

Intergenerational Impacts of Concentrated Poverty – What Can be Done?

Patrick Sharkey's powerful new book, Stuck in Place: Urban Neighborhoods and the End of Progress toward Racial Equality (Univ. of Chicago Press, 2013), brings a multi-generational dimension to the study of how children are affected by living in our poorest neighborhoods, and poses provocative questions about the kinds of policies that might actually address these intergenerational impacts. Research by Sharkey, an Associate Professor of Sociology at NYU, shows that neighborhood poverty during childhood accounts for more than a quarter of the racial gap in economic mobility, and further that neighborhood disadvantages experienced by children do not fade away as they move into adulthood, but continue to have an impact on their own children's development a generation later. These findings take on an additional urgency in a country where 70 percent of families living in concentrated poverty neighborhoods in 1972 are still living in similar neighborhoods 40 years later. To address the multiple intergenerational impacts that he documents, Sharkey calls for a new kind of "durable" urban policy that has potential to reach multiple generations, to generate a lasting impact on families, and to be sustained over time. We have invited several of our Board and Social Science Advisory Board members to reflect on Sharkey's analysis; this first response is from Marge Turner of the Urban Institute. — the editors

Place Matters Even More than We Thought: New Insights on the Persistence of Racial Inequality

by Margery Austin Turner

Patrick Sharkey's new book, *Stuck in Place: Urban Neighborhoods and the End of Progress toward Racial Equality*, makes a huge contribution to both scholarship and policy debate about racial inequality and the role of neighborhood segregation. Like Denton and Massey's *American Apartheid* and Wilson's *The Truly Disadvantaged*, *Stuck in Place* marshals data and rigorous statistical analysis to reframe our understanding about these

stubbornly complex problems. Sharkey sheds new light on the persistence of racial inequality, forcing us to confront our tragic lack of progress in closing the income gap between blacks and whites. He makes creative use of survey data that track parents and children over several decades, revealing new insights on intergenerational effects of living in severely distressed neighborhoods. And he applies these new insights to what's become a rather stale debate about "people versus place," articulating instead the need for "durable urban policies."

others have achieved middle- and upper-income success. The share of blacks in the poorest fifth of the income distribution is only slightly lower today than it was in 1971, and the share in the richest fifth is only slightly higher. In fact, the cohort of blacks born after the end of legally sanctioned discrimination and segregation is actually doing worse economically than their parents' generation. While many whites who grew up in middle-income families have higher incomes than their parents did, the opposite is true for a majority of blacks.

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Persistence of Racial Inequality

We are all familiar with the discouraging evidence of persistent gaps in economic outcomes for whites and blacks. Sharkey shows that—although the U.S. made significant progress in narrowing those gaps during the 1960s and 70s—the gains since then have been minimal. And it's not just that a disproportionate share of blacks have been trapped in poverty while many

Intergenerational Neighborhood Effects

Sharkey's biggest contribution comes from his analysis of neighborhood effects. Many scholars have addressed the question of how neighborhood conditions (like poverty, crime and unemployment) affect outcomes for individual adults and children. One of the most common criticisms of research on this topic is that it over-

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states the causal connection, because people with problems (like low incomes, weak job skills or criminal involvement) “choose”—or are constrained to—problem neighborhoods. If this is the case, the argument goes, conditions in the neighborhood may be caused by the characteristics of people living there, rather than vice versa. So researchers investigating neighborhood effects go to enormous lengths to control for individual and family characteristics to estimate the independent effects of neighborhood conditions.

Sharkey’s analysis suggests that this kind of narrow, “all else being equal” analysis may obscure the most important effects of neighborhoods. He makes a compelling case that neighborhood conditions during childhood play a big role in explaining gaps between whites and blacks in income and wealth during adulthood, other things being equal. And neighborhoods may have even more long-lasting effects. Sharkey presents new evidence that living in a poor, segregated neighborhood undermines some outcomes not just for one generation, but across generations. For example, he shows that children whose families lived in poor neighborhoods for two generations score dramatically worse on reading and problem-solving tests than those whose parents grew up in non-poor neighborhoods, other things being equal. In fact, the parents’ neighborhood exposure may be *more* important than the child’s neighborhood exposure.

This new evidence suggests that conventional research methods actually understate the damage caused by neighborhood poverty and distress. And they also suggest that we may be too quick to declare policies that improve neighborhood conditions ineffective. If the neighborhood experiences of parents play a big role in shaping the child’s academic achievement, then improvements in the child’s neighborhood environment might not pay off right away in his or her test scores. It may not be until the

next generation that we begin to see substantial gains. If we give up too soon, abandoning our efforts to improve the neighborhoods in which black children grow up, today’s daunting achievement gaps will persist for yet another generation.

Durable Urban Policies

By focusing on the persistence of inequality across generations and the long-lasting effects of neighborhood distress, Sharkey makes a compelling case that point-in-time interventions will inevitably fall short. What’s required is sustained interventions operating at multiple levels that recognize the reciprocal effects between people and the places where they live. He calls this “durable urban policy.”

One of the features I like most about Sharkey’s analysis is that it underscores the need for effective policy at multiple geographic scales—federal, state, local and neighborhood. Narrowing the racial equity gap requires a healthy national economy, shaped by federal policies that expand decent-paying jobs with adequate benefits, offer reasonable work supports for low-wage earners, and provide a compassionate safety-net for the most vulnerable. But even the best federal

policy solutions would fall short without contributions at the state level, like Medicaid expansion and alternatives to mass incarceration. The economic vitality of individual metros plays an essential role as well, reinforced by city and regional policies that promote growth, expand opportunities, and ensure equal access. And finally, even in vibrant metros, racial disparities will persist without targeted investments in the most distressed neighborhoods and intensive supports for struggling families. (Two new books from Brookings on the metro- and neighborhood-level policy challenges are well worth reading: *Confronting Suburban Poverty in America*, by Berube and Kneebone and *The Metropolitan Revolution* by Katz and Bradley).

Too often, the policymakers, advocates, and practitioners who devote their energies to one or two of these policy domains forget their interdependence. And as a consequence, policy debates too often pit one essential element against another. In my view, Sharkey’s framing of “durable urban policy” should remind us how the success of policies and investments at every level depend upon what happens at other levels. And it puts another nail in the coffin of the tired debate about “people-based vs. place-

Resources

Berube, Alan and Elizabeth Kneebone. 2013. *Confronting Suburban Poverty in America*. Washington, DC: Brookings Institution Press.

Katz, Bruce and Jennifer Bradley. 2013. *The Metropolitan Revolution: How Cities and Metros Are Fixing Our Broken Politics and Fragile Economy*. Washington, DC: Brookings Institution Press.

Kubisch, Anne C., Patricia Auspos, Prudence Brown and Tom Dewar. 2010. *Voices from the Field III: Lessons and Challenges from Two Decades of Community Change Efforts*. Washington, DC: The Aspen Institute.

Massey, Douglas S. and Nancy Denton. 1993. *American Apartheid: Segregation and the Making of the Underclass*. Cambridge, MA: Harvard University Press.

Turner, Margery Austin, Austin Nichols and Jennifer Comey. 2012. *Benefits of Living in High-Opportunity Neighborhoods: Insights from the Moving to Opportunity Demonstration*. Washington, DC: The Urban Institute. <http://www.urban.org/publications/412648.html>

Wilson, William Julius. 1987. *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*. Chicago: The University of Chicago Press.

based” policies. Sharkey makes it so abundantly clear that if we care about racial equity, we need a web of “place-conscious” policies that expand opportunities, ensure equal access, and provide supports for people and families.

Assisted Housing Mobility and Neighborhood Redevelopment

Sharkey gives special attention to the long-standing tension between assisted mobility interventions and neighborhood reinvestment strategies as tools for tackling the damaging concentration of poverty and social distress. I agree with his conclusion that we need both, that they can be mutually supportive, and that they must be pursued at a robust, “durable” level. Both of these approaches have proven ineffective when the help they deliver isn’t sustained for enough time or the investments they make are too shallow.

We’ve learned a lot in recent years about what works (and what doesn’t) to help poor minority families escape from severely distressed environments and move to opportunity-rich neighborhoods. Building on encouraging findings from the Gautreaux demonstration, HUD launched the Moving to Opportunity (MTO) demonstration to find out whether poor families would be better off if they could move away from distressed, high-poverty housing projects to live in low-poverty neighborhoods. Last year, HUD released findings from its evaluation of MTO, answering the question: Are families that received the demonstration’s experimental treatment (housing counseling and vouchers for rentals in low-poverty neighborhoods) better off than their counterparts in a control group? It turns out that, as a group, the MTO experimental families did enjoy significantly better health and mental health than the control group but not higher employment, incomes, or educational attainment.

Some scholars and policymakers have taken these findings to mean that

where we live—and where our kids grow up—doesn’t really matter. In fact, the evidence from MTO is much more consistent with Sharkey’s diagnosis of neighborhoods’ long-term effects. First, the health gains enjoyed by MTO’s experimental families are hugely important. High rates of obesity, anxiety, and depression severely degrade a person’s quality of life, employability, and parenting abilities. Nobody should understate the value of a policy intervention that helps tackle these chronic health risks.

Second, one likely reason that MTO gains were limited to health outcomes is that the special mobility assistance provided by the demonstration didn’t enable the experimental families to sustain access to high-opportunity neighborhoods. Experimental families moved to better-quality housing and safer neighborhoods but few spent more than a year or two in low-poverty neighborhoods. My recent analysis of MTO data (*Benefits of Living in High-Opportunity Neighborhoods*) finds that families who lived for longer periods in neighborhoods with lower poverty did achieve better outcomes in work and school, as well as in health. Specifically, adults who spent more time living in lower-poverty neighborhoods were more likely to have jobs and earn more, other things being equal. And youth (both boys and girls) who spent more time in lower-poverty neighborhoods achieved higher English and math test scores.

This evidence suggests that assisted housing mobility strategies can play an essential role in a “durable urban policy” if they help families move to and stay in opportunity-rich neighborhoods. The latest generation of mobility programs reflect these lessons and include new elements like second-move counseling and hands-on help for families who need services and supports in their new neighborhoods. One of the things I admire most about advocates and practitioners working on these strategies is their openness to learning from research about what tools work—or don’t work—and their willingness to refine and strengthen

Seeking former patients for civil rights history documentary

Professor David Barton Smith of the Drexel School of Public Health is assisting in developing a documentary about the dramatic history of the federal desegregation of hospitals in the 1960s using Title VI in tandem with the new Medicare program. The team working on the documentary needs help locating patients (or their children) who were denied care, and providers unable to admit patients because of racially exclusionary policies prior to 1966. Please contact David Barton Smith: dbs36@drexel.edu.

their strategies to reflect emerging evidence.

Over the years, we’ve also gained a lot of knowledge and experience about the effectiveness of efforts to revitalize the severely distressed neighborhoods that residential segregation, discrimination, and redlining created. These efforts implicitly aim for neighborhoods to function as “incubators” for their low-income residents—so that gradual improvements in employment, income, and education will transform the neighborhood as a whole. A recent volume from the Aspen Institute’s Roundtable on Community Change (*Voices from the Field III*) acknowledges that although investments in neighborhoods targeted for this kind of revitalization have benefited individual residents who participated in new programs and helped build stronger community leadership and networks, few have produced the population-level transformation they sought.

One explanation for this disappointing outcome is that many of the forces that trap communities and families in distress are outside the control of neighborhood-level interventions—again highlighting the interdependence
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dence of policy at multiple scales. But consider an alternative vision of how neighborhoods should function for low-income residents: not as incubators but as launch pads. Like an incubator neighborhood, a launch pad would offer services and supports that poor people need to advance economically. But as families achieved greater economic security, they wouldn't be expected to stay in the neighborhood. Instead, many would move to more

desirable (and expensive) neighborhoods, to be replaced by other needy families. Even though the neighborhood as a whole wouldn't show big gains in employment, income, or wealth, people would benefit from having lived there. Neighborhoods that have historically served as entry points for successive waves of immigrants perform in this way, and Sharkey's analysis of neighborhoods that became less distressed (and less damaging) during the 1980s and 1990s confirms that immigrant neighbor-

hoods may be good models of launch pads for low-income families of color.

In the years ahead, policymakers, practitioners, and researchers who care about racial equity should work together to advance the effectiveness of both mobility and reinvestment strategies. We need to keep experimenting, learning, and adapting to make both these approaches more effective and more durable even though, in the near-term, political and fiscal constraints will keep the scale of investment tragically small. □

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by peers for their nonconforming behavior? Did they play too many violent video games? We don't, however, extrapolate from their behavior negative feelings toward the general population of young white men. And yet, when we hear of violence perpetrated by a young black man, we all too often associate such conduct with the majority of young black men. We do not inquire into their individual backgrounds. We simply shake our heads in disgust, even sadness, at the perceived bad behavior of others who look like them.

The reality hit harder more recently, when 17-year-old Trayvon Martin was murdered. There is little doubt that if Trayvon had been white, with his iced tea and his bag of Skittles, he would still be alive, and if George Zimmerman were black, he would have been arrested on the spot. I thought about my grandson, Michael Ian, now 11 and tall and husky for his age. Because of his skin color, he will undoubtedly face challenges that are foreign to young males with my skin color.

I will leave the authoritative explanations to experts in psychology and sociology. What I do know is that this stereotyping—dehumanizing black people—has its roots in efforts to justify slavery in the context of our founding principle that “all men are created equal.” And based on my own experiences and observations, it is self-perpetuating. Most children grow

up in homogeneous racial environments, and people from different racial backgrounds are relatively unknown to them. When they are bombarded by negative racial stereotypes from family and friends, from the inaccurate and incomplete version of American history taught in school, and from inaccurate portrayals by a media more interested in profit than in fairness, they do not have the knowledge or understanding to counteract the bombardment. So, they fall prey to the stereotyping. Even as adults, we have precious little meaningful interaction with people from different

We know innately that the world is ours.

racial backgrounds. These negative messages fuel fear and prejudice, which lead to discriminatory or dysfunctional behavior that is often unconscious. This makes meaningful interactions with the stereotyped group even less likely, and in turn, the separation widens and the stereotype intensifies each time we observe behavior that supports it. For example, if we harbor a stereotype that most young black males are dangerous, we will avoid them at all costs. By avoiding them, we give ourselves no opportunity to counteract the stereotype, and the next time we see a violent act by a young black male, our stereotype will be reinforced and our fear and desire for separation will grow. When we do encounter a young black male, we will

likely act in ways that reflect the stereotype, which further reinforces and perpetuates it.

Who Pays the Price?

But it's not only black people who pay a price for this negative stereotyping. Our nation also pays a heavy price, economically and politically. Negative stereotyping often causes us to avoid hiring people who could make valuable contributions to our businesses and our economic productivity. Such stereotyping contributes to the high level of unemployment for black people and to the cost of that unemployment to society: government assistance we must provide, productivity that is lost, increased crime rates that are often a consequence of unemployment, family dysfunction that arises due to a husband or father's inability to find a good job, and the skyrocketing costs of incarceration that limit government funding for such needs as better schools. In a labor force that is becoming increasingly diverse, this situation weakens our society and our ability to compete in the global economy. It contributes to budget deficits, lowers the standard of living for all of us, and increases racial divisions.

Politically, we pay a price because we are frequently scared into electing public officials whose motivation is victory rather than good public policy. Therefore, we often end up with bad public policies that further exacerbate

Intergenerational Impacts of Concentrated Poverty – continued

In our last issue, we began a forum discussion reflecting on the implications of Patrick Sharkey's new book, *Stuck in Place: Urban Neighborhoods and the End of Progress toward Racial Equality* (Univ. of Chicago Press, 2013). To address the multiple intergenerational impacts he documents, Sharkey calls for a new kind of "durable" urban policy that has potential to reach multiple generations, to generate a lasting impact on families, and to be sustained over time. In this issue, we have included responses from Barbara Sard, Betsy Julian, Alex Polikoff and Herbert Gans.

Concentrated Poverty is a Children's Issue

Barbara Sard

In his new book, *Stuck in Place: Urban Neighborhoods and the End of Progress toward Racial Equality*, Patrick Sharkey powerfully analyzes the long-term consequences of living in neighborhoods of concentrated poverty—the modern-day “ghettos” in which some 15% of poor children live, frequently for generations. Such neighborhoods, in which 40% or more of the inhabitants are poor, are also predominantly African-American or Hispanic: Few poor white children live in neighborhoods of extreme poverty. Coupled with the emerging literature on the lasting deleterious impacts of the “toxic stress” children experience from prolonged exposure to deep poverty and violence in their homes and communities, Sharkey's must-read book helps us understand why living in neighborhoods of concentrated poverty is particularly harmful to children, beyond the impact of growing up in a poor family.

Reducing the number of children living in extremely deprived neighborhoods should be high on the agenda of advocates for low-income children.

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Even in this time of sharply constrained federal resources and federal legislative paralysis, government and its partners at the federal, state and local levels could do much to improve the lives of the most at-risk children, as a forthcoming analysis from the Center on Budget and Policy Priorities will explain.

Location Matters

The first step is to recognize that where children live matters, particularly at the extremes of the continua

of neighborhood assets and detriments. Unfortunately, many people interested in poverty issues concluded from the Moving to Opportunity Demonstration (MTO) that location doesn't matter. Sharkey's own research in *Stuck in Place*, along with other studies and a more careful reading of MTO findings, show that neighborhood attributes can have profound effects on poor children. In our analysis this Fall, we will review this literature as a predicate to our findings on the performance of the federal rental assistance programs on providing access
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Making Wrong Right: The Search for a Durable Urban Policy

Elizabeth K. Julian

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The title of Patrick Sharkey's new book says it all: “*Stuck in Place*” describes 45 years of public policy failure. Forty-five years after the Civil Rights Movement promised otherwise, separate is still separate, and separate is still unequal for far too many Black children in America. Sharkey is blunt. “Even today, 31 percent of African American children live in neighborhoods where the poverty rate is 30 percent or greater, a level of poverty that is unknown among white children.” For those children, “living in a high-poverty neighborhood typically
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to opportunity and a discussion of our recommended policy changes.

Federal Rental Assistance and Concentrated Poverty

Stuck in Place also reminds us of the central role government policies play in fostering racially concentrated living patterns, and in isolating the minority poor, particularly African Americans. In that context, here is a preview of what our analysis shows about the extent to which federal housing programs contribute to—or counteract—the broader historical trends Sharkey describes so effectively.

More than 25% of the poor children living in extreme-poverty neighborhoods—roughly about 600,000 children—live in households that receive federal rental assistance. The vast majority of these children—more than 90%—are black or Hispanic. Receiving rental assistance makes it more likely that a family will live in an extreme-poverty neighborhood than poor children generally. (In 2010, 17.5% of families with children that receive HUD-funded rental assistance lived in extreme-poverty neighborhoods, compared with 15.2% of all poor children.) The programs with project-based rental assistance—public housing and privately owned properties with project-based Section 8 subsidies—drive this finding, which is not surprising, given the forces that affected the location of these properties. Two-thirds of the families with children that receive federal rental assistance and live in extreme-poverty neighborhoods are assisted under one of these project-based programs; the others have Section 8 vouchers. (It is a mistake to assume that public housing is the primary cause of these findings. A majority of the families with children that receive federal rental assistance and live in extreme-poverty neighborhoods do *not* live in public housing; they receive tenant-based or project-based Section 8 assistance.)

Location Impacts of Housing Choice Vouchers

Our analysis of data on households that received Housing Choice (Section 8) Voucher (HCV) assistance in 2010 is more encouraging, but also shows substantial room for improvement. Unlike HUD's project-based programs, the HCV program cuts the likelihood of children living in extreme-poverty neighborhoods by about a third, compared with all poor children, and for black and Hispanic families, by half, compared with poor people of the same racial or ethnic group.

Housing vouchers also help poor families with children, particularly

Concentrated poverty neighborhoods are particularly harmful to children.

black and Hispanic families, to live in low-poverty areas (those with poverty rates below 10%). One out of five voucher families with children lived in a low-poverty area in 2010, a significantly larger share than the 15% of poor children generally. The share of black and Hispanic families using vouchers to live in low-poverty neighborhoods is a few percentage points lower than the average, but the gap between the shares of white and minority families using vouchers in low-poverty neighborhoods closed substantially between 2000 and 2010, probably at least in part due to an increase in minority families using vouchers to live in suburban neighborhoods.

Notably, while having a voucher makes little difference in a white family's ability to live in a low-poverty neighborhood, it makes a dramatic difference for minority families. More than double the share of black families with vouchers, and close to double the share of Hispanic families with vouchers, used them to live in low-poverty neighborhoods, com-

pared with other poor blacks and Hispanics generally.

But more than 100,000 families with children—10% of all families with children in the HCV program—used vouchers to rent housing in extreme-poverty neighborhoods in 2010, despite the better options that having a voucher should make available to them. The share of families with children using vouchers to live in extreme-poverty neighborhoods increased by more than 40%, compared with a decade earlier. Kirk McClure, Alex Schwartz and Lydia Taghavi reported a similar finding in a paper presented at the Nov. 2012 Annual Meeting of the Assn. of Collegiate Schools of Planning; they also found that a smaller share of vouchers was used in low-poverty neighborhoods in 2010 than in 2000. In addition to this evidence that the HCV program is performing *less* effectively than at the end of the Clinton Administration in helping families avoid living in areas of concentrated poverty and to access areas of greater opportunity, a recent analysis for PRRAC by Ingrid Gould Ellen and Keren Mertens Horn (www.prrac.org/pdf/PRRACHousingLocation&Schools.pdf) found that families with vouchers have less access to well-performing schools than poor families without rental assistance.

During the decade 2000–2010, HUD implemented a number of new policies in the HCV program aimed at increasing access to lower-poverty communities that provided better opportunities for families. For example, Congress provided agencies with additional flexibility to subsidize higher rents and allowed families to rent more expensive units by paying more than the standard 30% of income. In addition, HUD raised the “fair market rent” levels for highly segregated metro areas, and instituted a new performance measurement system that gave some credit to agencies that engaged in activities to expand housing opportunities. Our findings, and those of other studies, highlight the fact that these well-intentioned policies have not succeeded in achieving better

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Housing Mobility as a “Durable Urban Policy”

Alex Polikoff

Stuck in Place, Patrick Sharkey's recent book on the relationship between urban neighborhoods and racial inequality, should end the long-running "neighborhood effects" debate. The evidence Sharkey marshals ought to persuade any fair-minded reader that—independent of personal characteristics—the neighborhood in which you grow up *causally* affects your life trajectory.

Against the background of the Adverse Childhood Experiences study (ACE) from the CDC and Kaiser HMO, and medical research explaining why and how bad outcomes happen, it now seems beyond dispute that growing up in a severely distressed, disinvested neighborhood puts adults at risk, not only of emotional and cognitive problems, but also of diabetes, lung cancer, heart disease, and the like. Moreover—another important Sharkey point—the bad outcomes are not confined to the current generation; they are likely to be passed on inter-generationally.

These are potentially enormous contributions to urban policy; hopefully they will put us on the road to a clearer-eyed focus on what to do about these neighborhoods before too many more generations of children amass high ACE scores in them. Kudos to Patrick Sharkey!

On the what-to-do question there is less to praise, although here too Sharkey desirably emphasizes an important truth. Whatever we do, he says, point-in-time investments are likely to be pointless. We need what he calls "durable" urban policies. The black ghetto is a construct deliberately

created and maintained over generations; it is hubris to imagine that it can be dismantled quickly or easily. Sharkey rightly urges that to be effective, anything we do must have staying power, not be subject, for example, to the uncertainties of annual Congressional appropriations.

Growing up in a severely distressed, disinvested neighborhood puts adults at risk.

In an audio interview, Sharkey called the Gautreaux Residential Mobility Program an example of durable urban policy. And he has referred approvingly to mobility programs in Baltimore and Dallas that "are giving families the chance to make moves that improve their lives and lead to a permanent change in their neighborhood environments." (Quoted in Richard Florida, July 25, 2013, *The Atlantic Cities Place Matters*.) In his book, however, Sharkey does not give residential mobility high marks. While acknowledging its benefits, especially for children, he suggests as a "tentative conclusion" that residential mobility programs work well only with families moving out of the very worst neighborhoods, not if they come from a "wider range of poor neighborhoods."

This erroneous, if tentative, conclusion stems from two mistakes. The first is that Gautreaux families came from public housing—that is, the very worst neighborhoods—whereas in fact they came mostly from a "wider range" of neighborhoods, for they were mostly *applicants* for public housing, living in private housing in various parts of Chicago. The second is that MTO families from Baltimore and Chicago, where neighborhoods were the very worst, fared better than families from New York, Boston and

Los Angeles, where the neighborhoods were less bad. In fact, as Margery Turner and colleagues have shown, MTO families from all five cities who made substantial moves and stayed in place a long time experienced multiple benefits. (*Benefits of Living in High-Opportunity Neighborhoods*, Urban Institute, September 2012.)

Sharkey is also concerned that large-scale residential mobility might lead to new pockets of concentrated poverty in receiving communities. While acknowledging that there is an "ideal scenario" that would avoid that unhappy result, he assumes (for un-

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Not the Only Explanations

Herbert Gans

Pat Sharkey has come up with some original findings, but neighborhood effects and concentrated poverty are not the only explanations. For example, if poor blacks are kept poor and segregated, and urban renewal or public housing destruction further reduces the supply of housing they can afford, they are likely to stay in the same neighborhood for a generation, or longer. If they had more money, they would move to better neighborhoods just like anyone else.

Incidentally, if we studied the affluent, we might discover that they too stay in the same neighborhoods for generations. The supply of 16-room apartments and 10,000 square-foot mansions is as limited as the supply of affordable housing available to poor blacks. □

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stated reasons) that the ideal scenario would not be employed in new residential mobility programs. In fact, as was done in Gautreaux, mobility administrators in Baltimore and Dallas do avoid clustering that would risk creating new pockets of concentrated poverty. There would be every reason to employ the "ideal scenario" in any new round of residential mobility programming.

While opting for a strategy of fixing up high-poverty neighborhoods, Sharkey rightly notes that the report card on such efforts shows mixed results (a charitable description), and that in any event fixing up is not a stand-alone policy but requires the support of a host of other investments—growing out of a "federal commitment to economic equality"—in human capital, health, transportation, criminal justice and the like.

The arresting and poignant circumstances highlighting Sharkey's thesis is that, notwithstanding the breakthrough gains of the Civil Rights Movement, blacks born after the end of state-sanctioned segregation are doing worse economically than their parents. From sea to shining sea, racial inequality remains a prominent feature of the American landscape. The ultimate lesson to be drawn from Sharkey's book is that we cannot afford to overlook any promising remedial approach—including high-quality housing mobility programs. □

locational results, despite the theoretical advantages that tenant-based assistance provides to enable families to access more desirable neighborhoods.

What Can Be Done?

Policy changes are needed to ensure that federal rental assistance programs provide greater opportunities for families to choose affordable housing outside of extreme-poverty neighborhoods, including in areas with access to better-performing schools, while effective interventions are developed over the longer term to in-

Neighborhood attributes can have profound effects on poor children.

crease incomes, enhance safety and improve educational performance in areas of concentrated poverty. Support of children's advocates for these largely administrative reforms could help persuade the Obama Administration of their importance.

Substantial progress toward these goals is feasible in the next few years, even in the current fiscally constrained environment, without significant additional funding or action by Congress. To realize better location outcomes in the Housing Choice Voucher program, our forthcoming analysis will recommend four sets of interrelated policy changes, based in large part on experience with the mobility-oriented policy changes the program tried since 2000 and insights from recent qualitative research.

1. Federal policy must incentivize and reward agency performance in achieving better location outcomes.

2. Program policies that weight the scale in favor of families using vouchers in poverty- and racially-concentrated areas should be revised or eliminated (e.g., metro-wide Fair Market Rents and lists of potentially available

units only in poverty- and racially-concentrated areas).

3. To expand housing choices outside of racially- or ethnically-concentrated areas of extreme poverty, state and local governments and housing agencies should adopt policies to encourage landlords in low-poverty neighborhoods to participate in the HCV program and to assist interested families to use their vouchers in these areas.

4. The administrative geography of the HCV program must be changed so that the boundaries of agencies' service areas ("jurisdictions") no longer undermine the program's ability to promote access to high-opportunity neighborhoods.

Federal, state and local policies also should promote the preservation of well-located assisted housing, whether publicly or privately owned. More than 200,000 units in HUD's project-based rental assistance programs house families with children in neighborhoods that are less than 20% poor. These properties likely provide opportunities that cannot be replicated at a similar cost, making their preservation an important priority for public policy and investment.

However, new investments to preserve properties that isolate poor children in neighborhoods that may limit opportunity should be made cautiously. To the extent feasible, such housing investments should be coupled with measures to improve schools and other neighborhood amenities, and to expand families' ability to choose where to live without losing rental assistance.

While the Low Income Housing Tax Credit (LIHTC) fares somewhat better than other programs at developing rental housing for families with children in lower-poverty neighborhoods and in proximity to better-performing schools, performance among the states is uneven. Federal leadership is particularly important as LIHTC has the untapped potential to be a major source of affordable housing opportunities for families in high-opportunity areas. State efforts in this

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direction should continue, and federal policy should ensure that families with housing vouchers as well as those protected by the Fair Housing Act are not discriminated against in access to these units.

Most of these recommendations can be implemented by the Obama Administration without new authority or additional funds from Congress. While unglamorous, these types of administrative policies, particularly those incorporated in formal regulations, tend to continue over the long term, despite political changes. In fact, regulatory and other administrative policy changes in the current federal low-income housing programs can be a critical element of the “durable” urban policies Sharkey recommends to reverse the negative effects of the “inherited ghetto.” □

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means living in an economically depressed environment that is unhealthy and unsafe and that offers little opportunity for success.” One of the most salient aspects of a high-poverty neighborhood is the prevalence of violence—black children live in an environment that is “unknown among whites, whether they were born in the late 1950s or the late 1990s.” His meticulous and comprehensive description of the persistence of neighborhood inequality between blacks and whites across generations is brought home in his examination of the consequences of cumulative, multi-generational disadvantage. Perhaps more than any other, Chapter 5 of his book should stir outrage. It makes the ongoing debate between whether the government should continue to pursue “place-based” community development and low-income housing strategies, or expand tenant-based “mobility” strategies, look indulgent. The question might more appropriately be what legal causes of action are available to people who have been subjected to these conditions for multiple

generations while we have engaged in such public policy debates.

While Sharkey’s research conclusions are stark, his policy recommendations for addressing the severe situation he describes are not bold. He revisits the long-running “people versus place” debate, looking for evidence to guide future policy.

The evidence on tenant-based mobility comes primarily from the Gautreaux research, which reflects the results of remedial efforts in a long-running public housing desegregation case in Chicago, and the MTO research, based on a two-year research “experiment” at HUD in the Clinton years. In spite of these very modest investments in tenant-based mobility programs, only one of which was voluntary on the part of the government, he finds that “scholars have generated

One of the most salient aspects of a high-poverty environment is the prevalence of violence.

a substantial amount of evidence to guide decisions about what types of mobility programs are likely to foster positive results.” In spite of design flaws in both programs, he admits that subsequent Gautreaux researchers, “even after attempting to adjust for any differences between families that moved to different residential environments, have continued to find that families placed in low-poverty neighborhoods or less-segregated neighborhoods fared much better than families placed in high-poverty or highly segregated neighborhoods.” Moreover, “these (Gautreaux) studies continue to indicate that mobility out of Chicago’s ghetto seems to have been beneficial—perhaps extremely beneficial—for poor families.” The weaker intervention in MTO produced less encouraging results, but he identifies the weaknesses in design and implementation that could inform future initiatives. Even so, recent, more in-depth MTO research is consistent with his basic conclusion—that sustained exposure to low-poverty, more

advantaged environments over time shows the most promising outcomes. Overall, he concludes that the evidence is “encouraging” that when families are able to move out of the most violent, poorest, racially segregated neighborhoods in the nation, their children’s academic and cognitive test scores rise sharply, and when the degree of concentrated disadvantage surrounding a family declines, children’s economic fortunes improve substantially as they approach adulthood.

Turning to “place-based” strategies, and the evidence of “whether or not a sustained effort to reduce concentrated poverty by investing in neighborhoods will have a positive impact on the residents of those disadvantaged neighborhoods,” he concludes that “there is no equivalent evidence to evaluate that claim,” a startling conclusion in itself, given the time and money that has gone into place-based community and housing development programs and activities over the past 45 years. Sharkey then develops his own evidence, based on extensive survey data available for parents and children over several decades, to conclude that place does matter, and that the policies and program we have been funding to improve the places in which many black children growing up in America have lived over the past 40 years have not had significant positive impact on the children’s lives who live there.

He then concludes that, while there may be a place for tenant-based mobility in limited circumstances, the more durable urban policy is comprehensive and sustained place-based community development and affordable housing investment in communities of disadvantage, albeit focused more on individual outcomes of people living in such environments than such policies have attended to in the past. He acknowledges that it will take more political will than has been demonstrated to date to achieve the sustained and concerted activity necessary for real change in neighborhoods of serious disadvantage; it is

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beyond peradventure that under the best of circumstances, the sort of change required will take a great deal of time; and he acknowledges implicitly that without that political will there is no reason to expect real change. So we are back to the future.

Why the reluctance to embrace expanded tenant-based mobility, even when it seems to satisfy Sharkey's own criteria for a "durable" policy component of urban policy? He gives several reasons, including his view that not everyone wants to "move to opportunity." That is a straw man. Mobility proponents have consistently maintained that a decision to make a mobility move should be an informed and voluntary choice, consistent with the view that housing mobility, at least for African-American families confined to the ghetto, is a civil right. And beyond that, we have not yet provided a fraction of the opportunities needed for families who want to move to safer neighborhoods with improved schools.

He also cites more "pragmatic" reasons why tenant-based mobility may not be sufficiently politically palatable to qualify as a "durable" policy. Those make more sense, though Sharkey overstates his case. Any "successful" program or policy for poor people must figure out a way to make it a "win-win" for more powerful interests and constituencies. (Food Stamps have the agriculture and food retail industries; public housing construction had the labor unions, etc.) Housing mobility strategies do not serve the political interests of any traditional constituency, certainly not one with any power. Indeed, almost by definition, mobility policy put the interests of low-income minority families at the top of the interests-served fountain. People with power and influence are not accustomed to having to wait for their benefits to "trickle down." Place-based policies, on the other hand, do have influential constituencies with interests. And that influence is reflected in the last 45 years of public policy.

Politicians and Public Resistance

Laws are passed and policies made by people actively involved in the political process. Politicians on both sides of the aisle, white and non-white, are products of the demographic status quo. For obvious and not so obvious reasons, public policy that creates opportunities for low-income minority families to move out of high-poverty, segregated neighborhoods into housing in more affluent, predominantly white neighborhoods is not a cause many politicians will support, much less champion. Sharkey's analysis of the challenges that would be involved in expanding residential

Why the reluctance to embrace expanded tenant-based mobility?

mobility strategies underscores that reality—though his analysis does not reflect the actual scale of even our most ambitious housing mobility programs.

In Chapter 6, Sharkey seeks to justify his "rejection" of expansion of tenant-based housing mobility as a "durable urban policy" by invoking images of families moving out of the ghetto, "*en masse*." He cautions advocates of a more expansive residential mobility program about seeking "to disperse the ghetto population across a metropolitan area" because such efforts would be "politically hopeless" due to Americans' preferences with regard to the race and class of their neighbors. He cites the proposal of one Yale Law Professor to "offer" subsidies that "allow" every resident of poor, racially-segregated neighborhoods to move to economically and racially-diverse neighborhoods across the metropolitan area and invokes the image of six million Black families from the ghettos invading the rest of the metropolitan area. He lectures that "attempts to *engineer* the type of 'ideal' communities that policy analysts or academics envision by moving large number of residents

across a city will never end well." One might say the same thing about attempts to *engineer* economically and racially homogeneous neighborhoods by isolating and containing large numbers of Black Americans in high-poverty, severely disadvantaged geographies. That has not ended so well either, at least for those so contained. The main difference is that the former is not and has never been close to being even momentary public policy, but the latter has been de facto "durable urban policy" for the last 45 years. By setting up this false dichotomy, Sharkey fails to grapple with the real public policy choices that should be debated around housing mobility programs—how to dramatically expand existing "durable" desegregation like the Gautreaux, Dallas and Baltimore mobility programs to more places in order to benefit hundreds of thousands of additional families (a much more feasible goal than Sharkey's example), while working to design and implement the kind of ambitious re-investments that he says are necessary to achieve similar results for the families who stay.

As daunting as these political challenges are, there are even more powerful interests that will continue to hold back housing mobility policy, and we need to confront these directly if we are to have any hope for progress in this area.

The "Affordable Housing Industrial Complex"

This is my term for the powerful set of economic interests that has evolved over five decades and continues to expand in poor communities across the country. Public housing created jobs for the construction trades, the HUD-assisted privately owned housing programs (221d3 and 236) created not only jobs, but perhaps more importantly made many political donors of both the Democratic and Republican Parties wealthy. Today, the Low Income Housing Tax Credit program, the most sophisticated and complicated low-income

housing development program to date, takes the notion of “doing well by doing good” to new levels. The big banks, the syndicators/investors, the government-supported “intermediaries,” the developers, non-profit and for-profit, all the related entities that operate in that environment, and certainly the law firms that represent them, all make serious money on their way to creating each unit of affordable housing for a low-income family (and even then some resist the notion that the lowest-income people can be served). While at least a segment of this industry sees the possibilities of creating affordable housing opportunities in higher-opportunity areas for low-income people seeking to escape the poverty and distress of the ghetto, that is not the history of federal low-income housing development programs. The reasons for this continuing imbalance have been widely documented, but suffice it to say HUD has never complied with its obligation under the Fair Housing Act to require that its low-income housing development programs affirmatively further fair housing and address effectively the legacy of segregation and neglect of African Americans who need low-income housing assistance. And to date the Department of Treasury, which regulates the LIHTC program, simply refuses to acknowledge that obligation. So, while not excusable, it is perhaps not surprising that housing development, like any investment, has taken the path of least resistance.

Community Development Institutions

CDCs whose work is focused on a specific urban geography rarely have an interest in supporting housing mobility strategies. To the extent that small CDCs have aligned themselves with the housing development industry, they, perhaps more than the bigger players, have a stake in insuring that housing development dollars, and particularly developer fees, continue to support housing development in the communities in which they work. The

CDC community has a long and rich relationship with both the large philanthropic and progressive political communities that have influence on policy and funding related to low-income people and communities. Housing mobility strategies are not consistent with the CDC business models developed over the past 40 years, and change is not yet seen as desirable, though some CDCs have been exploring more regional models.

If Sharkey is right, the federal government will and should continue to primarily focus resources on enhanced community development and revitalization strategies to improve

Sharkey revisits the long-running people vs. places debate.

conditions in the most distressed neighborhoods and communities, where current and future generations of low-income African-American children are going to be born, grow up, live and die. I have spent a significant part of my life as a poverty lawyer representing people who live in such communities, trying to address the history of social and economic disinvestment (and non-investment) by the public and private institutions in the communities in which I have worked. While I am not as optimistic as Sharkey about how those efforts are going to play out over the next two generations, I will continue to support real community revitalization and redevelopment activities, and advocacy to compel the commitment of resources necessary to make such communities equal to the predominantly white communities that have always had those advantages. However, it is also important that we not conflate economic and community revitalization with the development of low-income housing in an already concentrated neighborhood.

Housing mobility as a public policy choice inadvertently suggests a different level of accountability for place-based strategies. In spite of efforts to ignore or deny the successes and ben-

efits of the very limited government investments in housing mobility over the years, the fact is that mobility works pretty well for the families able to make that choice. From Gautreaux, to Dallas, to Baltimore the conclusion really is inescapable that low-income people of color who desire to do so can effectively be assisted to move from high-poverty neighborhoods of disadvantage to low-poverty ones of advantage. Sharkey’s research shows that when they do, and are able to remain in better environments for a sustained period of time, they and their kids do better on a number of “life chances” indicators. No, not every kid from the ghetto goes to Harvard in the first generation after a move, but from looking at Sharkey’s data they are more likely to be alive, be reasonably mentally healthy, and to graduate from high school, all of which are prerequisites to more ambitious achievements.

After 40 years waiting for “opportunity to come to them,” perhaps it is reasonable if some people “stuck in place” decide they want to “move to opportunity” that already exists elsewhere. Established interests on both the right and the left do not see that choice as one worthy of a federal program or policy. However, for those who disagree, Sharkey’s book really makes the case for redoubling our efforts to give families, particularly those with children, a chance to live in less disadvantaged places—*now*. In keeping with the current popular “Transit Oriented Development” theme, housing mobility should be advanced as a sort of 21st Century “Under-Ground Railroad,” drawing its resources and its support from passionate “true believers” in the goal of an open and inclusive society, and in the obligation to remedy the ongoing harms of Jim Crow segregation for African Americans whose lineage shares that history.

The families with whom I and my colleagues work on a daily basis are not naive about the costs and benefits of moving into a new environment, which they know is filled with both

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opportunities and risks. Our job is to make sure they have all the information they need to make an informed choice, and the support to effectuate that choice if they decide to make the move. There is nothing like watching a mom who says she is tired of having to sit up all night to make sure no one breaks in her door, look at a map which shows her that she lives in an area (and in a housing unit often built by a federal low-income housing program) that the local police have designated as a crime “hot spot,” and then showing her places on that map where

she could move where she probably won't feel the need to do that. She knows that it may be a place where more white people live than she lives near now, and it may be a place she only has heard of. She may need to get her old clunker running, because there is no reliable public transportation, and her kids may struggle, at least initially, in a new and more demanding school. There will be other challenges, depending on personal and community circumstances. But until she looked at that map, and talked to a counselor, she didn't know that her voucher would buy her a unit in a non-crime hot spot, non-food desert, non-

low-performing school attendance zone. Because no one has told her. Not the Housing Authority, not the city, not the local “community leaders,” not her caseworker, not HUD, and certainly not anyone in the low-income housing development community. Sometimes, with that information, she chooses to stay, and sometimes she chooses to move, but whatever the choice, after she works with someone truly dedicated to making it real, she knows she had one. Given the unforgiving and unforgivable story that Sharkey's research tells, that is worth the effort. □

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system of racially separate pathways, even as overall minority access to the postsecondary system has grown dramatically. The dual pathways in postsecondary education are not only racially separate but they produce unequal results, even among equally qualified students. The authors find that preparation for higher education matters in allocating access and success at the most selective 468 colleges, but it's not the whole story. Differences in access, completion and earnings persist even among equally qualified whites, African Americans and Hispanics.

- More than 30% of African Americans and Hispanics with a high school grade point average (GPA) higher than 3.5 go to community colleges, compared with 22% of whites with the same GPA.
- Among students who score in the top half of test score distribution (that is, high-scoring students) in the nation's high schools and attend college, 51% of white students get a BA or higher, compared with 34% of African-American students and 32% of Hispanic students.

This polarization of the postsecondary system matters because resources matter. The 468 most selective colleges spend anywhere from

two to almost five times as much per student as the open-access schools. Higher spending in the most selective colleges leads to higher graduation rates, greater access to graduate and professional schools, and better economic outcomes in the labor market, even compared with white, African-American and Hispanic students who are equally qualified but attend less competitive schools.

- The completion rate for the 468 most selective four-year colleges is 82%, compared with 49% for two- and four-year open-access colleges;
- At top-tier colleges, students who enrolled with SAT scores over 1000 obtain a graduate degree at a rate of 15%, compared with 3% similarly qualified students who attended a four-year open-access college; and
- Thirty-five percent of students from top-tier schools obtain a graduate degree within 10 years of obtaining a Bachelor's degree, compared with 21% of students from the open-access schools
- Greater postsecondary resources and completion rates for white students concentrated in the 468 most selective colleges confer substantial labor market advantages, including more than \$2 million dollars per student in higher lifetime earnings, and

access to professional and managerial elites, and careers that bring personal and social empowerment.

Access to the most selective 468 four-year colleges—and their greater completion rates—is especially important to African Americans and Hispanics, in part because attaining a BA is an important threshold for racial equality in earnings.

- African Americans and Hispanics gain 21% earning advantages when they attend the more selective schools, compared to 15% for whites who attend the same colleges.
- African Americans and Latinos who attend one of the top 468 colleges graduate at a rate of 73%, compared with a rate of 40% for equally qualified minorities who attend open-access colleges.

College readiness is important in explaining low completion rates, but preparation is not the whole story. Virtually all of the increase in college dropouts and the slowdown in completions are concentrated in open-access colleges, in substantial part because they are too crowded and underfunded. This dynamic leads to significant loss of talent among both minorities and lower income students.

- More than 240,000 high-scoring students who come from the bottom half of the income dis-