PLACE MATTERS

COMMUNITY INEQUALITIES & CHILDREN'S LIFE CHANCES IN THE UNITED STATES

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In the past decade there have been important research developments concerning the impact of place (neighborhoods, communities, metropolitan areas, etc.) on American children's chances of success—not only when they are young but long after they have left their childhood communities behind. The innovative big data efforts of researchers like Harvard University economist Raj Chetty and his colleagues have been particularly illuminating (see Chetty et. al., 2014, 2022a, and 2022b).

The following is a summary of a new paper on community inequalities and children's life chances by Lawrence M. Eppard, Kayla Dalhouse, Erik Nelson, and Jenna Robbins. It will appear in the December 2023 issue of the Journal of Working-Class Studies. *In this paper they discuss both their own research and the larger literature on how place impacts children's success.*

If you wish to read the whole article you can find it here.

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A growing body of evidence suggests that, irrespective of individual- and household-level characteristics, place seems to matter a great deal for American children's life chances.

- ✦ This research suggests that communities impact various aspects of children's lives—both while they live in those communities and long after they leave them behind—including:
  - o Cognitive & behavioral development
  - o Academic performance & educational attainment
  - o Employment & economic productivity
  - o Social mobility (Figure 5)
  - o Physical & mental health
  - o Substance abuse
  - o Sexual behavior & teen fertility (Figure 6)
  - o Crime involvement & victimization (Figure 11)

Inequalities between communities can be stark—even when they are located in close proximity.

- ✦ A variety of cities are used as examples in the paper, including the New York City example below.
- ✦ Figure 3 below shows the variation in average household income of adult males born between 1978-1983 who were raised in families at the 25th income percentile (henceforth "lower income") across NYC neighborhoods, regardless of where they ended up living in adulthood. In one area of the city, lower-income male children grow up to earn an average household income around $79,000 in adulthood, while elsewhere they earn only around $13,000.
- ✦ Table 3 below illustrates the large gaps in not just income but across a variety of other life outcomes across the United States.

Different areas of the United States offer children decidedly different opportunities.

- ✦ As an illustration of the geographic distribution of opportunity in the U.S., we listed all counties from high-mobility North Dakota (color-coded green in Table 2 below) and low-mobility South Carolina (color-coded light orange) together in descending order, from the highest average adult household income to the lowest for males who were raised in lower-income families in these counties.
- ✦ There is almost no comingling of ND and SC counties. When ranked this way, they separate like oil and water: all ND counties except one outperform the best-performing SC county.

Limiting our analysis to children with similar family incomes helps to narrow our focus to factors beyond the household environment.

- ✦ Our analysis does not include the outcomes of *all* children who grow up in American communities but is limited to those raised in households at the 25th income percentile. The logic is that if you compare all children, you could be comparing children of wealthy parents to those of poor parents, and therefore do not know if you are seeing the effects of the household or the community. By limiting our analyses to those with the same incomes, we can focus more narrowly on factors beyond the household.
- ✦ While this method is not perfect—households can have similar economic resources but nonetheless vary in many other ways—it does provide important insights.

A variety of community characteristics play a role in children's probability of success.

- ✦ The extent of the negative impact of growing up in a disadvantaged community seems to hinge on a variety of factors, including the severity of community disadvantage, the stage of childhood in which one is exposed, the duration of exposure, which specific community characteristics the child is exposed to, as well as the individual child's degree of vulnerability.
- ✦ A variety of community characteristics have been shown to be important—depending upon the life outcomes in question—including:

  - o Economic (such as income and wealth), social (such as social networks), and cultural (such as educational attainment) resources of residents
  - o Predominant family structures
  - o Institutions (such as schools, police departments, social service providers, childcare centers, and churches)
  - o Peer networks
  - o Prevalence of violence/gangs/ drugs
  - o Availability of adult role models/ mentors/supervision
  - o Local labor markets
  - o Degree of income inequality
  - o Degree of racial segregation
  - o Social norms
  - o Social cohesion (such as levels of trust and support)
  - o Stability of neighborhood populations
  - o Local marriage markets
  - o Environmental burdens
  - o Features of nearby neighborhoods

Of all the community characteristics we examined, we found social capital, family structure, school quality, and income to be particularly impactful.

- ✦ This is true even when we control for other community characteristics like economic growth, educational attainment, race, religiosity, and violent crime.
- ✦ As an example, in our teen birth analysis, we found that—even with these control variables—every 10 percentage point increase in community social capital was associated with a 5.5 percentage point decrease in teen birth rates for females from lower-income backgrounds raised there.

Place also matters when it comes to crime involvement and victimization. Violent crime tends to be geographically concentrated in the most disadvantaged American communities.

- These areas tend to struggle with not just one but multiple dimensions of disadvantage—not just poverty, but also things like high levels of unemployment, public assistance, single parenthood, and racial segregation. Scholars often refer to this as "concentrated disadvantage."
- Violent crime tends to be concentrated not just within specific disadvantaged neighborhoods but in even smaller geographic "hot spots" or "micro places" within these struggling neighborhoods. It also tends to be concentrated within small, high-risk social networks.
- In Oakland, for instance, one study found 0.3% of the city's population to be responsible for up to 85% of Oakland homicides (McLively & Nieto, 2019). Similar patterns exist across the U.S.
- Over the years we have conducted several analyses showing a strong relationship between areas of concentrated disadvantage and the geographic location of violence in the U.S. Figure 11 below contains some of the maps from this work, illustrating the clear clustering of homicides within areas of concentrated disadvantage across multiple U.S. cities. Even in cities that are considered dangerous, there are many neighborhoods where gun homicides *never* occur. Instead, homicides are heavily clustered in neighborhoods burdened with multiple dimensions of disadvantage.

There is compelling evidence that community inequalities are an important factor contributing to racial inequality in America.

- One notable study, for instance, found that almost a third of Black children (31%) in America grow up in neighborhoods that are at least 30% poor, something that is exceedingly rare for White children (only 1%). Only 10% of Black children are raised in neighborhoods with less than 10% poverty, but that is the norm (61%) for White children (Sharkey, 2009, p. 9).
- According to the National Center for Education Statistics (NCES, 2023), 63% of Black, 65% of Hispanic, and 56% of Native American students attended schools where a majority of students qualified for free or reduced lunch in fall 2021, compared with only 25% of White and 31% of Asian American students.

Luckily, it seems that there are many ideas about how we might intervene in meaningful ways to improve many children's communities.

- Including vouchers to move, better enforcement of fair housing rules, reforming exclusionary zoning laws, ensuring more mixed-income housing and schooling, making sure public housing is not built in high-poverty areas, investing in infrastructure, and promoting more school choice.
- In the 1990s, the U.S. Department of Housing and Urban Development (HUD) ran a social experiment called the "Moving to Opportunity" experiment (MTO) with 4,600 low-income families with children living in high-poverty public housing. The aim was to establish whether helping low-income families move to better neighborhoods would improve their economic and health outcomes.
- Explaining the results, Michigan University economist Justin Wolfers wrote "[The MTO experiment] suggests that the next generation—the grandchildren of the winners of this lottery—are more likely to be raised by two parents, to enjoy higher family incomes and to spend their entire childhood in better neighborhoods. That is, the gains from this policy experiment are likely to persist over several generations" (2015).
- Additionally, modeling voucher programs after the MTO experiment would be fiscally responsible. As Raj Chetty and his colleagues explain "The additional tax revenue generated from these earnings increases would itself offset the incremental cost of the subsidized voucher relative to providing public housing" (2019). Because children relocated to better neighborhoods go on to become more economically productive adults, they end up contributing more to the economy and paying more in taxes, which likely offsets the additional expenses that the government would incur by implementing a voucher program similar to MTO instead of traditional public housing.

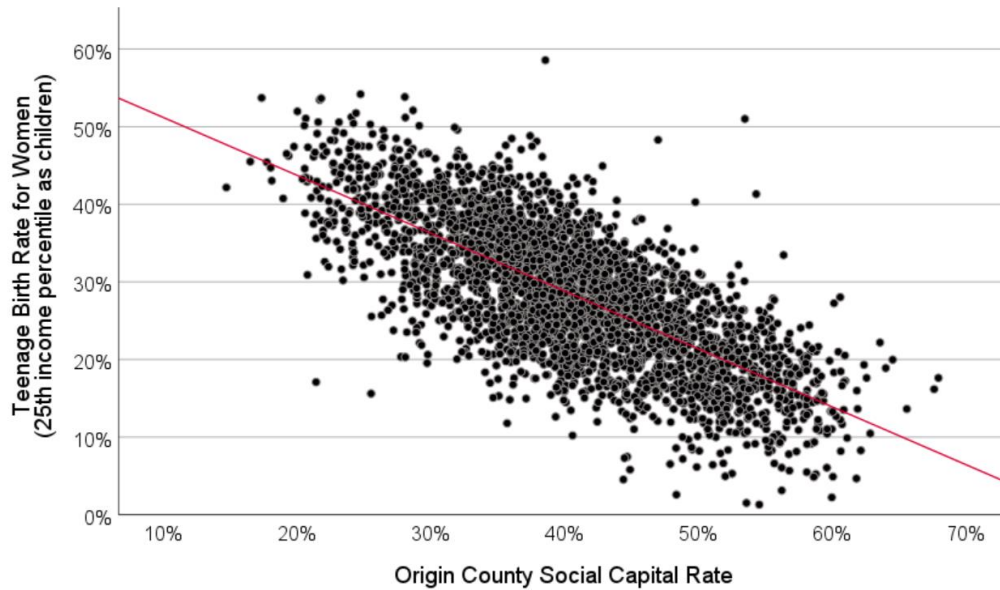**FIGURE 3.** Inequality in Upward Mobility Across New York City Neighborhoods.
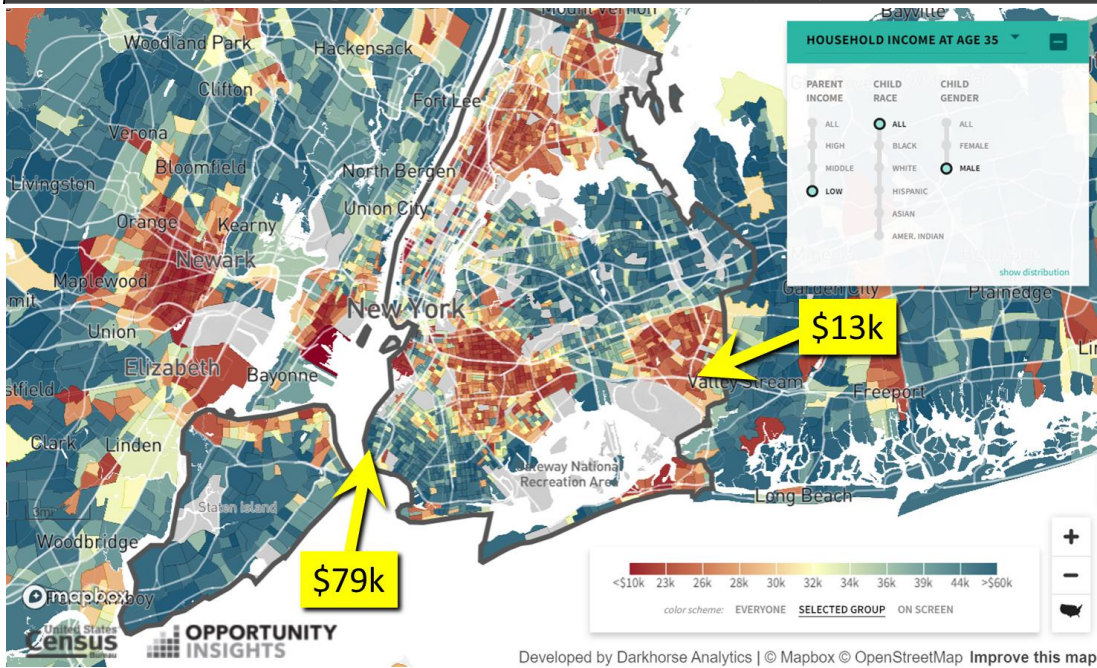
Source: Opportunity Insights (2023c). Reprinted with permission.

FIGURE 5. Social Capital and Upward Mobility.
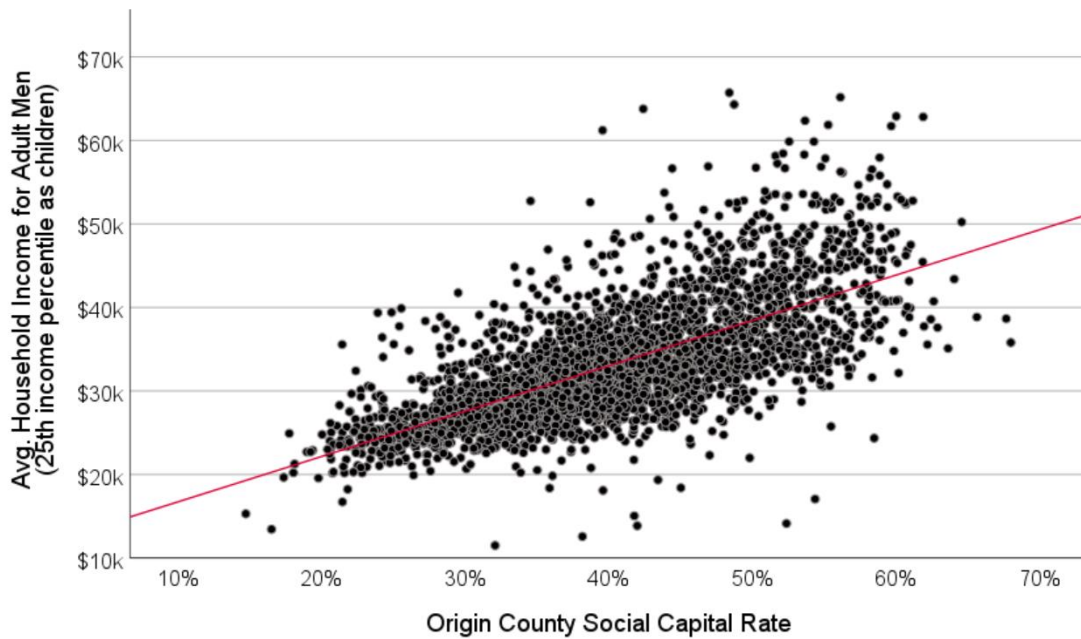
Note: r = 0.68***.

FIGURE 6. Social Capital and Teen Birth Rates.

Note: r = -0.72***.

TABLE 2. Upward Mobility Across North Dakota and South Carolina Counties.

County Name	Avg. HH Income	County Name	Avg. HH Income	County Name	Avg. HH Income
Dunn	$65,713	Ransom	$48,812	Greenville	$25,669
Bowman	$65,169	Sheridan	$48,393	Spartanburg	$25,420
Slope	$63,845	Morton	$46,716	Clarendon	$25,371
McKenzie	$63,775	Griggs	$46,624	Colleton	$25,213
Burke	$62,888	Divide	$46,556	Williamsburg	$25,142
LaMoure	$62,819	Sargent	$46,492	York	$25,142
Grant	$61,860	Foster	$45,775	Anderson	$25,054
Golden Valley	$61,718	Walsh	$45,443	Laurens	$24,827
Mountrail	$61,210	Barnes	$44,776	Charleston	$24,807
Oliver	$59,870	Richland	$44,607	Chesterfield	$24,678
Billings	$59,329	Burleigh	$43,657	Orangeburg	$24,514
Steele	$58,997	Stutsman	$43,446	Edgefield	$24,488
Stark	$58,441	Ward	$43,373	Union	$24,472
Kidder	$57,940	Eddy	$43,186	Georgetown	$24,447
Bottineau	$56,853	Cass	$40,207	Sumter	$24,269
Nelson	$56,136	Grand Forks	$39,972	Florence	$24,091
McHenry	$55,805	Ramsey	$37,811	Greenwood	$23,728
Hettinger	$55,566	Rolette	$30,967	Lee	$23,550
Cavalier	$54,748	Benson	$28,344	Marion	$23,530
Towner	$53,420	Dorchester	$27,952	Chester	$23,432
Adams	$53,198	Lexington	$27,732	Lancaster	$23,395
Renville	$53,164	Berkeley	$27,614	Fairfield	$23,265
Traill	$52,891	Oconee	$27,204	Barnwell	$23,175
McIntosh	$52,644	Newberry	$27,138	Dillon	$23,011
Emmons	$52,450	Calhoun	$26,821	Darlington	$23,001
Wells	$52,178	Kershaw	$26,487	Cherokee	$22,861
Dickey	$52,017	Horry	$26,433	Marlboro	$22,705
Williams	$51,693	Beaufort	$26,275	Sioux	$22,615
Logan	$50,065	McCormick	$26,162	Richland	$22,561
McLean	$49,938	Abbeville	$26,158	Hampton	$22,257
Pierce	$49,602	Saluda	$26,148	Jasper	$21,961
Mercer	$49,474	Aiken	$25,973	Bamberg	$21,879
Pembina	$49,248	Pickens	$25,849	Allendale	$20,218

Note: Green indicates county is in North Dakota, light orange indicates South Carolina.
Source: Authors' calculations using Opportunity Insights (2023a) data.
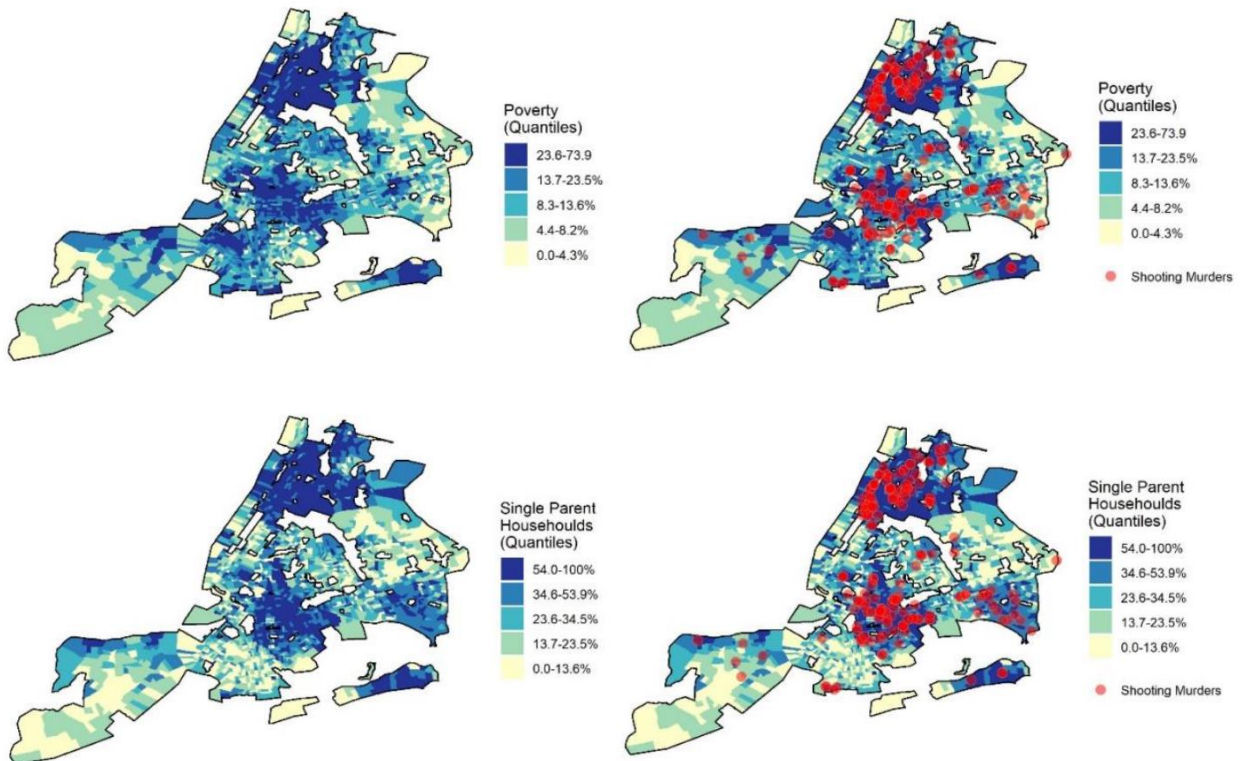
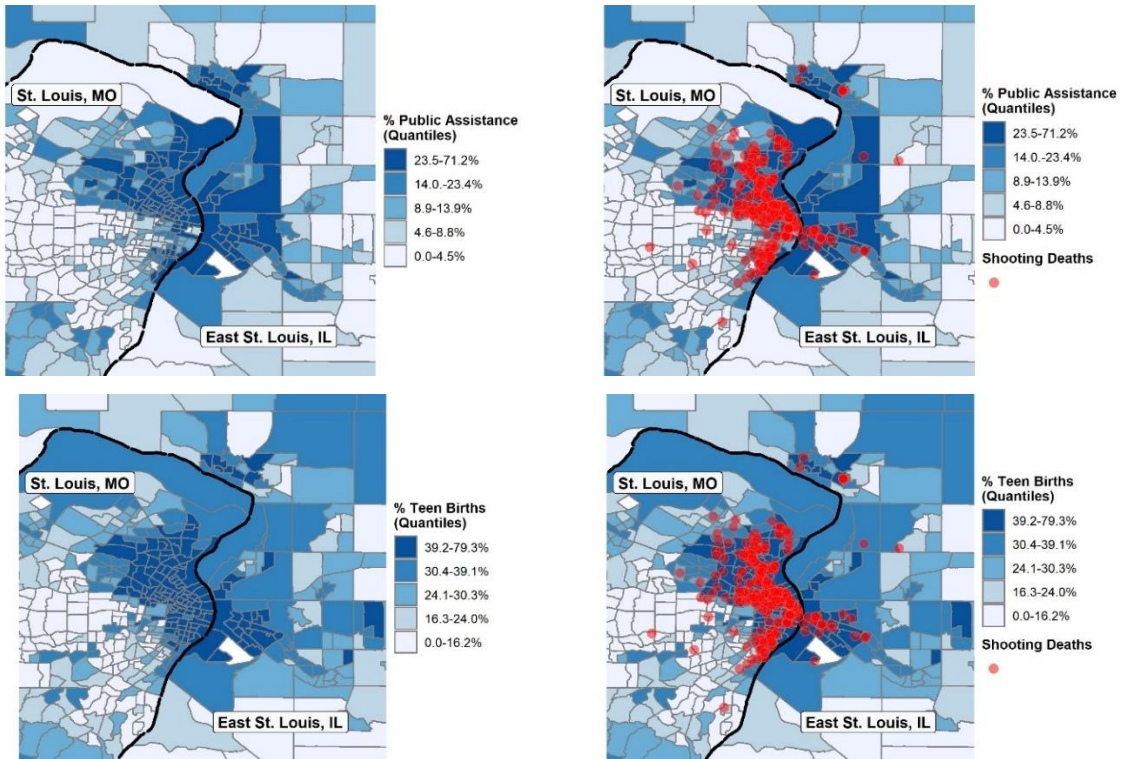PHILADELPHIA, PA
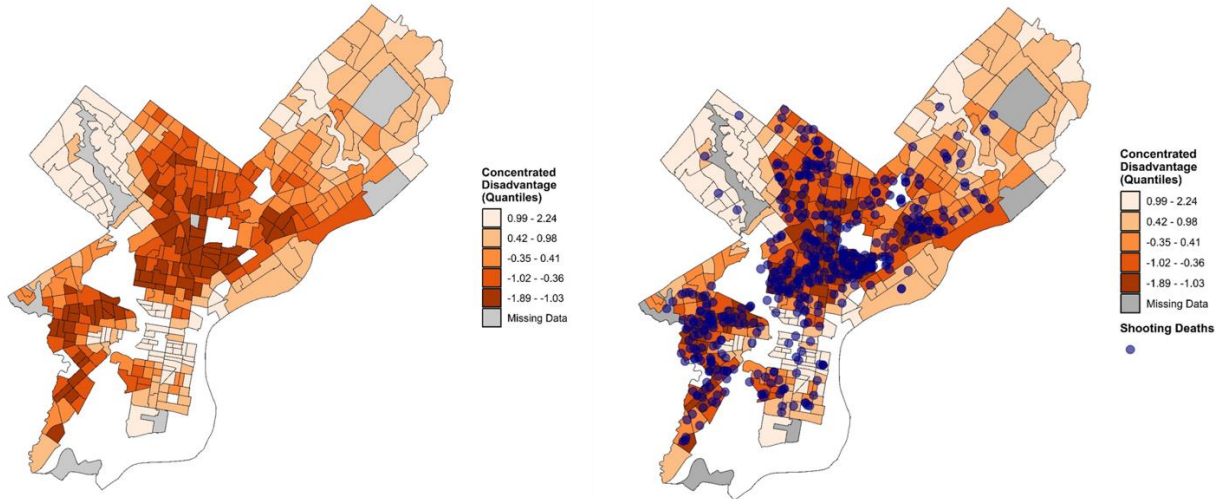
NEW YORK CITY, NY

FIGURE 11 (continued).

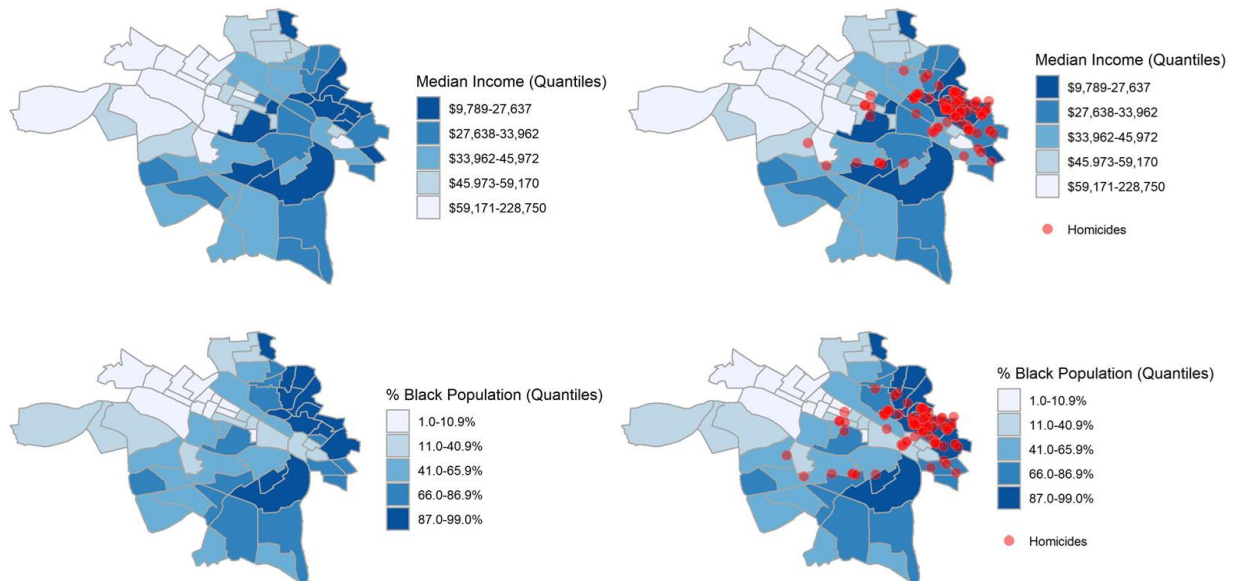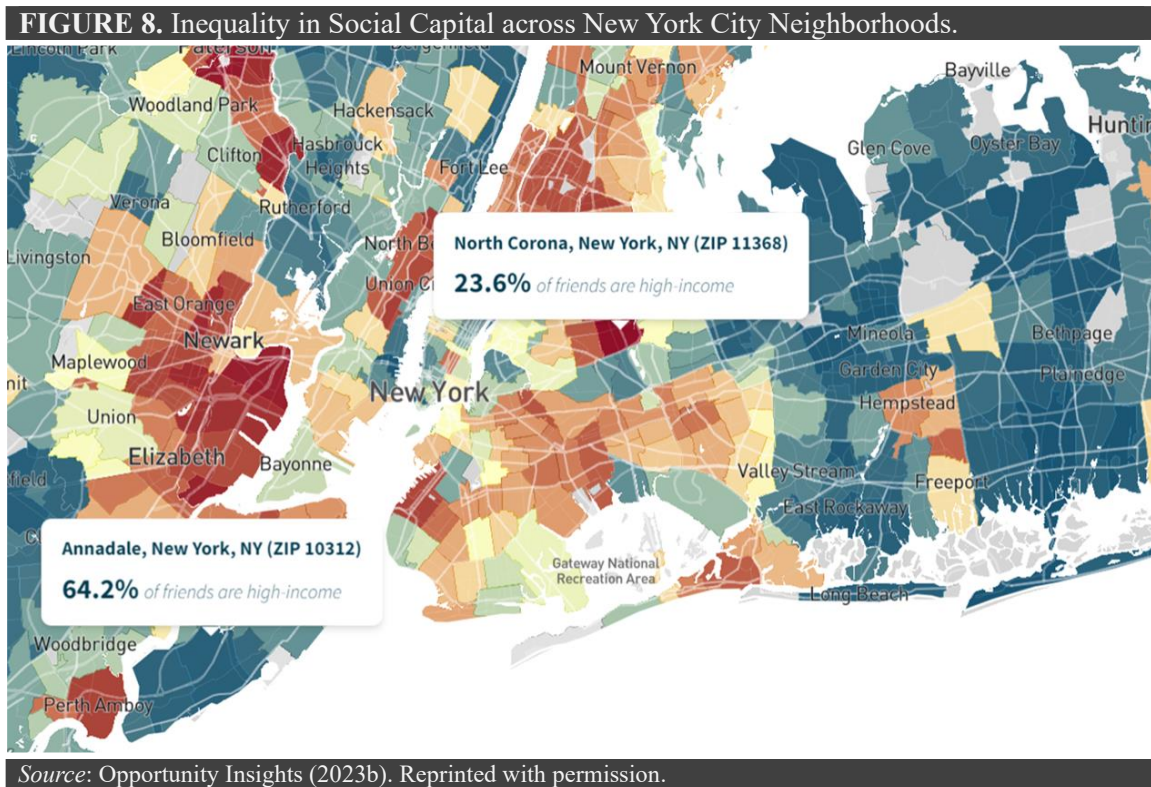ST. LOUIS, MO and EAST ST. LOUIS, IL

RICHMOND, VA

TABLE 3. Adult Outcomes Across Census Tracts, Americans Raised in Households at the 25th Income Percentile.

Adult Outcome	Top Tract Decile	Bottom Tract Decile
Avg. Male Household Income	$49,340	$19,033
Avg. Male Incarceration Rate	0%	13.4%
Avg. Male Marriage Rate	55.7%	13.2%
Avg. Male Upward Mobility Rate	29.2%	1.6%
Avg. Female Teenage Birth Rate	5.2%	48.7%

FIGURE 8. Inequality in Social Capital across New York City Neighborhoods.

Source: Opportunity Insights (2023b). Reprinted with permission.

ACKNOWLEDGEMENTS

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