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## Strategies for Improving Economic Mobility of Workers

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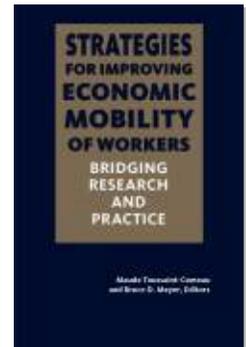
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# 8

## **Can Residential Mobility Programs Improve Human Capital?**

### **Comparing Social Mechanisms in Two Different Programs**

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Underlying some arguments for residential mobility is an implicit assumption that low-income individuals' capabilities can be improved by residential moves. We can conceive of four kinds of social influences by which residential moves might improve individuals' human capital: 1) schools, 2) labor markets, 3) informal social interaction, and 4) safety. Each of these mechanisms might have a different kind of influence on the value of individuals' human capital.

First, and most simply, school quality varies across different locations in the United States. Affluent neighborhoods have schools with better-paid teachers, more resources, and higher achievement test scores. If residential mobility moves low-income families from areas with poor schools to areas with much better schools, children's human capital can increase because of better instruction and higher standards.

Second, residential mobility can move low-income families from labor markets with weak demand for their labor to labor markets with stronger demand for their labor—in other words, places offering semi-skilled jobs. Even adults with modest skills will see the value of their human capital increase. For instance, if suburban employers have more difficulty than urban employers in finding individuals to take semi-skilled jobs (e.g., as sales clerks, service workers, etc.), then individuals seeking such jobs will have much better employment prospects (and perhaps better wages) if they move from urban to suburban locations.

Third, residential mobility can move participants to areas where informal social interaction (social capital) supports employment and

school effort. For children, moving away from schools and friends that discourage school effort and into areas that encourage school effort may improve their academic performance. For adults, moving to neighborhoods where they make new friends who strongly encourage employment may make them more motivated to work, which may increase their human capital.

Fourth, residential mobility can move families to safer areas, and adults' and children's human capital will be less impaired by anxiety and depression. Research has shown the debilitating effects of violent neighborhoods (Garbarino 1995), so moves away from such neighborhoods may reduce these influences.

Obviously, each mechanism is complex, and marshaling evidence on any one of these would be a large endeavor, beyond the scope and purpose of this chapter. Here, I merely propose these four mechanisms as a means of understanding the possible ways in which residential mobility programs might affect human capital. I use this concept to examine whether these social influences are altered by two different residential mobility programs.

This chapter seeks to identify dimensions on which these two residential mobility programs differ, to describe the neighborhood placements and social influences created by these programs, and to consider how these social influences might explain individual outcomes. In contrast with literature that focuses on mobility's effects on individual outcomes, this review focuses on program procedures, program placements, and the social influences that participants encounter. Although I also present empirical findings on individual outcomes, I am less concerned about inferring the average causal relationship between mobility and outcome behavior than in considering variations in the kinds of mobility procedures and their implications for creating a wide spectrum of different placements and social influences, which are the crucial forces that affect outcomes. In effect, I am proposing a model in which outcomes are a direct byproduct of social influences, which mediates "mobility effects." The key unanswered question is not the relationship between mobility and outcomes, but rather, what kinds of social influences do residential mobility program procedures create? Once we know what social influences are created, we will better understand what behavioral outcomes result.

The chapter begins by describing two residential mobility programs, Moving to Opportunity for Fair Housing (MTO) and the Gautreaux Assisted Housing Program (Gautreaux). I then describe procedures in the two programs that influence placements. The next two sections describe the kinds of neighborhood placements and the social influences created by each program. I find that the programs differ in the kinds of placements and in three aspects of social influences (whether participants attend good schools, change labor markets, or change social interactions), but are similar in improving perceived safety. I examine the specific procedures used by these two programs and consider how these procedures might influence the kinds of placements and social influences created by the two programs. I suggest that residential ability programs can alter human capital through these mechanisms, but that they must include program procedures that have a strong impact on improving social influences.

## **PLACES MATTER—SOMETIMES**

Spatial mismatch has long been noted (Holzer 1991). Big differences have been shown in the resources and opportunities available in different locations (Briggs 2005). Some analyses contend that negative influences in neighborhoods with concentrated poverty may undermine the benefits of job and education programs (Wilson 1996).

Such observations have led to suggestions that residential mobility programs might provide more effective solutions. This is a profound contention—it suggests that mobility might increase human capital.

However, all moves don't have the same impact. Having observed enormous differences in the quality of public schools between affluent suburbs and inner-city neighborhoods, affluent families choose to buy homes based on the quality of the public schools. Can residential mobility programs serving low-income families have the same impact?

This chapter shows that two residential mobility programs with similar goals lead to placements in very different neighborhoods, which produce different social influences—which in turn may have implications for participants. The questions of which moves have an impact and how they do so are of great policy importance.

## **PROGRAM DESIGN OF TWO RESIDENTIAL MOBILITY PROGRAMS**

Gautreaux was a court-ordered demonstration program in Chicago, removed from the political process and conducted with low visibility. As a result of a consent decree, between 1976 and 1998, Gautreaux placed low-income black families who lived in housing projects (or were on the waiting list) into certain units in mostly white middle-income suburbs or in low-income mostly black urban neighborhoods. A few hundred families moved each year, and only a few families moved into any single neighborhood. Because of this, the program had low visibility, although 7,000 families ultimately moved through the program, about half of whom moved to white middle-income suburbs (Polikoff 2006).

Gautreaux was not designed as a research study; few premove measures were collected, and families were not randomly assigned to suburbs or city. However, assignments to the two conditions created a quasi-experimental design. According to reports in the 1980s by housing counselors implementing the program, families were assigned to one of the two conditions on a first-come, first-served basis. Although clients could refuse an offer, only 5 percent did so since they were unlikely to get another in the six months of their program eligibility (Rubinowitz and Rosenbaum 2000). As a result, placements approximated random assignment, but they were not perfectly random.

Suburb and city participants, on average, were highly similar before the move in personal attributes (age, number of children, education, marital status, public aid, years in program, etc.), but a few differences were noted in premove neighborhoods. While suburban movers came from slightly lower poverty tracts than city movers (a poverty rate of 40.6 percent versus 43.8 percent), they moved to census tracts with dramatically lower poverty rates (5.0 percent versus 27.3 percent [DeLuca and Rosenbaum 2003]). Although it is possible that preexisting differences may affect outcomes, there are reasons to think this impact is relatively small. First, it seems reasonable to infer that the large outcome differences are probably explained less by the 3-percentage-point difference in initial neighborhoods than by the 22-percentage-point difference in placements. Second, multivariate analyses that control

for baseline attributes and locations found large, significant impacts of placement neighborhood attributes on outcomes an average of 14 years after program placement (DeLuca and Rosenbaum 2003; Keels et al. 2005).

The MTO program was modeled on the Gautreaux program, but MTO was a random assignment experiment. Eligible families were placed in treatments by random assignment, and analysis considered all families who received offers (regardless of whether they moved or not). This allowed researchers to assess the impact of being given the chance to move compared to what similar people did in the absence of this opportunity.

MTO departed from the Gautreaux program design in several respects besides random assignment. First, whereas Gautreaux placed families in specific units, MTO specified census tracts and let families choose any housing unit in any neighborhood, as long as it was located in a qualifying tract. MTO designers may have felt that further constraints beyond census tract were unnecessary or not politically desirable. Although some counselors found units for families (much like the Gautreaux housing staff), that was not common, so most families were on their own to find units. Counseling practices were not specified in the program design. It is not clear what MTO counselors told families about neighborhoods, but some reports suggest that some counselors encouraged addresses where participants would find neighbors similar to themselves.

Second, while Gautreaux moved experimental group families to distant suburbs, MTO focused on specifying census tract poverty concentration, and it permitted any kind of move, including moves within the city. The emphasis in MTO was on meeting the tract poverty-rate goal quickly and efficiently.

Third, while Gautreaux was a racial integration program that moved experimental-group families into mostly white suburbs, all of which were low-poverty, MTO gave no consideration to tract racial composition, and many MTO program movers chose residences that met the poverty requirements but were located in mostly black neighborhoods (Orr et al. 2003).

The two programs also had somewhat different entrance rules. All MTO participants and most Gautreaux participants were housing project residents, but some Gautreaux participants were on the housing

project wait list. While wait list families were not in housing project circumstances, their housing circumstances were no better than those of housing project residents, and perhaps they were worse—the families were either in crowded conditions, constantly moving, on the verge of eviction, or in homeless shelters (Rubinowitz and Rosenbaum 2000). The fact that they desired to enter Chicago public housing, despite its well-known dangers, suggests that they considered their living conditions worse than the housing projects.

In terms of education and welfare receipt, two important population characteristics, there are small differences between the programs. While similar portions of household heads had completed high school or gotten a GED in MTO and Gautreaux (60.3 to 63.9 percent), more MTO families were on public aid than in Gautreaux (61 versus 50 percent [Orr et al. 2003, Table C-2; Rubinowitz and Rosenbaum 2000, p. 79]). Participants in the two programs were probably not greatly different.

## **PLACEMENTS IN THE TWO PROGRAMS**

In both programs, families in the experimental group were intended to be placed into a different type of neighborhood than the control group. I describe the kinds of neighborhoods into which the experimental groups of each program were actually placed. I look at three aspects of neighborhoods: census tract, microneighborhood, and distance from baseline neighborhood. I find that the programs differ on all three. Results are summarized in Table 8.1.

### **Census Tracts**

Although both programs aimed to move families to less-poor neighborhoods, the programs led participants to neighborhoods with different compositions of poverty and race. Gautreaux's suburban placements were all in low-poverty census tracts. Indeed, based on an analysis of a 50 percent random sample of Gautreaux movers between 1976 and 1990 using administrative data, the 743 suburban movers were placed in census tracts where the average percentage of poverty was 5.3 (DeLuca and Rosenbaum 2003, p. 323). Moreover, most neighbors were afflu-

**Table 8.1 Program Design Elements for MTO and Gautreaux Movers  
(all numbers in %)**

	MTO	Gautreaux <sup>a</sup>
Moving distance		
Moves less than 10 miles	84	10
Neighborhood placements (census tract attributes)		
Placements' average percent poverty	12.4	5.3
Placement in over 40% black areas	38	5
Microneighborhoods		
Procedures to prevent enclaves?	no	yes
Created enclaves?	yes?	no
Social contexts		
Schools		
School district change?	30	~100
Schools w/above-average test scores	10	88
Labor markets		
Change labor market?	no?	yes?
Labor market comparison	strong→strong	weak→strong
Social interactions		
Contact with former peers?	often?	rare?
Safety improved	yes	yes
Duration		
Retention rate in placement neighborhoods <sup>b</sup>	44 after 4–7 years	66 after 15+ years

NOTE: ? indicates best estimate from qualitative or administrative data; the rest is based on systematic evidence.

<sup>a</sup> These figures include the families who relocated to suburban communities outside of the city of Chicago. See DeLuca and Rosenbaum (2003) for a more detailed analysis of all Gautreaux program moves.

<sup>b</sup> For MTO, this means that the neighborhood at the follow-up survey was less than 10 percent poor; for Gautreaux, it means that the neighborhoods at last follow-up were less than 30 percent African American. Note, however, that Gautreaux has a much longer follow-up period (see Orr et al., p. 33).

ent; the mean family income in the suburban census tracts was \$71,545 (ibid., p. 323). The suburban locations were required to be less than 30 percent black, and almost all (90 percent) placement tracts were less than 16 percent black (ibid., p. 325). Overall, the average placement tract had no more than 10 percent black households (ibid.).

In contrast, MTO placements did not consider racial composition. Although it was hoped that the program would increase racial integration, it was not required, and the results indicate that it often did not happen. In 1997, not long after the move, about 38 percent of experimental group movers were living in highly black areas (over 40 percent black [Goering and Feins 2003]), while less than 5 percent of Gautreaux's suburban movers' placements were in such areas (DeLuca and Rosenbaum 2003).

MTO appeared to accomplish its goals in terms of 1990 census figures, but some of these figures failed to capture the reality of changing census tract composition, and MTO ultimately fell short because of this. Nearly all movers (94 percent) went to areas with less than 11 percent poverty, based on the 1990 census data available at the time of placement (Orr et al. 2003, p. 29). However, because of changes in tract composition after 1990, the actual composition of census tracts at the time of the move averaged 12.4 percent. Based on the 2000 census data, the program estimated that "just half of the moves were to areas estimated to have poverty rates below 10 percent at the time of the move, and another third were to areas of 10 to 15 percent poverty at the time. All told, 97 percent moved to areas with less than 20 percent poverty" (ibid., p.30). While moving participants from tracts with over 40 percent poverty to tracts with less than 20 percent poverty is a big improvement, these neighborhoods may have had different characteristics than the intended 10 percent goal. Both programs moved one group to low-poverty census tracts, but the programs led to different kinds of neighborhoods.

### **Microneighborhoods**

Beyond that, the programs led to different microneighborhoods as well. Gautreaux placed families in specific apartments. Real-estate staff located units that avoided enclaves, and counselors made sure to avoid creating enclaves. No more than three families were placed in

any neighborhood, and neighborhoods were avoided if many African American families already lived there (Rubinowitz and Rosenbaum 2000). The program also avoided areas located near concentrations of black or low-income families (*ibid.*).

In contrast, MTO defined neighborhoods only in terms of census tracts, and did not consider microneighborhoods within census tracts. MTO had no rules or procedures to avoid enclaves within census tracts, and some counselors thought that enclaves were desirable because they provided social support. MTO families chose their own housing units, choices that were presumably based on their preferences, housing availability, and landlord willingness. Unlike Gautreaux, where real-estate staff convinced reluctant landlords to take participants, the MTO program did not provide such opportunities. Consequently, in MTO, participant choices influenced microneighborhoods.

Did MTO move families into enclaves? Casual observation of maps of MTO placements raises concerns. While experimental group placements in Gautreaux are widely scattered (as depicted on a map on a wall at the Leadership Council), some placements in MTO indicate more than three families placed close together. Some placements are located on census-tract boundaries adjoining higher-poverty census tracts (Goering et al. 1999), a finding similar to observations of another housing voucher program (Cronin and Rasmussen 1981). Although we do not have geo-coded data on MTO placements, it is possible to generate such geo-codes, and research could be done to compare the programs on whether microneighborhoods allowed concentration. If enclaves are created, one must wonder whether and how they may insulate families from the potential benefits of low-poverty census tracts.

### **Distance from Prior Neighborhoods**

Part of the social impact of these programs may be in removing participants from the influence of old neighborhoods. If “prior neighborhoods seem to be magnets” (Briggs 1997), and if the power of magnets declines with distance, moving distance may influence whether old neighbors continue to influence families. The experimental group in the two programs experienced quite different moves in this respect.

For Gautreaux movers, the average suburban placement was 25 miles (Keels et al. 2005), and fewer than 10 percent of moves were less

than ten miles.<sup>1</sup> In contrast, 84 percent of MTO experimental group moves were less than ten miles from the baseline address, and some participants moved less than one mile (Kling et al. 2004, Table A14). These differences raise concerns about whether families actually left their old neighborhood. While the difficulty of traveling ten miles may differ according to public transit routes, we suspect that more participants will continue interactions with old friends from one to ten miles away than will do so with ones 25 miles away, and they may continue to be influenced by peer pressures from their former high-poverty neighborhoods.

In summary, program design elements of Gautreaux and MTO appear to have created moves to very different types of neighborhoods (based on poverty and racial characteristics), different microneighborhood influences, and different distances from initial residences.

## **SOCIAL INFLUENCES IN THE TWO PROGRAMS**

Having seen the actual placements, we might expect that the two programs would create different social influences. New neighborhoods present different institutions and conditions that offer the possibility of new influences. These “social influences” refer to broad conditions offered within neighborhoods, not individual outcomes. This section considers four kinds of influences relevant to neighborhoods: 1) schools, 2) local labor markets, 3) social interaction, and 4) safety.

### **1) Schools: Did Residential Mobility Change Schools and School Quality?**

One of the most striking aspects of American public education is the way schools vary by geography. Within a large metropolitan area, schools often vary enormously in quality between affluent suburban areas and less affluent urban areas. In part, this is due to local funding differences and to differential ways that funding is spent (i.e., whether school funds are spent on curricula and instruction or on security and building maintenance [Jencks and Phillips 1998]). If low-income

minority families moved to better neighborhoods, we might expect that they would attend better schools.

In Gautreaux, nearly all families moving to suburbs changed school districts and began attending different schools (Rubinowitz and Rosenbaum 2000). They generally attended much better schools than they had in the city. Indeed, 88 percent of Gautreaux suburban movers attended schools where the average test scores were in the top half of national standards (Orr et al. 2003; Rosenbaum et al. 1993).

In contrast, while the MTO experimental group changed neighborhoods, they rarely changed school districts. Seventy percent of the MTO treatment group movers stayed in the same school district (Orr et al. 2003). Overall, the average experimental-group child was in a school in the twenty-first percentile, and less than 10 percent attended schools that ranked above the fiftieth percentile (*ibid.*, pp. 110–111).

In summary, the two residential mobility programs led children to very different sets of schools. Research is clearly needed to understand why there was so little school improvement for MTO movers. Perhaps the short moves explain part of this school difference. Research has begun to examine how parents make these choices (see Briggs et al. 2006).

## **2) Labor Market: Did Moving to a Different Labor Market Mean Moving to a Stronger Labor Market?**

One of the most intriguing possibilities suggested by mobility programs is that residential mobility might directly increase the value of the movers' human capital. Individuals with low-level skills and limited education may have little market value in high poverty neighborhoods, where many people have the same qualifications and available jobs are quickly filled. If these individuals move to distant affluent suburbs, where the demand for low-skilled workers exceeds the supply, these individuals will be in greater demand and perhaps have greater value.

Gautreaux occurred during the 1980s, when employment opportunities in the suburbs were strong, while they were weak in inner-city areas. The spatial mismatch theory posits that the distance between available unskilled jobs (in the suburbs) and available semiskilled workers (in the city) contributes to unemployment of semiskilled work-

ers (Holzer 1991). These distances often require long commutes, which are particularly onerous given poor public transportation, and the low pay of these jobs is not sufficient to justify the high costs of commutes in time and money.

Given the well-documented spatial mismatch between suburban labor markets and city residents, the Gautreaux program made exactly the kinds of moves that were likely to put semiskilled adults into labor markets with strong demand and few competitors. In contrast, as noted, the MTO treatment group made short-distance moves, so it isn't clear whether those workers actually moved to a "different labor market."

In addition, there are indications that the MTO program treatment group was already in strong labor markets prior to moving. MTO occurred in the late 1990s, during a strong economy, when labor market demand for semiskilled workers was very high. In addition, at the same time, the TANF program of welfare reform had pushed large numbers of families off public assistance and into jobs. As a result, the labor markets in low-income neighborhoods improved for everyone. The treatment group moved out of strong labor markets that would likely have improved their prospects if they had stayed.

### **3) Social Interaction: How Much Did Families Really Leave Prior Neighborhoods Behind?**

Third, residential mobility can move participants to areas where informal social interaction (social capital) supports employment and school effort. For children, moving away from schools and friends that don't encourage school effort and into areas where social norms support school effort may improve those students' own school efforts. If adults move to neighborhoods where they make new friends who strongly encourage employment, they may be more motivated to work, which may increase the value of their human capital. Obviously, these social influences on mothers and children are complex and require detailed analyses (see Rosenbaum, DeLuca, and Tuck 2005).<sup>2</sup> However, all of them are premised on the assumption that mothers and children stop interacting with their former friends, which may not be true.

Residential mobility studies implicitly assume that residential changes influence social interaction. Mothers and children whose homes are in new neighborhoods will have new neighbors and institu-

tions with which to interact. Thus it is important to consider whether families maintain their ties with individuals and institutions in the old neighborhood.

In interviews, Gautreaux suburban movers reported that weekday visits to their former neighborhoods were very rare (Rubinowitz and Rosenbaum 2000). With average suburban moves of 25 miles, mothers and children could not easily travel back to the old neighborhood on a daily basis. Some suburban movers returned to the old neighborhood for occasional weekend visits with relatives or to go to church; these Sunday visits were often to family dinners and churches, and they occurred in the daytime, not at night (*ibid.*). While it was theoretically possible for some children to continue attending their old schools (if they pretended to live with a relative), this almost never happened, and the few times it did was for summer school (*ibid.*). Thus, children's contacts with old neighbors were limited to occasional visits and mostly in the presence of adults.

While these rare visits had the downside of causing initial feelings of isolation, this may have increased the impact of the move. At the time of the second interview, over seven years after moving, very few mothers or children were socially isolated. Most of the children interacted with white classmates after school, often in each other's homes (Rosenbaum et al. 1993, p. 1538).

In contrast, the MTO short moves probably made it easier to maintain old support networks. Research suggests that many children continued to interact with friends from the old neighborhood. The interim report finds that the experimental-group movers were less likely to visit with friends from old neighborhoods (or to still be living there) compared to the control group. However, 43 percent of experimental-group children still visited their friends from the old neighborhood, and the rate was somewhat higher for boys.

These children moved to residences out of their old neighborhoods, but they may not have left the old neighborhood *socially*. It is important to note here that we do not know what children are doing when they visit friends in the old neighborhood, how often these visits happen, or how much these visits reduce exposure to the new neighborhood.

Despite changing residence, many MTO experimental-group families spent part of their social lives in their old neighborhoods and presumably were influenced by their former neighbors. It is important to

further explore both the reasons for and the implications of social interaction with the old neighborhood. While this may have been comforting, it altered the social influences of “moving.”

#### **4) Safety: Did Moving to a New Neighborhood Make Families Feel Safer?**

Given the higher incidence of crime and assaults in low-income neighborhoods, it is generally expected that moves to low-poverty neighborhoods would lead to less exposure to crime and greater feelings of safety. In the Gautreaux program, suburban movers reported feeling much safer than city movers, and also much safer than they had themselves felt when they lived in the city. For instance, only 31 percent of suburban movers said the suburban area was dangerous at night, while 71 percent of city movers said their neighborhood was dangerous at night (Rubinowitz and Rosenbaum 2000, p. 94).

Similarly, MTO families reported large increases in feelings of safety. In 2001, compared to the control group, the MTO experimental group was much more likely to feel safe at night (85 percent versus 55 percent), much less likely to have been victimized in the last six months (12 percent versus 21 percent), and much less likely to be dissatisfied with the police (77 percent versus 48 percent) [Orr et al. 2003, Table 3.5]. These moves did have an effect on perceptions of safety. These changes are likely linked to the big improvements in mental health noted below.

In summary, these findings indicate that moves in both programs led to improved neighborhood influences. However, some evidence suggests that moves in Gautreaux were accompanied by greater exposure to low-poverty neighborhoods and more social separation from the old neighborhood than the MTO moves. Future research would benefit from understanding the issues of social exposure to new and old neighborhoods and the positive and negative aspects of each.

## **INFLUENCES ON INDIVIDUAL OUTCOMES: EDUCATION, EMPLOYMENT, SUBSEQUENT MOVES, AND MENTAL HEALTH**

Do residential moves affect individuals' outcomes? The following sections examine the effects of the two programs on four different outcomes theorized to be related to neighborhoods: 1) education, 2) employment, 3) subsequent moves, and 4) mental health.

### **1) Education—Can Moves Improve School Outcomes without Improved Schools?**

The Gautreaux studies found dramatic differences between the suburban and city groups in educational outcomes. Compared to children who moved within the city, suburban movers were more likely to complete a high school diploma, to be on a college track in high school, to attend college, and to attend a four-year college. These were statistically significant and large differences (Rosenbaum 1995). In contrast, MTO has not had enough time to see such long-term effects; however, four to seven years after random assignment, children in the MTO experimental group did not perform better than control-group children on reading and math achievement tests, or in terms of suspensions, expulsions, and school engagement (Kling et al. 2004).

Although MTO's superior research design may explain the different findings, alternative explanations are possible. As noted, MTO moves rarely resulted in students changing school districts or attending above-average schools, and sometimes resulted in no change of schools. In contrast, nearly all suburban movers in Gautreaux moved to new school districts, many of which were dramatically better than those for the control group (whose members moved within the city). Given the radical disparities in school quality in different locations, many hoped residential mobility would provide access to good schools. As noted, less than 10 percent of the MTO experimental group attended schools with above-average achievement test scores, while 88 percent of Gautreaux experimental-group students did so. MTO's findings may indicate that residential mobility without better schools has little impact on educational outcomes (particularly if children keep interacting with old

friends). Merely improving the composition of neighbors (in a census tract) does not by itself improve children's educational achievement.

This raises an important policy implication: policymakers need to think carefully about how school choices are incorporated into neighborhood choices. Middle-class families often choose neighborhoods based on school quality, but many MTO families ignored school quality, and the program provided no information or advice about school quality. It is likely that without moving children to areas with above-average schools, there will be no discernible education effects.

## **2) Employment—Moves to Different or Stronger Labor Markets**

### **Do moves put people in different labor markets?**

A second focus of research was on adult employment. The early Gautreaux survey research showed that mothers' employment was significantly higher in the suburbs, but that mothers' earnings and hours worked were no different. Later analyses, using administrative data from a much larger random sample, suggest that the primary influence was neighborhood composition, not the city/suburb distinction (DeLuca and Rosenbaum 2003; Mendenhall, DeLuca, and Duncan 2006; Rosenbaum, DeLuca, and Miller 1999). Research found that while the city/suburb distinction did not have a significant effect on public-aid receipt, "public-aid rates went from 26 percent to 39 percent for families placed in the highest and lowest quintile neighborhoods, with respect to education level of the tract. . . . The difference remains very strong and significant even after controlling for years in the program, age, and premove public aid" (DeLuca and Rosenbaum 2003, p. 312). Similar findings with more extensive controls (and a different distinction, one based on race and poverty, not education) were found for employment outcomes and public aid (Mendenhall, DeLuca, and Duncan 2006).

Employment was also a major focus of the MTO research. The main finding was summarized in a subheading of the executive summary of the interim impacts evaluation: compared to the control group there were "no effects on employment or earnings" (Orr 2003, p. xiii). However, there are two questions that arise.

The first is whether MTO actually moves families to different labor markets. Unlike Gautreaux, where 25-mile moves from declining inner-

city neighborhoods to high-growth suburbs clearly put families in different labor markets, MTO's less-than-10-mile moves (often within city limits) may not have put them in a different labor market, and it may not have even reduced commuting time.

### **Did MTO move people *from* strong labor markets?**

The second question is whether MTO moved families from strong labor markets to (other) strong labor markets. While the Gautreaux program moved families from weak to strong labor markets (Rosenbaum et al. 1993), MTO moved families who were already in strong labor markets. MTO occurred during a strong economy, when labor market demand for semiskilled workers was very high. MTO results were measured between 1994 and 2000, when an unusually strong economy, strong welfare reform policy (TANF), and expanded earned income tax credit encouraged many poor people to work (Blank 2002). As a result, the labor markets in low-income neighborhoods improved, leading to less difference in labor market influences between MTO experimental and control group families.

The strength of premove labor markets is seen in the control group. The control group's employment gains were extraordinary—100 percent gains. The MTO control group employment increased from 23.6 to 50.9 percent (ibid, p. 127). One hundred percent gains are rare in experimental groups of powerful programs (Barnow 1987; Bassi and Ashenfelter 1986; Bloom et al. 1993; Cave and Doolittle 1991). Obviously, the premove labor market that the control group represented was a very strong labor market. Although the treatment group's gains were no larger than the control group's gains, both groups resided in very strong labor markets.

Indeed, in the context of such a strong labor market, one must wonder whether those still unemployed might have serious physical or psychological barriers to working—in other words, are there ceiling effects against further gains? Or are residential mobility effects effective for the same people who already benefited? One must also doubt that these findings would generalize to more ordinary historical periods.

In summary, while Gautreaux families moved from weak to strong labor markets, it is not clear whether MTO families moved to different labor markets and, even if they did, it appears the experimental group

moved out of labor markets that were getting very strong—markets that led to 100 percent gains in employment for the control group.

### 3) Duration—Did Families Stay?

One indication of whether families see benefits to their move is whether they choose to stay. In turn, duration may influence the impact of moves. To the extent that they return to low-income neighborhoods, we might infer that they got few benefits in their new locations. Conversely, short-duration moves are likely to have little impact.

Using administrative data, research located Gautreaux participants an average of 15 years after they had made their initial move in the program. Selecting a 50 percent random sample of all families who had moved between 1976 and 1990 (1,507 families), researchers located recent addresses of 1,504 of these 1,507 families (DeLuca and Rosenbaum 2003). The research found that about two-thirds of families placed in the suburbs still remained in mostly white suburbs an average of 15 years later. Further analyses of these data indicate that families “continued to reside in neighborhoods with income levels that matched those of their placement neighborhoods. . . . Families who were placed in low-crime and suburban locations were more likely to reside in low-crime neighborhoods years later” (Keels et al. 2005, p. 51).

In contrast, over a much shorter time interval (five years), MTO studies found that only 44.4 percent of the experimental-group movers still lived in low-poverty census tracts (15 percent poverty or less [Orr et al. 2003, pp. 30, 34]). In addition, a majority (59 percent) of the experimental-group movers were living in 80-percent-plus minority tracts (*ibid.*, pp. 34, 37). As the interim report notes, many of these subsequent moves were “to areas more like the ones where the Section 8 families and control group movers lived . . . [and] to high-minority neighborhoods” (*ibid.*, p. 33, 37).

Ironically, although the Gautreaux moves imposed more disruption on participants’ lives than did the MTO moves, the 15-year retention rate in Gautreaux was substantially higher than the shorter, five-year retention rate in MTO (66 percent versus 44 percent). Despite Gautreaux participants’ initial fears about these moves, their preferences changed. Families reported that, over time, they formed friendships with neighbors and their children also made friends and became part

of their schools and communities (Rubinowitz and Rosenbaum 2000). While children had initial difficulties in school, they gradually did better. Ironically, after the program induced families to move to areas they might not have chosen otherwise, families came to appreciate the new neighborhoods.

In contrast, since MTO families didn't move far, families may have continued interacting with their old friends, so they may not have made friends in their new neighborhoods. Although retaining old friends preserved social support and made the transition smoother, it also meant that the old neighborhood remained a social magnet (Briggs 1997) which often created a strong pull.

#### **4) Mental Health—Do Moves Improve Families' Outlooks?**

Gautreaux did not study health outcomes, but I include this topic because it is one of the most important discoveries of the MTO research, which found significant improvements in mental health.

Despite the many countervailing influences I have identified that might have reduced the impact of MTO moves, the MTO experimental group showed strong significant differences from the control group in terms of mothers' and daughters' perceptions of neighborhood safety, as well as psychological distress, depression, and obesity (Orr et al. 2003, p. 77). These findings are extremely impressive. The magnitude of difference is as great as one might see from programs devoted specifically to improving mental health (Kling et al. 2004). These are consistent differences, repeatedly found over time and in separate measures—not just statistical flukes.

## **CONCLUSION**

MTO is a truly impressive study. It offers a carefully designed program and a well-administered research design that provides the strongest study in this area. Although MTO offers a stronger research design than Gautreaux, it offers a weaker program, leading to much weaker changes in social influences. MTO is useful for examining the impact of modest moves and modest changes in social influences.

However, MTO is not a good test of whether residential mobility can have a strong impact. If we are interested in discovering the potential impact of residential mobility on individual outcomes, we must examine a program that creates bigger changes in social influences. I have identified specific procedures that may contribute to those kinds of placements and social influences.

While the MTO studies provide stronger research evidence, the Gautreaux program creates larger changes in the environment. The two programs create different placements and different social influences, which are likely to explain some of the discrepancies in program outcomes (see Table 8.1).

Some observers have argued that the low-income families selected for the Gautreaux program would have moved to these kinds of neighborhoods even without the program. MTO shows that this is a wrong assumption—most MTO families were comparable, but virtually no MTO families moved 25 miles to mostly white affluent neighborhoods on their own. Obviously, Gautreaux-type moves would not have happened without the strong program requirement and assistance provided by Gautreaux. Program design has a crucial impact on what kinds of moves happen.

This chapter has shown that similar programs can lead to dramatically different placements and social influences, which are the key intervening mechanisms influencing human capital. These might have been altered if programs had been run slightly differently. In other words, the devil is in the details. It would have been easy to move many families into low-income enclaves, if the Gautreaux program had not been more committed to avoiding enclaves (at the block level). If Gautreaux had been less committed to expanding housing options into new areas, it would have easily focused on a few nearby suburbs. Reducing the distance of moves would have been more convenient for housing counselors who took families to see available units. These minor changes in procedures would have met the conditions demanded by the consent decree, and they would have looked pretty good in terms of census tract poverty rates. Recognizing the possibility that slight modifications of Gautreaux might have led to much weaker social influences can help us think about ways to design residential programs that have stronger benefits.

## **POLICY IMPLICATIONS**

In examining whether a residential mobility program is designed in a way that could improve human capital, we have asked what kinds of moves and social influences it creates. If a program moves families but leaves 90 percent of students in below-average schools, do we really expect improved educational achievement? If the program moves families only a few miles, do we expect that they have entered a different labor market, which will improve the value of their human capital? If children don't move far enough to change friendships and interactions, will they retain old friends, former gang memberships, and prior activities and interests?

I have identified specific procedures that may contribute to big changes in placements and social influences. One can easily conceive of MTO including one or more of these procedures, and, as a result, offering participants quite different placements and social influences. As we try to imagine what kinds of programs might create such social influences, we might consider minor modifications of MTO as realistic possibilities that might have such impact. Below, I suggest some minor modifications and some hypotheses (HYP) about potential consequences.

HYP 1: MTO + identify and require units not in low-income enclaves → higher human capital.

HYP 2: MTO + moves 20 miles from old address → less interaction with old friends. Higher human capital.

In Gautreaux, real estate staff located appropriate housing units that were not in enclaves, were in better neighborhoods, and many were quite distant. On their own, participants were unlikely to even know about these neighborhoods, and so it isn't surprising that MTO participants did not find such units. Real-estate staff could potentially have had a strong beneficial impact on MTO.

Counseling advice can also make a difference. Although both programs had housing counselors, MTO counselors did not provide information about school quality or labor market demand, nor did they pro-

vide advice about why participants should base their choices on such information. Gautreaux counselors mentioned both factors to help participants see the advantages of the distant moves they were offering. Residential mobility programs should give some thought to using housing counseling about these issues. Housing counseling may have a strong influence on participants' choices and could lead to better outcomes, as posited below.

HYP 3: MTO + identify locations with above-average schools + advice on how to choose them → better schools. Higher human capital.

HYP 4: MTO + identify locations with better job opportunities (for participants' level of skills) + advice on how to choose them → better employment outcomes. Higher human capital.

On the latter point, it is noteworthy that in some two-year colleges that provide occupational training, job placement counselors often advise their graduates to consider residential moves to improve their employment prospects (Rosenbaum, Deil-Amen, and Person 2006). These college advisers realize the practical barriers imposed by spatial mismatch—their graduates who live in low-income neighborhoods often live very far from the areas of employment growth, and many job vacancies require one-to-two-hour commutes. Besides providing skills and training to their graduates, these colleges advise their graduates to consider residential moves. Since they advise residential moves of 20–40 miles, we might expect that residential mobility programs may need to advise participants to go similar distances to get employment benefits.

As noted, children who make short moves may keep interacting with old friends and experience little change in social norms, social skills, or motivation. MTO studies have found that girls benefit from the move but boys often do not. Although such gender differences might arise from biology or early socialization—factors that programs can't change—gender differences might also arise from present influences, i.e., parents' different rules for boys and girls, which may mean that boys actually don't experience changes of “social influences.”

We suspect that boys and girls may differ in their “traveling radius”—the distance they are allowed to travel to see friends after school.

If boys can travel greater distances than girls, then boys who moved only a few miles in MTO can frequently return to old neighborhoods. New residential neighborhoods may not change their social networks or social norms—boys may retain old friends, former gang memberships, and prior activities and interests. If so, we can hypothesize the following modifications that would reduce gender differences and increase the benefits to boys.

HYP 5: MTO + moms prevent boys from returning to old neighborhood → change social interactions and outcomes. Higher human capital.

HYP 6: MTO + move 25 miles → boys can't return easily, change social interactions and outcomes. Higher human capital.

We now have evidence about the kinds of placements and social influences created by two different programs. This comparison suggests that small procedural details can make a big difference. Besides the two programs described here, many other programs have arisen over the past decade. Many have entailed minor changes (despite its name, Gautreaux II strongly resembles MTO), but some have required dramatic changes in placements and social influences. For instance, another program created by a court decision, the Thompson decision in Baltimore, is being studied by Professor DeLuca at Johns Hopkins University, and it may provide new evidence about the issues raised here.

As we have seen, residential mobility is not a single entity. The two cases described here show how similar programs lead to very different placements and social influences. I have suggested that it is these intervening mechanisms that are likely to explain whether a residential mobility program improves the value of individuals' human capital, and I have suggested some detailed procedures that might contribute to such improvement. I hope that future policy discussions consider these issues.

## Notes

1. This latter number was a special calculation that Micere Keels computed and reported to me in a conversation on February 23, 2006.
2. We studied only mothers, not fathers, because there were very few fathers in the program.

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