

Living in a poor neighborhood changes everything about your life

Vox, by Alvin Chang, June 6, 2016

In 1940, a white developer wanted to build a neighborhood in Detroit.

So he asked the US Federal Housing Administration to back a loan. The FHA, which was created just six years earlier to help middle-class families buy homes, said no because the development was too close to an "inharmonious" racial group.

Meaning black people.



It wasn't surprising. The housing administration refused to back loans to black people — and even people who lived around black people. FHA said it was too risky.

So the next year, this white developer had an idea: What if he built a 6-foot-tall, half-mile-long wall between the black neighborhood and his planned neighborhood? Is that enough separation to mitigate risk and get his loan?

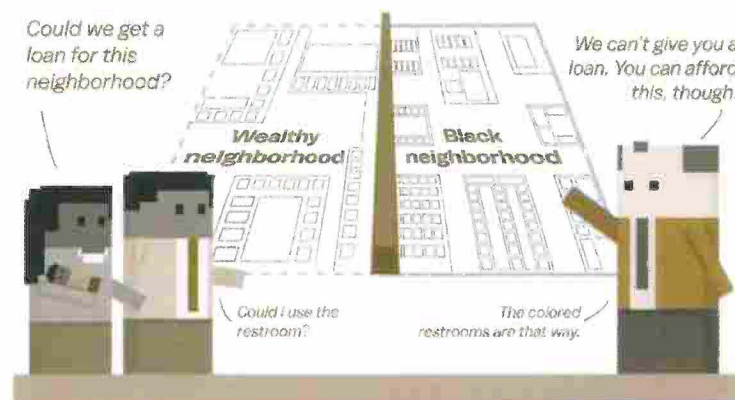


When he did that, the housing administration backed the loan.

That was 75 years ago, but this type of racist housing policy helped create two divergent Americas

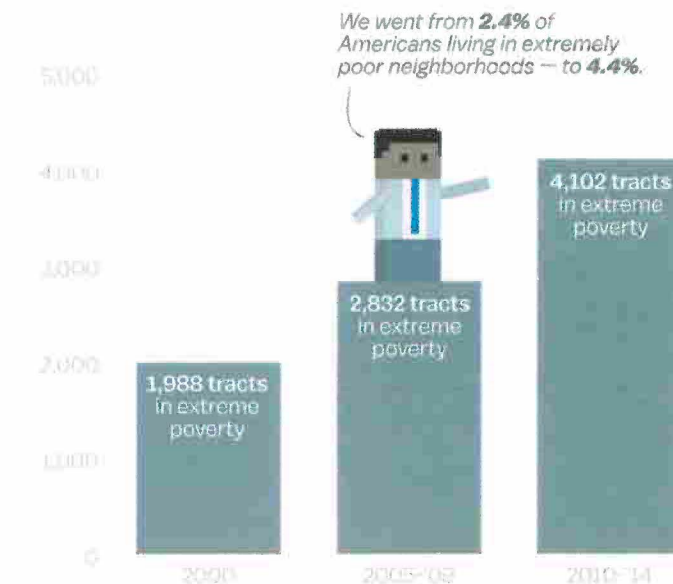
These policies are typically called redlining, in that they drew a bright red line between the areas where black families could and couldn't get loans.

Redlining poisoned the mortgage market for black people. It meant that black families were systematically forced to live in separate neighborhoods.



We often talk about increasing wealth inequality, with the rich getting richer and poor getting poorer. That's certainly a problem, but something we should be even more concerned about is what is happening to our neighborhoods. There are now more extremely poor neighborhoods and more extremely rich neighborhoods.

We're seeing two divergent Americas, one with money, and one without — and the one without is largely black. And the residents of that America are increasingly living in neighborhoods of extreme poverty, where 40 percent of residents live below the poverty line.



Source: U.S. Census Bureau, American Housing Survey
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These are neighborhoods that struggle with high rates of crime, unemployment, and community health issues.

As it turns out, living in poor neighborhoods isn't just an inconvenience. It's a huge factor in what our lives — and our children's lives — turn out to be.

Research shows it's like breathing in bad air; the more you're exposed to it, the more it hurts you. And it isn't just because of the lack of opportunity. It's that living in these distressed areas changes your brain — and your kids' brains.

And that's what this cartoon is about: why it matters that black Americans have continued to be stuck in the poorest neighborhoods, even decades after the civil rights movement.

Let's go back 50 years: One in three black children grew up in extreme poverty during the civil rights movement

In the midst of the civil rights movement, between 1955 and 1970, about one in three black children grew up in very poor neighborhoods, where more than 30 percent of people were in poverty. Virtually no white children grew up in those very poor areas.

This is from a study by NYU sociologist Patrick Sharkey. Black families were in very difficult neighborhoods during the civil rights movement.

But then Sharkey looked at children who grew up between 1985 and 2000, presumably enough time for the policies from the civil rights movement to take effect. What he found was astounding.

Among the younger generation, the same number of black children continued to grow up in the very poorest neighborhoods

Nothing had changed.

This study showed there is very little intergenerational mobility in black families. If you're black and your parents grew up in a poor neighborhood, then you probably ended up in a poor neighborhood too.

But is it really that bad to grow up in a poor neighborhood? Let's do an experiment.

In the 1990s, and the decades prior, there was a big argument among sociologists about whether growing up in a wealthy or poor neighborhood affected economic and health outcomes. It was unclear whether giving people the opportunity to live in better neighborhoods would actually help them — or if the same problems they had in their poor neighborhood would follow them.

So the federal government funded an experiment called Moving to Opportunity. They took 4,600 families living in very poor neighborhoods and randomly assigned them to one of three groups.

- One group received vouchers that could only be used in wealthier neighborhoods, where fewer than 10 percent of households were in poverty.
- Another received Section 8 vouchers with no restrictions, so they could live wherever.
- The last stayed in public housing.

Initially, it looked like living in a wealthier neighborhood improved health outcomes, but it didn't seem to help adults and older youth earn more money.

But last year, Harvard researchers Raj Chetty, Nathaniel Hendren, and Lawrence Katz went back to look at how these people fared in the long term. And they found that the people who moved to the nicer neighborhoods were earning significantly more than those who stayed in public housing.

Other research shows growing up in poor neighborhood affects your brain

Researchers have begun to find evidence that growing up in distressing and traumatic environments can physiologically change the brain.

One way Sharkey, the NYU sociologist, looked at this phenomenon was by measuring how neighborhoods affected kids' IQ. He looked at where the kids grew up and where the kids' mothers grew up. Here's are the results:

On top of it all, if a murder occurred in a child's neighborhood — in an area of about six to 10 square blocks — their score fell by 7 to 8 points.

So a mother can mitigate effects of growing up in a poor neighborhood

But if the mother also grew up in poverty, then she was also exposed to distress and trauma — and children whose mothers grew up in poverty perform below average on the IQ test.

Not only that, but adverse childhood experiences — like abuse, family dysfunction, violence, and neglect — can have long-term health effects, both physical and mental.

Oh, another thing: Living in these poor neighborhoods makes you significantly less happy, less hopeful, and less healthy

In Connecticut, Mark Abraham of DataHaven surveyed 16,000 people last year in one of the most comprehensive state surveys ever. And one of the more personal questions he asked was: How happy were you yesterday?

There was an undeniable pattern. Living in highly distressed neighborhoods — which are poor, unemployed, and undereducated — often meant you were quite unhappy.

Quite hopeless:

And less healthy:

And people who lived in distressed neighborhoods didn't think it was a good place to raise kids:

All of these things are correlated, according to Larry Finison of the Connecticut Health Foundation, who has studied neighborhoods indicators for decades.

If the neighborhood has a high crime rate and it's not safe for your kids to be outside by themselves, then you wouldn't let your kids play outside. This means they are getting less exercise, which leads to higher obesity rates. And more health problems. And so on.

In other words, living in these poor neighborhoods is really hard and unpleasant. And being poor means it's hard to leave.

So what happens when we let poor (mostly black) kids grow up in wealthier neighborhoods? One county tried it.

In Montgomery County, Maryland, there is a law that says if you're building a new subdivision of homes, about one in eight must be moderately priced. And for a third of the moderately priced homes, you have to give first dibs to the public housing authority so it can be turned into low-income housing.

So low-income families, who had an average income of \$22,460 in 2007, apply to live in these homes. Rent costs about a quarter of the market value. And apartments are randomly assigned, which means they can end up in low-income neighborhoods or mixed-income neighborhoods.

Researcher Heather Schwartz thought this was a great opportunity to conduct an experiment: How much better do the kids in the mixed-income neighborhoods do, compared with the ones in low-income neighborhoods?

She looked at about 850 students with limited household resources, about 72 percent of whom were black. Because their housing was randomized, they went to school in a wide spectrum of environments. Schwartz analyzed what happened to them over a five- to seven-year span (from 2001 to 2007).

Going to school with wealthier kids helped a lot

What she found was astounding: The students who attended the schools with wealthier schoolmates (where fewer than 20 percent qualified for free or reduced meals) far outperformed those who went to school with poorer students.

The result is that by the end of elementary school, the poor students who attended the wealthier schools made a huge dent in the achievement gap between themselves and the wealthier students. Meanwhile, the achievement gap remained the same for students in poor schools.

In short, being in the wealthier schools helped students reach their full potential.

Moving to a better neighborhood also made kids more likely to earn more money as adults

That's the conclusion of a landmark study by Chetty and Hendren, the Harvard researchers.

Using tax filings, they analyzed the 5 million children who moved from one county to another between 1996 and 2012. Some moved to poorer places, and others moved to wealthier places.

What they found was that children who moved to a better environment ended up making more money when they grew up. Children who moved to a worse county ended up making less money.

One part of this is that places with higher housing costs generally had better outcomes, so only people with money could move to these areas. But the researchers isolated a neighborhood's effects by comparing people who were at the same level of income distribution. Below, we're comparing families at the 25th percentile:

The longer they were exposed to these places, the stronger the effect was

It furthered the idea that exposure to these poor environments was like breathing in polluted air: The longer you did it, the worse it was.

So should we start figuring out policies that urges poor black families to move to suburbs? Not necessarily.

That's what some advocates want, and this can be made possible with vouchers and where public housing is, and a handful of other strategies. This can be expensive but has shown to work with small samples.

But others believe this would create a void in the cities, and the people left behind would be disenfranchised even further — especially if this causes a greater concentration of poverty. So they believe there need to be policies that invest in communities.

When I brought this up with housing advocate Erin Boggs, who is in favor of giving people the choice to move elsewhere, she said she meets very few people who wouldn't move if given the opportunity.

Another popular left-wing idea is a universal basic income, which would pull everyone out of poverty. In short, the government would write a check to everyone, kind of like how Social Security writes a check to old people.

Another approach is to focus on poor mothers. Programs in Connecticut, and elsewhere, provide mental health services, basic needs, and job skills to mothers. The hope is to mitigate the effects of having a mother who grew up in a poor neighborhood.

Whatever we try, we're missing the point if we don't talk about race

We often talk about poverty as if it's only about the lack of money. But the most devastating part is that when a lot of people without money are pushed to live in the same neighborhood, it creates an environment that poisons a child's ability to reach their potential.

It's more comfortable to talk about inequality and poverty outside the context of race. More than half the country thinks past or present discrimination is not a major factor in why black Americans face problems today. But in the past, it was OK to literally build a wall between a white neighborhood and black neighborhood. That was a lot easier to point at and say: Hey, that's racist. Now, those concrete symbols of racism are largely gone and what's left are their systemic effects. Sometimes, that makes it hard to be as outraged.

But in this country, we forced people into toxic neighborhoods based on the color of their skin, and it still plays an overwhelming role in which people gets a real shot to be healthy, happy, and hopeful. In other words, the walls are still there.

Conversations with the following people, among others, helped shape this piece: Mark Abraham, Erin Boggs, Scott Gaul, Larry Finison, Steve Balcanoff, Elizabeth Krause, and Mariana Arcaya.

We know how to end poverty. So why don't we?