



Paolo Brunori

Vanesa Jordá

Pedro Salas-Rojo

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## The puzzling decline of polarization of opportunity in the US

*A society where opportunities are highly polarized is one where individuals are clustered around some factor outside of their choosing – like race or place of birth – with each cluster having wildly different life prospects. Paolo Brunori, Vanesa Jordá and Pedro Salas-Rojo introduce the concept and chart the surprising decline of polarization of opportunity in the US in recent decades.*

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Imagine two societies where your chances in life are shaped not only by your choices, but also by circumstances outside of your control.

In the first, race is the only such circumstance that significantly determines how well you do in life. This makes inequality very visible and easy to label. It also means that policies to reduce this unfairness – like supporting certain ethnic group's education opportunities – can be relatively straightforward because the disadvantaged groups are clearly defined. But there's a catch: such a clearly polarized system can reinforce stereotypes, worsen relations between different groups and, ultimately, deepen the divide.

In the second society, race is one of many overlapping factors beyond your control that matter – alongside your place of birth, the type of education your parents received, and so on. Here, inequalities are more subtle and harder to pin down, because no single factor explains who gets ahead and who falls behind. This might reduce open social conflict because social lines are more blurred. But it also makes it harder for policymakers to identify and support those truly in need, because disadvantage is caught up in a complex web of social norms and interactions.

Now consider: if overall inequality, and the share of inequality explained by external circumstances, were the same in both societies, *where would you prefer to live?* The answer is not simple, and we do not have a clear answer, but in a [recent paper](#) we propose the concept of *polarization of opportunities* to measure how different these societies are.

And looking at the data for the United States from 1970 to 2014, we find a surprising result: while income inequality, income polarization and inequality of opportunity have all increased, the *polarization of opportunities* has declined. What's driving this puzzling result?

## The decline in polarization of opportunity in the US

Before going into this paradox, let's clarify some of the basic concepts. The notion of **equal opportunity** rests on the idea that the outcomes people reach in life – incomes, education, wealth, and so on – should not depend on circumstances they cannot choose, like their ethnicity, sex at birth or parental background. Accordingly, measures of **inequality of opportunity** (IOp) explore the impact of these ascriptive characteristics on individuals' outcomes.

While IOp measures offer insight into the degree of “unfair” inequality, they do not capture how much circumstances group individuals into distinct social categories. The concept of *polarization of opportunity* (POp) fills this gap. Even if IOp levels were similar across the two societies in our example, POp highlights how opportunities are distributed across clearly defined groups. In a highly opportunity-polarized society – like the first society above – individuals are sorted into distinct clusters with sharply different opportunity sets. By contrast, a low-POp society – like the second one above – suggests that boundaries across groups are blurred when it comes to external circumstances that matter for eventual outcomes.



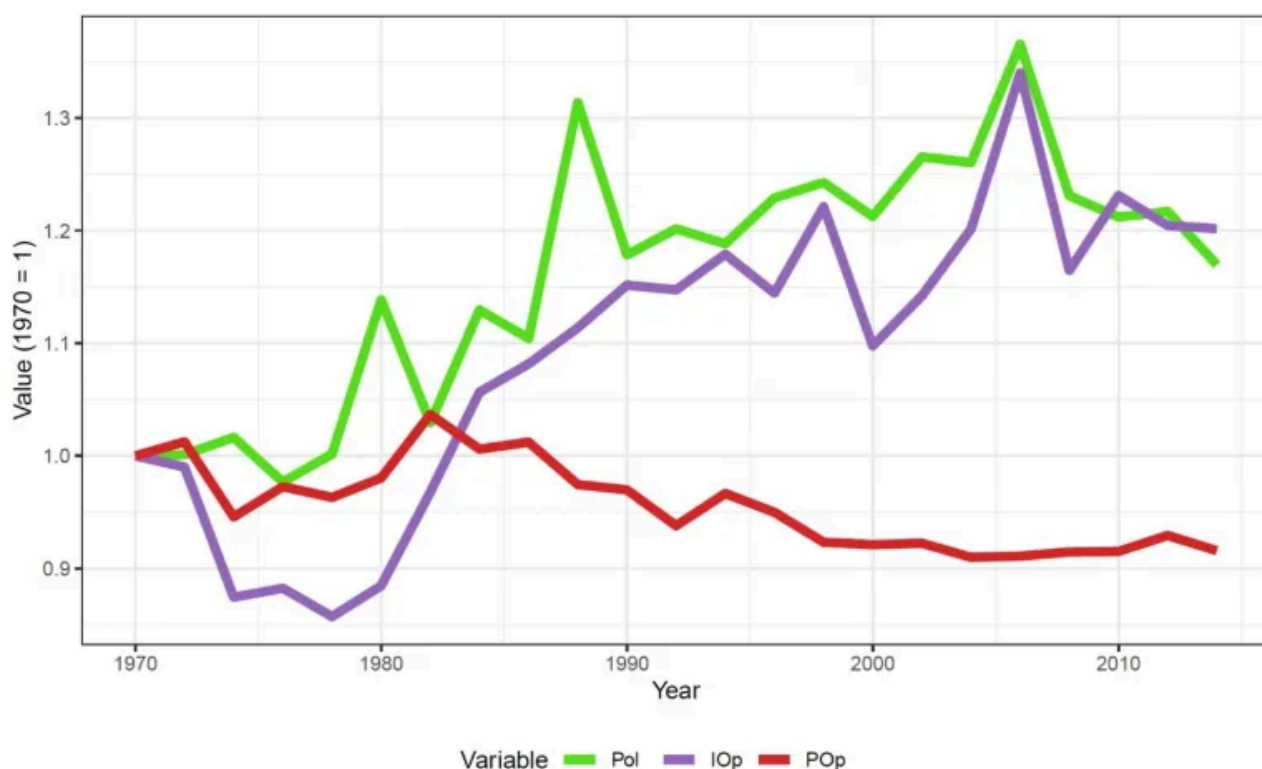
*While measures of inequality of opportunity offer insight into the degree of “unfair” inequality, they do not capture how much circumstances group individuals into distinct social categories – the polarization of opportunity*



POp should not be confused with **income inequality** or **income polarization**. Income inequality looks at how unevenly income is spread across the whole population; income polarization, meanwhile, focuses on how people cluster into groups with different income levels. POp makes the twist of looking at the clustering into groups with regards to circumstances outside of one's control (or, on the flipside, opportunities).

In our paper we analyse US data from 1970 to 2014. We measure household disposable income polarization (IOp), which is based on the Gini index, and POp. Figure 1 shows the trends. And it presents an apparent contradiction. Income polarization (in green) remains stable until around 1978, after which it begins to rise, with some peaks in the late 1980s and 2000s. (Income inequality – not shown here – is also rising over this period). Inequality of opportunity (IOp, in purple) declines until 1980, and then increases steadily. By contrast, polarization of opportunity (POp, in red) stays nearly flat for about 15 years before declining. How can we reconcile this apparent contradiction?

**Figure 1: Inequality of opportunity (IOp), polarization of income (Pol.) and polarization of opportunity (POp) in the USA**



Note: The data used in Salas-Rojo et al (2025) comes from the PSID. Values are normalized and set to 1 in 1970 to facilitate comparison.

We shed some light on the riddle with Figure 2, comparing the distribution of incomes predicted by circumstances in 1970 and 2014 – the first and last years of our analysis.

The 2014 distribution is clearly wider, accounting for the increase in inequality of opportunity (IOp) over this period. However, in 1970, the distribution was split into two distinct income poles. The lower-income pole, on the left, was predominantly made up of individuals with low parental education and Black women born in the southern states. The higher-income pole, by contrast, was largely populated by white individuals, often from more educated family backgrounds.

By 2014, these rigid groupings had become less pronounced. Some poles remained, but upon inspecting some demographics, we find that the distinctions between groups are much less clear

than they were in 1970. To some extent, the U.S. has shifted from being closer to the first society in our example to being closer to the second.

## Figure 2: The distribution of opportunities in 1970 and 2014

Note: The data used in Salas-Rojo et al (2025) comes from the PSID. Values are normalized and set to 1 in 1970 to facilitate comparison.

## What can we learn from all this?

The decline in the polarization of opportunity in the US reflects deep social and economic changes over the second half of the 20<sup>th</sup> century. Most likely, the main driver was the postwar decline in income inequality, especially strong during the 1950s through the 1970s, accompanied by expanded access to education and more inclusive labour markets. These structural changes weakened the strength of the association between circumstances like race, gender, and place of birth and life outcomes.

In particular, as educational attainment among parents from historically marginalized groups increased, the rigid social structures that had sharply divided Americans into distinct opportunity groups began to dissolve. The high sensitivity of our measure of polarization of opportunity to the correlation of favourable circumstances reflect this trend. While inequality of opportunity began to

rise again in the 1980s after a decade of decline, the degree of polarization of opportunity today remains slightly lower than it was in the 1970s.



*Unless we witness another period of equalisation similar to that of the postwar period, inequality in the coming decades could result in a much more rigid and fragmented opportunity structure*



This earlier period of equalisation left a lasting impact, smoothing out some of the most visible forms of stratification. However, this inheritance is now under threat. The sustained rise in income inequality since the 1980s risks reversing this trend. While opportunity polarization has declined, **the rising concentration of income and wealth** is increasing inequality of opportunity. Unless we witness another period of equalisation similar to that of the postwar period, inequality in the coming decades could result in a much more rigid and fragmented opportunity structure. The risk now is that continued divergence in life chances could introduce – and even entrench – new forms of polarization, albeit along more complex and less visible lines.

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### About the author

Paolo Brunori

Paolo Brunori is an Assistant Professorial Research Fellow at the International Inequalities Institute at LSE. His research focuses on inequalities, in particular, the type of inequality that people tend to perceive as unfair. Over the last decade, he has sought to answer an apparently simple question: can we measure inequality of opportunity?

**Vanesa Jordá**

Vanesa Jordá is an Associate Professor of Economics at the University of Cantabria. Her research focuses on the measurement and analysis of multidimensional inequalities and polarization, particularly in health, education, and income. She is especially interested in using parametric and non-parametric methods to study global disparities in well-being.

**Pedro Salas-Rojo**

Pedro Salas-Rojo is a Research Officer at the International Inequalities Institute. His research focuses on the intergenerational transmission of wealth and income inequalities. He is interested in applying computing techniques, especially those related to Machine Learning algorithms, to delve into the causes and drivers of long-lasting inequalities.

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