predictable schedules, training and development, access to performance incentives, and basic benefits.
- [Nearly 27%](#) of Americans who make less than \$30,000 a year are smartphone-dependent, meaning they do not have broadband internet at home and rely on their smartphones for internet access. For these individuals, a lack of mobile options can be a huge barrier to securing safety net benefits.

short-term economic stability in times of need while on their way to long-term economic security, and provide local leaders with evidence-based tools to improve economic mobility in their communities.

Three Pillars

Making Lives Better Now

- Our \$16.9 million partnership with **Opportunity@Work** will catalyze labor market data and technology infrastructure improvements to benefit more than half of the working population who are STARS — Skilled Through Alternative Routes instead of a four-year degree. The partnership will enable Opportunity@Work to build momentum among employers and local workforce leaders for more inclusive hiring practices through tools like their Stellarsight dashboard and Stellarworx sourcing platform. We're partnering with **Families and Workers Fund** through a \$20 million investment that will help improve the capacity of states — using technology — to increase access to underutilized safety net benefits such as Supplemental Nutrition Assistance Program, Unemployment Insurance, Earned Income Tax Credit and Child Tax Credits.

Creating and Sharing User-friendly Tools and Insights

- Through our \$15.2 million investment, **Prosperity Now**, **Families and Workers Fund**, and **Pacific Community Ventures** will provide technical assistance and tools to help small and medium-sized businesses improve job quality for workers earning low wages by offering benefits such as paid sick leave, employee assistance programs, and retirement plans. We're investing \$29.2 million in the **Urban InSTITUTE** to support development and application of the [Upward Mobility Framework](#), an easily accessible, research-based measurement and assessment tool that local governments and their partners can use to increase upward mobility and narrow racial inequities in their communities. We're partnering with **Results for America** through a \$21.2 million investment to help local decision makers become aware of and use data and evidence-based tools such as the Upward Mobility Framework, the [Economic Mobility Catalog](#), and the [Opportunity Atlas](#) to improve economic mobility in their communities.

Bringing Together Partners Across Sectors

- We know there are gaps in getting more funders and others across the field to work together around shared economic mobility goals. Our investment in the **Urban InSTITUTE** will help diagnose the barriers to impact and support greater coordination and collaboration to address those barriers. This work includes helping to align the field around shared goals and metrics for economic mobility for our focus population.

FAQs

Q: How will these investments help improve economic mobility for people experiencing poverty?

These investments are designed to address some of the most common barriers to economic mobility that people experiencing poverty face, including access to higher-paying jobs and access to safety net benefits in times of need. These initiatives will also provide local leaders with evidence-based tools to improve economic mobility for our focus population in their communities.

Q: Over what timeframe are these investments being implemented?

The foundation's Economic Mobility and Opportunity Strategy's partnerships and investments are implemented in four-year cycles. In 2022, the Bill & Melinda Gates Foundation made a \$460 million, four-year commitment to improve economic mobility for 50 million people experiencing poverty. The more than \$100 million in new

partnerships and investments are part of this commitment and will continue the work over a four-year period.

Q: Why is the Bill & Melinda Gates Foundation making these investments now?

The overall decline in economic mobility in this country has dashed the hopes and aspirations of millions of people trying to secure long-term economic security and has made this issue an urgent priority. The foundation is making these investments now to help people experiencing poverty secure short-term economic stability while on their way to long-term economic security by improving job quality and increasing access to good jobs, removing barriers to safety net benefits for those in need, and aligning the field around a shared vision and goals for economic mobility. This work is part of the foundation's commitment to ensuring that all people—especially those with the fewest resources—have access to the opportunities they need to succeed.