Changing the Geography of Opportunity by Helping Poor Households Move out of Concentrated Poverty: An Overview of the Landscape

George Galster
Hilberry Professor of Urban Affairs
Wayne State University, Detroit, MI

presentation for the PHIL Fed Reserve conference
March 27, 2008
Key Research Questions
Holding Important Policy Implications

• Does moving out of a concentrated-poverty neighborhood substantially improve outcomes for the poor?
  
  If so:

• What mechanism(s) of neighborhood effect are at work?

• How long does the neighborhood effect take?

• Which “neighborhood” matters?

• Which poor/which outcomes are affected?
Does moving out of a concentrated-poverty neighborhood substantially improve outcomes for the poor?

- Concentrated poverty neighborhoods DO create negative impacts on the poor
  BUT
- How much better off poor will be depends on multi-dimensional CONTEXT associated with low-poverty neighborhood destination
What mechanism(s) of neighborhood effect are at work?

- Social processes: role modeling & social control
- Exposure to crime & violence
- Spatial mismatch between jobs & residences & transport links
- Inferior institutional resources
How long does the neighborhood effect take to work?

- Exposure duration is mechanism-dependent
- Exposure duration appears to matter in general
Which “neighborhood” matters?

- Various geographic scales of neighborhood may matter
- Rarely have potential mechanisms of neighborhood effect been measured directly at any geographic scale; thus unsure which characteristics matter most
Which poor / which outcomes are affected?

• For most key outcomes, size of neighborhood effect differs by:
  developmental stage
  gender
  race-ethnicity
Policy Implication I: How can we help the poor move into opportunity-rich neighborhoods?

- Operationalize “opportunity-rich” holistically & at correct neigh’d. scale
- Increase options for poor to live in opportunity-rich neighborhoods
- Assist poor in locating and moving to opportunity-rich neighborhoods
Policy Implication II: How can we help the poor remain in and get the most out of opportunity-rich neighborhoods?

- Given duration effects and history of great mobility of poor out of low-poverty areas, must intervene with supportive services & institutions
Policy Implication III: How can we help opportunity-rich neighborhoods remain so as the poor move in?

• Avoid tipping points of max. 15-20% neighborhood poverty rates in destination neighborhoods for poor in-movers
Conclusion

What we know about neighborhood effects must reform current system for delivering affordable housing, otherwise…

“Equal Opportunity” will remain a HOLLOW PROMISE

Instead of a HALLOWED PREMISE