Abstract: In this paper, I explore the reasons for which concentrated poverty is a consequence of the social, political, and market mechanisms at work in urban America. I then highlight the negative effects that result from living in a neighborhood of concentrated disadvantage and discuss the ways that these effects consequently perpetuate the existence of such neighborhoods. I conclude with place-based policy recommendations to mitigate the impact of high-poverty neighborhoods and empower city dwellers to work towards Iris Marion Young’s vision of the ideal city neighborhood.
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“Every large city in the United States, whether economically vibrant or withering, has areas of extreme poverty, physical decay, and increasing abandonment... In these ‘deadly neighborhoods,’ families have to cope not only with their own poverty, but also with the social isolation and economic deprivation of the hundreds, if not thousands, of other families who live near them. This spatial concentration of poor people acts to magnify poverty and exacerbate its effects.”

-Paul Jargowsky, Poverty and Place: Ghettos, Barrios, and the American City

Introduction
Over the past fifty years, since President Johnson officially declared the government’s “War on Poverty,” the poverty rate in the United States has decreased from 19 percent to 14.5 percent in 2014 (United States Census Bureau). When examined carefully, though, it is apparent that this decrease has been accompanied by a major shift in composition, and specifically, the geography of the poor. “White flight” of white city residents to the suburbs, beginning in the 1950s, left cities with high-poverty, minority neighborhoods, creating a pronounced income and racial divide between cities and suburbs, and this trend has continued to diverge (Massey and Denton 1993). The increase in poverty levels in urban areas is especially prominent: “In 1960, central cities contained one-third of the nation’s poor; by 1990, the central-city share had climbed to one-half, even though the central-city share of total population had declined to around 30 percent” (Benfield, 2007).¹

Since the 2000s, the U.S. has seen somewhat of a change in this trend, as the growth of suburban poverty has begun to exceed that of urban poverty (Kneebone, 2014). Despite this slight relocation, however, one aspect of metropolitan poverty remains constant—though some low-income individuals may be relocating to the suburbs, they are continuing to locate in neighborhoods of high poverty. In 2000, 44 percent of the poor in America lived

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¹ Though there is a high concentration of poor in rural areas, as well, non-metropolitan areas are beyond the scope of this paper. See Duncan’s Worlds Apart (2000) for a discussion of rural poverty.

² A “high-poverty neighborhood” is defined by the U.S. Census Bureau to be a neighborhood with at least 20
in high-poverty neighborhoods. In 2010, that number grew to 54 percent (Bishaw 2014).²

In suburbs, specifically, the number of suburban poor living in distressed neighborhoods increased by 139 percent (Kneebone, 2014). Neighborhoods of concentrated disadvantage can create unsafe areas of distress, negatively impacting the lives of residents, through mechanisms including community resources, social networks, job availability, housing quality, and crime, which further perpetuate the existence of such neighborhoods in the first place (Cutrona, Wallace, and Wesner, 2006; Berube, et al., 2008; Ludwig, 2012).

In this paper, I explore the reasons for which concentrated poverty is a consequence of the social, political, and market mechanisms at work in urban America, to support my argument that concentrated poverty is a structural phenomenon. I then highlight the negative effects that result from living in a neighborhood of concentrated disadvantage and discuss the ways that these effects consequently perpetuate the existence of such neighborhoods. In addition to these observable negative effects, I look to Iris Marion Young’s model of the “ideal city” as the standard to which urban communities should aim to achieve, and I demonstrate how neighborhoods of concentrated disadvantage fail to reach this standard. Further, I intertwine this explanation with Young’s philosophy of injustice to illustrate how high-poverty neighborhoods are inherently dominating from a political standpoint. I conclude with place-based policy recommendations that would mitigate the impact of high-poverty neighborhoods and empower city dwellers to work towards the ideal city neighborhood.

² A “high-poverty neighborhood” is defined by the U.S. Census Bureau to be a neighborhood with at least 20 percent of its residents living under the official poverty line. Other researchers will designate high-poverty neighborhoods to be areas with more than 40 percent of the population living under the poverty line. Those statistics will be noted as necessary.
Structural Mechanisms that Create Disadvantage
In this section, I consider the political, social, and market mechanisms through which the poor are victims to structural inequalities in the U.S. that generate neighborhoods of concentrated poverty.

In order to fully understand residential choice, I introduce the urban economic model of the monocentric city, rigorously vetted by Alonso (1964), Mills (1972), and Muth (1969), with regard to the topic at hand. The city assumes a featureless plain, in which the market locates in the middle in order to minimize transportation cost by maximizing its delivery radius. In today’s modern city, the market is the central business district, to which each household must commute in order to work. Drawing on Roback’s model of locational equilibrium, workers must maximize their utility, subject to land prices and wages, keeping amenities in the city constant, under the assumption that workers do not want to entirely move out of the city (1982). The worker faces a tradeoff between housing consumption and transportation costs. The further the worker lives from the city, the more land that is available at a cheaper price; however, this implies a longer distance and time that the worker must commute.

3 I acknowledge the oversimplification of the monocentric city model and its limitations in an exceedingly polycentric-city world, however, I assert that the monocentric model is a valuable baseline from which any city can be analyzed. This is especially true, as I extend on the model with further consumer considerations specific to each mechanism. See Kraus and McMillen in A Companion to Urban Economics (2006) for further empirical and theoretical discussions about the advantages and drawbacks of the monocentric model.
This explanation is illustrated as Becker’s concentric model in Figure [1] (diagram adopted from O’Sullivan, 2004). The Bid Rent graph sits atop the Market Area diagram. The bid rent curve is the willingness to pay for land as distance from the city center increases. For simplification, the city is divided into three regions: a Central Business District (CBD), a Factory District, and a Residential District, each with landowners deciding where to locate. The dashed curves represent each sector’s willingness to pay, per acre, for land. For instance, the green dashed line corresponds to the firms in the CBD. The intercept of the curve shows that business firms are willing to pay more than buyers in the other sectors to have land at the city center, and the steepness of the curve indicates the firms’ limited willingness to live far from the city center. Similar explanations hold for the Factory and Residential sectors. The bold black line designates the highest bidder at each distance.
Assuming that landowners have a constant value of land as they move away from the city center, then the black bid rent curve divides the total land into distinct districts, as shown in the Market Area diagram below the bid rent graph. To extend the bid rent explanation to the topic at hand, the Residential District is further split by income, as lower and upper class residents make the choice between housing consumption and transportation consumption.

As part of its essential theory, the monocentric city model results in “income sorting over space” in which the wealthier homebuyers tend to live in the suburbs, and the income of residents decreases at a constant rate as distance to the city center decreases (Wheaton, 1977; Brueckner, Thisse, and Zenou, 1999; Bartolome and Ross, 2003). Indeed, this is empirically true. In a current working paper from the University of Minnesota, economists have determined that, over the average of 15 MSAs, neighborhoods with high concentrations of low-income and minority residents and are located within 6.6 miles of the downtown, whereas wealthier white neighborhoods are located 21.1 miles away from the center (Goetz, Damiano, and Hicks, 2015). I explore the following three mechanisms to further explain structural isolation of poor neighborhoods within the context of this baseline model, by using each mechanism to add a new dimension to the consumer’s utility maximization problem.

Political Mechanisms
In the urban model, the worker weighs the cost of transportation against the cost of a home. I first examine transportation and its associated costs, to explain the initial location

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4 To further emphasize the effectiveness of the monocentric model, we note that Bartolome and Ross specifically reconcile Alonso, Mills, and Muth’s model with Tiebout’s model of fiscal competition, and conclude that there still exists a positive relationship between distance to city center and land price.
of the poor in central cities, and to set the stage for problems they have faced during a period of urban sprawl. As public transportation is a government responsibility, I have assigned its role in structural poverty as a political one. The investment decisions made by the government when deciding where to build public transportation are heavily political, and it will become clear why the political nature of transportation has negative implications for the poor (Wish, 1982).

One of the criticisms of the monocentric city model is that it assumes that income elasticity of demand for housing is close to one, when in reality, it is estimated to be 0.25 among residents searching for urban housing (Glaeser, Kahn, and Rappaport, 2008). This indicates that there are factors beyond land demand that can explain the tendency for the poor to live in cities. Glaeser, Kahn, and Rappaport pioneer a model that extends upon the monocentric theory by accounting for public transportation as a cause of high-poverty concentration. They note: “The large financial costs of automobiles make them unattractive to the poor; public transportation offers a time-intensive alternative that will be more appealing to those with low incomes. If inner cities have public transportation and suburbs do not, then this can explain the urbanization of the poor” (2008). With respect to the monocentric city model, they determine that public transportation is two to three times as important in explaining the central location of the poor as the responsiveness of income to land prices (Glaeser, Kahn, and Rappaport, 2008).

They support their claim empirically using two case studies. The first data sample analyzes neighborhoods within one mile of a train station, and finds a statistically

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5 Income elasticity of demand for housing refers to the responsiveness of the demand for housing when income changes. In this case, the classic monocentric model assumes that income and housing demand change at the same rate. Glaeser, Kahn, and Rappaport, however, find that the relationship changes less drastically; for a 100% increase in income, there is a 25% increase in demand for housing.
significant correlation between the introduction of a new rail stop and an increase in the level of poverty within that census tract. The neighborhoods within a mile of the train station also have a poverty rate that is four percent higher than those that are located outside the mile radius (2008). In the second city-specific case, the economists analyze high-poverty neighborhoods in relation to New York City subway stops and find a strong correlation between the proximity to a subway stop and poverty rate (2008). In choosing New York, the authors further note that the city has not built a subway stop since 1942, thus eliminating the possibility of endogeneity, which suggests that the poor do indeed tend to congregate around subway stops in order to have access to transportation. From this analysis, I conclude that the existence of public transportation partially explains the urban-suburban divide between rich and poor, as well as the existence of high-poverty neighborhoods within center cities. In the political sphere, the cost-benefit analysis of remodeling the public transportation infrastructure does not favor the poor. Therefore, the current lack of public transportation in suburbs, and further lack of political support for investing in new public transportation in suburbs, continues to serve as a barrier to moving out of the center city (Wish 1982).

In their model, Glaeser, Kahn, and Rappaport also address the recent trend in suburbanized poverty, by searching for a correlation between transportation availability and cities with higher levels of suburban poverty and find that “the poor are less centralized when the suburb-central city gap in public transit is less” (2008). Though this may be empirically true, as a result of the next two mechanisms to be discussed, the poor that do move to the suburbs still remain in neighborhoods of concentrated disadvantage, which is the central topic of interest.
Social Mechanisms
The social climate in the United States manifests itself through individual preferences, as well as outright discrimination. Each of these two facets works to create income homogenous, as well as racially homogenous, neighborhoods.

Individual Preferences
Taking into account individual preferences for neighborhood composition can be seen as an amenity in the monocentric city model. In a study of group formation and networking, sociologists have coined the term “homophily” to describe the observation that humans tend to seek out similar humans when making social choices, which can manifest itself in the form of culture, race, behavior, or social class, among other identifiers (McPherson, Smith-Lovin, and Cook, 2001). In the case of concentrated disadvantage, this implies that socioeconomic standing can play a role in determining neighborhood composition: wealthy residents will move to neighborhoods with other wealthy residents, while poor tenants (especially in the context of seeking subsidized housing) will move to areas with other poor tenants.

In economic terms, Brueckner, Thisse, and Zenou, in some sense, propose homophily as an amenity-based theory to further explain the monocentric city model (1999). Their model suggests that a city’s amenities are important in attracting high-income tenants. They consequently acknowledge that a neighborhood’s median income is itself an amenity that can attract or deter potential movers. This observation implies that certain consumers will pay a premium to live in a neighborhood that has the income

\[6\] For example, New York City offers a high level of cultural amenities that other cities cannot offer, resulting in a higher percentage of wealthy residents living in the central city, in comparison to other metropolitan areas that do not have as high a concentration of museums, restaurants, and performance venues. So the monocentric city can still explain New York’s population distribution, when amenities are considered.
composition they deem desirable. This self-reinforcing amenity results in the creation of homogeneous neighborhoods.

The resulting perfect segregation is explicitly shown as the equilibrium in Becker and Murphy’s model of neighborhood preference (2000). The model begins with two neighborhoods, each composed of half “H” residents and half “L” residents (for High-Income and Low-Income, respectively). Other amenities across neighborhoods are held constant in the initial model, which assumes that preference for neighborhood composition alone drives migration decisions. Models are depicted below (adapted from Becker and Murphy, 2000).

Both models present scenarios for the “H” neighborhood, based on the desire of each group to live in the neighborhood that may have more characteristics of “H” tenants. In each model, I’ll assume that the neighborhood begins at the unstable equilibrium point of Perfect Integration (though in reality, very few neighborhoods are perfectly integrated in terms of income). Premium curves are drawn to represent the amount of money that each

![Figure 2](image-url)  
**Figure [2]**

![Figure 3](image-url)  
**Figure [3]**
group is willing to pay in order to live in a neighborhood with “H” members. In Figure [2], members of the “H” group are willing to pay a higher premium than “L” group members in order to live in a neighborhood with other “H” group members. This difference in premium results in the selling of a housing unit by an “L” household to an “H” household, as long as the “H” household continues to value living in the “H”-concentrated neighborhood more than the “L” household does. As shown by the upward arrows in the diagram, the stable equilibrium occurs at perfect segregation, where “H” members occupy all housing in the neighborhood represented by the model, and “L” members occupy all housing in the other neighborhood, not shown. If just one “L” household moves from the point of perfect integration, the entire neighborhood will eventually become perfectly segregated as low-income households move out and high-income households move in. This is a realistic claim, considering that most neighborhoods do not begin at a point of perfect integration.

Figure [3] illustrates that when we allow for the possibility that the “L” members want to pay a higher premium to live with “H” members, then the equilibrium moves back towards perfect integration. In practice, however, the model presented in Figure [2] more accurately represents the housing decisions made by Americans today, for “H” being the high-income group and “L” being the low-income group. Though the low-income group may arguably want to live in the high-income neighborhood, it is more realistic, given the discussed biases, that the high-income group will desire to live with other high-income residents, and that they will be financially able to pay a greater premium to do so. Thus, the model clearly illustrates that perfect segregation is an equilibrium result of homophily.

Social and political climates also contribute to the formation of these spatial preferences. The negative stigma associated with public housing and areas of concentrated
poverty reflect an opposition to living in those neighborhoods. When the Moving to Opportunity program was proposed in the early 1990’s, with the aim of moving low-income households to high-income neighborhoods, Baltimore residents protested, out of fear that the voucher-holders would decrease the quality of their own neighborhoods (Galster, Tatian, and Smith, 1999). Chicago residents expressed the same sentiments when an article in The Atlantic proposed that the dispersion of low-income tenants also dispersed the crime that had been associated with the poverty-dense neighborhoods they had left, leaving suburban residents with an aversion to low-income neighbors (Rosin, 2008). These social preferences shape the magnitude of the premium people will pay to live in certain neighborhoods, thus reinforcing the preference model.

**Discrimination**
As a facet of the social mechanisms that create neighborhoods, discrimination and stigma held against the poor and minorities further create concentrated disadvantage. Since the early 1900s, calculated segregation has been a major component of the housing market, with owners redlining minority residents, refusing to rent to them, and residents of majority-white neighborhoods issuing threats to discourage minorities from moving in. It was not until 1966, when the *Dorothy Gautreaux v. Chicago Housing Authority* case resulted in a court-ordered mandate for the city of Chicago to move low-income, minority residents of neighborhoods of concentrated disadvantage to wealthier, white suburbs (Polikoff 2006). Though race is not the topic of this paper, there is a vast amount of literature that explores the significant correlation between race and poverty in the U.S., so the
discrimination against minorities is part of the market mechanism preventing neighborhood mobility and creating disadvantaged neighborhoods.⁷

Though no longer as blatant, there is still discrimination that occurs in today’s housing market. In a study of housing discrimination, the United States Department of Housing and Urban Development sent 8,000, participants to housing agencies and analyzed the differences in apartments and houses that they were shown. The applicants were all equally qualified on paper, however, the non-white applicants were shown fewer homes and received less information on available neighborhoods than the white applicants did (Turner, et al., 2013). The discrimination that goes largely unnoticed, facilitated by the functioning of the housing market, is a barrier for minority groups to access certain neighborhoods.

There is also discrimination that occurs between residents of specific neighborhoods, barring entry to those they do not wish to grant access to their community. Grosse Pointe Park is a wealthy, white suburb of Detroit, with a median income of $101,094. It directly borders a high-poverty neighborhood of Detroit, where the median income is $26,955 (Semuels, 2014). In the summer of 2014, the suburb built a farmer’s market building across the only street that directly connected the two neighborhoods, as the residents of Grosse Pointe Park wished to separate themselves from their neighbors in Detroit (Semuels, 2015). This is just one example of the racism with which people divide themselves, to create and maintain neighborhoods of concentrated disadvantage. Discrimination and homophily are two social avenues through which high-poverty neighborhoods consequently form.

⁷ For a complete discussion of the link between race and high-poverty urban neighborhoods, see Jargowsky, 1997; Polikoff, 2006; Sampson, 2008; and Sharkey, 2013.
Market Mechanisms

Housing selection is important for a family’s well being, as neighborhood location impacts every facet of daily life, including schools, community resources, air quality, social networks, job proximity, and safety. The housing market has economic disparities that create neighborhoods of disadvantage, and the government fails to provide a large enough safety net to overcome these shortcomings.

There are three programs that the government uses to provide housing assistance (Currie 2006). The first is the Section 8 voucher program. A family whose income is less than 50 percent of the median income in their area of residence is eligible to apply for a voucher and have their name placed on a waiting list. Section 8 housing vouchers are one of the most expansive housing assistance programs of the Department of Housing and Urban Development (HUD), subsidizing rent for 2.1 million households (US HUD, 2014). The voucher can be used with any owner willing to accept the voucher, for a rental unit that is valued at the Fair Market Price determined by the HUD. The HUD will pay the difference between the Fair Market Price and a maximum of 30 percent of the household’s monthly-adjusted income. The HUD also funds housing projects, which provide low-cost housing to 1.2 million Americans that qualify and are able to have their applications accepted (US HUD, 2014). The Low Income Housing Tax Credit (LIHTC) is the third program, which subsidizes rental buildings, conditional on the owner agreeing to reserve a minimum of 20 percent of the building for residents whose income is less than 50 percent of the area’s median gross income (Currie 2006).

None of the HUD’s programs are entitlement programs. For low-income residents searching for affordable housing, this only exacerbates their problem. The application for
vouchers or housing projects does not guarantee acceptance into the program. In most cases, households are placed on a waiting list and chosen by lottery. In New York City, the wait list for housing projects totaled 142,514, and the wait list for vouchers totaled 129,551, in 2002 (Currie 2006). Because the HUD has ways of prioritizing its waiting list, and because the qualification for the programs requires households to have less than 50 percent of the median income, only 57 percent of the households enrolled in the HUD’s programs have incomes that fall below the U.S. poverty line. In effect, this means that only 30 percent of impoverished households looking for rental housing are able to participate in the programs (Currie 2006). As I continue to discuss the effects of the unaffordability of housing for voucher-holders, then, it is important to keep in mind the 70 percent of low-income households that do not even have the opportunity to use housing vouchers, thus worsening the budget and mobility constraints they face in their search for affordable housing.

The impoverished tend to spend the highest percentage of income on housing, and the share has become even greater in recent years: Between 2001 and 2007, the median income of renters decreased by eight percent, while the median monthly rental price increased by four percent, tremendously increasing the housing burden (Joint Center for Housing, 2014). Consistent with the monocentric city model, households with higher incomes can afford to allow more room in their budget for greater consumption of housing, in higher-quality neighborhoods, resulting in their tendency to live in the suburbs, where there is more land available to build larger homes.

In terms of feasibility, then, many families are forced to remain in low-quality buildings because they cannot find affordable housing. As Janet Currie writes in her book
on U.S. housing policy, this is a systematic flaw in the housing program: “Left to itself, the housing market tends to separate the rich and poor—there is simply no low-rent housing to be had in areas [with high median incomes]” (2006). For example, in 1992, the HUD launched the Moving to Opportunity Program, which offered Section 8 vouchers and mobility counseling to families in census tracts with more than 40% poverty, selected via lottery. Of the 1,820 selected to receive this assistance (Experimental Group), only 47% actually moved after being given a year to find a new home. Out of a second group given Section 8 vouchers without the counseling (Comparison Group), 60 percent of the 1,350 were able to move (Shroder, 2001). Bearing in mind that participants went through a competitive lottery process in order to be accepted into the program, it is discouraging to see such a low yield. Follow-up studies explain this low rate of leasing-up as a result of the unaffordability of housing units in neighborhoods with less than 10 percent poverty, failure to attend meetings with the mobility counselors, and difficulty finding renters who would accept Section 8 vouchers (Shroder, 2001; Ludwig, 2012).

Of the households that did manage to relocate, though, not all household necessarily improved their living situation: 43 percent moved into neighborhoods that were experiencing declining poverty rates (Kingsley and Pettit, 2008), and 70 percent moved to neighborhoods that were in the same school district as their initial location (Briggs, 2010). Further, out of those who were able to move, only one-third of Experimental movers and one-fourth of Comparison movers remained in a low-poverty neighborhood ten years later. The majority of these tenants reported either an external housing shock (increase in rental fees above the Fair Market Price, health or safety issues with the housing unit) or lack of cooperation with the landlord (removal from the voucher
program, units being sold to someone else) as reasons for leaving, all failures of the housing market to accommodate low-income residents (Comey, Briggs, and Weismann, 2008). These findings suggest that for the families that use vouchers, the lack of neighborhoods that contain affordable housing or a compliant landlord limits their options in choosing a neighborhood in the first place.

The market failure is reflected in the lack of affordable housing, as well as in the inability of the government housing programs to provide households with sufficient resources to overcome this failure. As a result, the poor end up in neighborhoods with low median incomes, as those are the only locations where housing is within their budget, which further creates high-poverty neighborhoods. This is an effect that compounds as more low-income tenants occupy neighborhoods, thus reinforcing the market mechanism. For instance, areas with high levels of Section 8 housing have a statistically significant, negative effect on the prices of apartments within 2,000 feet (Galster, Tatian, and Smith, 1999). The research tells the story of undesirability as the reason for this decline in prices, so it is evident that high-income families will not move into such housing projects, leaving them for impoverished households to rent. As more renters move in, the housing prices move to affordable ranges for those in need of vouchers in the first place. This decreases the desire of non-voucher-holders to move to the neighborhood, thus leaving space for the voucher-holders, and limiting space elsewhere. The researchers explain: “A crucial, if incidental, finding of our statistical analyses was that Section 8 sites were systematically located in the lowest-valued or slowest-appreciating sectors of any given census tract. These patterns, we believe, can be traced primarily to the behavior of Section 8 landlords” (1999). By the nature of the housing market, the poor tend to congregate in similar
neighborhoods. The unaffordability apparent in the housing market will continue to pose structural barriers to those wishing to change neighborhoods.

**Philosophical Interpretation**

Having just highlighted the structural mechanisms that create high-poverty neighborhoods, in this section I explore the broader problem that these neighborhoods pose in terms of the relationship residents have with society.

In her political philosophy, Iris Marion Young adopts the belief that "injustice refers primarily to two forms of disabling constraints, oppression and domination" (1990). A person is dominated, and thus suffers an injustice, when his freedoms of choice and self-determination are suppressed. Under this paradigm, the three aforementioned structural mechanisms commit an injustice against the poor by restricting their mobility and freedom of neighborhood choice. As Young correctly notes: "Many social injustices exist in today's cities. Cities and the people in them are relatively powerless before the domination of corporate capital and state bureaucracy" (1990). The poor in the housing market are subject to this domination by corporate capital and bureaucracy. When faced with the tradeoff between buying and maintaining an automobile, and using public transportation, many must forgo the car and live near a public transportation stop, in neighborhoods where rents are affordable, which results in high-poverty areas. The inability of government housing programs to provide suitable, affordable housing options for low-income renters effectively leaves them choiceless, though they operate under an illusion of neighborhood choice. As I discuss neighborhood effects in the following section, it will also become clear that this domination further limits a person's ability to control his life outcomes because high-poverty neighborhoods have negative impacts on residents.
The neighborhoods that physically result from these structural mechanisms further violate Young's desire for diverse, inclusive communities. Young proposes the “ideal of city” as an alternative to the widely supported “ideal of community” model of urban life. Her ideal of city is “a vision of social relations reaffirming group difference,” rather than the homogenous, exclusive group formed under ideal of community (Young, 1990). The structural mechanisms affirm the ideal of community, rather than city, by leading to homogenous neighborhoods of disadvantage. The discrimination facilitated by individual social biases and the housing market perpetuates the exclusivity of high-income neighborhoods, leaving those in areas of concentrated poverty to be controlled by the structural barriers. This structural domination must be reversed, in order to achieve autonomy and justice, and to move closer to the heterogeneous ideal of city.

**Effects of Concentrated Poverty**

In addition to the powerlessness of low-income households in the face of the political, social, and market mechanisms that drive them to live in similar neighborhoods, sociologists have observed the importance of neighborhood effects on residents, with specific emphases on the negative economic, social, and educational outcomes for people living in neighborhoods of concentrated poverty (Wilson, 1987; Sampson, 2012). Especially when we consider Patrick Sharkey’s observation of “inherited mobility” as a “cycle of intergenerational inequality,” it is clear that this domination is amplified by the tendency for neighborhoods to perpetuate disadvantage over time (2013).

From the political philosophy of Young, the effects of compounded disadvantage further enforce the disparities of power between the people and the market structure, thus also perpetuating the cycle of domination, and elevating it to a state of normalcy. For
instance, when many sociologists or economists think of concentrated urban poverty, the immediate image is of a minority neighborhood, in dilapidated project housing, with high crime (Wilson, 1987). This normalcy has pervaded American ideas of poverty and policy, and it seems almost natural that the market may fail to serve those who do not have access to it. I am not proposing that the market necessarily needs to have an all-encompassing safety net for every individual; rather, I am proposing that it becomes more accessible to the 70 percent of the poor who are currently not being offered any sort of housing assistance. This inaccessibility leads to the inability to choose where to live, and the resulting negative outcomes of that directed choice are a form of domination that persist from parent to child. The idea of inherited poverty is important to keep in mind as I explore the four main negative effects of living in a high-poverty neighborhood and explain how these effects transcend generations. Especially considering my main argument, that these neighborhoods are a result of structural mechanisms, the direct negative impacts of high-poverty communities on the households that live in them are further transgressions of Young’s idea of justice and self-determination, as residents are rendered immobile by the influence of their neighborhoods on their income, health, education, and safety.

Spatial Mismatch
On average, an area of concentrated poverty has an unemployment rate of 55 percent, compared to a 32 percent unemployment rate for the poor nationally (Meade 2014). The theory of spatial mismatch is used to explain the barriers to job matching for low-income

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8 A quick Google Image search of the phrase “impoverished urban neighborhood US” reaffirms this claim, as all the photos that appear depict abandoned or vandalized homes and minority residents of inner-city neighborhoods. The Google search algorithm ranks photos based on the number of links to a photo, with relevant phrases.
workers, proposing that the neighborhoods housing the highest number of poor residents are not located near the jobs which they are eligible to do (Wilson, 1987). Moretti notes more specifically: “Poor people and minorities...face a structural disadvantage in the labor market because of the geographical mismatch between the location of housing and the location of jobs within each city...The poor tend to be concentrated in the urban core of American cities, far from many suitable jobs” (Moretti, 2006). Families who are able move to the suburbs still encounter this mismatch barrier, as the limited public transportation cannot meet their commuting needs, in terms of location, as well as time of day. For low-wage workers who may work a night shift, public transportation in the suburbs, even if it exists, cannot meet their needs (Semuels, 2015). Job access is crucial in order to have a steady income with which to pay rent, buy food, and use public transportation. In a high poverty neighborhood, at least 20 percent of residents live below the U.S. poverty line of $23,283 for a household with two parents and two children (US Census Bureau, 2014). Limited access to jobs as a result of spatial mismatch only exacerbates this income disparity.

Education
There is substantial evidence to suggest that neighborhoods with concentrated disadvantage negatively impact children’s learning outcomes and cognitive skill development, as a result of higher levels of stress, poorly funded schools, and fewer role models (Wilson, 2008; Sharkey, 2013). Among adults in high-poverty neighborhoods, the high-school dropout rate is twice the national average, and just over ten percent have earned a Bachelor’s Degree (Meade, 2014). This composition of neighborhoods is especially important for children as they develop educational aspirations, as the “role model” effect is
prominent in this regard. According to Sharkey’s analysis, a child’s educational goals are shaped primarily by the experiences of the parents, and this effect can be linked to community role models, as well (2013).

More directly, there is evidence that concentrated disadvantage can have the same effect on a child’s cognitive development as missing an entire year of school, by means of higher stress, greater likelihood of not going to class, and lower-quality resources (Sampson, Sharkey, and Raudenbush, 2007). Furthermore, these negative effects of concentrated poverty on educational outcomes for children last for at least two generations. In a study of inherited disadvantage, Patrick Sharkey found that for children growing up in a non-poor neighborhood, those whose parents grew up in low-income neighborhoods scored worse on test scores than those whose parents grew up in non-poor neighborhoods, thus illustrating the persistence of the poverty cycle (2013). The lack of resources for urban schools, in terms of teacher quality, extracurricular activities, and classroom tools, all contribute to the lower cognitive attainment seen for children living in high-poverty neighborhoods. Education and cognitive development are key components of a child’s future success. If the structural mechanisms render families unable to choose neighborhoods with better schools and community resources, then that domination infiltrates most major aspects of each family member’s life.

Health
Residents of high-poverty neighborhoods also tend to have a greater degree of mental and physical health problems than residents of non-poor neighborhoods. People in poverty have higher instances of heart disease, asthma, chronic bronchitis, anxiety, and diabetes, 

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9 It should be noted that this study specifically looked at African-American children. I have already pointed out the link between race and concentrated urban poverty, so this study is still relevant.
which work through several mechanisms, including housing quality, access to produce and grocery stores, walkability of the neighborhood, and stress (Pleis, Lucas, and Ward, 2009). As a key component of wellbeing, the inability to move from a neighborhood that creates mental and physical health problems is an injustice implicated by living in a high-poverty neighborhood. Health is yet another important factor in the success of a person’s educational and economic outcomes, so the ability to have control over personal health is a right that should be protected.

**Crime**

When looking at the descriptive statistics, it is clear that low-income neighborhoods tend to also have higher instances of crime (Shaw and McKay, 1942; Bursik and Webb; 1982; Patterson, 1991; Hsieh and Pugh, 1993). High crime makes neighborhoods less walkable and unsafe, which can result in high-stress levels for residents. In the baseline survey of households in the Moving to Opportunity Program, almost three-quarters of the participants stated that they wanted to move out of their neighborhood to escape crime and gang violence, which is why they signed up for the program—because they were unable to choose a safer neighborhood on their own (Ludwig, 2012). For young males who are part of gangs, their economic earnings and grade-level education achievement are both statistically lower as a result of being in the group (Levitt and Venkatesh, 2001). Neighborhoods that have high levels of inequality, however, are not strongly correlated with high levels of crime (Patterson, 1991; Kennedy, et al., 1991; Groves, et al., 1985). High crime rates seem to be a problem unique to neighborhoods with concentrated poverty. The bureaucratic mechanisms that lessen low-income households’ ability to effectively choose
their neighborhoods thus impact their ability to directly control the safety of their environment.

**Recommendations**
Under the economic, social, and philosophical concerns I have raised about areas of concentrated disadvantage, the solution to these problems lies with place-based policies. Place-based policies, as opposed to mobility-based policies, involve the revitalization of neighborhoods directly, rather than trying to disperse the neighborhood poverty by moving residents to new neighborhoods.

There are two main reasons that mobility-based policies violate the ideas I have discussed thus far. First, mobility-based programs are not overwhelmingly successful. Moving to Opportunity, for example, did not have a significant effect on economic self-sufficiency, adult health (aside from obesity), education attainment of children, or young boys’ crime records (Sampson, 2008). Further, households that moved as part of MTO, as discussed earlier, were not able to remain in the low-poverty neighborhoods, and were directed back to areas of concentrated poverty through different structural mechanisms. Mobility-based programs alone do not work towards ridding the structural barriers; rather, they displace some people living in poverty and leave behind neighborhoods with even higher concentrations of disadvantage.

Second, a program that aims to move people away from their homes is still a form of domination over those who do not qualify for such programs, which is what I have demonstrated to be true with the HUD’s voucher program and waiting lists. Even when people are able to successfully move, they are leaving behind a neighborhood of immobile people who were not lucky enough to get off of a waitlist for a voucher. The context of the
decision adds another challenge, forcing families to make monumental decisions under some pressure. Households chosen from the waitlist are faced with the choice between moving from their home neighborhood, where friends and family are, and moving to a different, albeit safer neighborhood, knowing that if they do not take the opportunity, their chances for receiving future opportunities are low. Historically, it is especially challenging for the poor to break social ties from their communities, churches, and families (Shroder, 2001). Especially because these policies, like MTO, are not even necessarily always successful, this choice can put many in a position of powerlessness under the government, while under the illusion of choice. For the families who are not even offered the option to move, this is a continued form of domination and the injustice committed by restricting their freedom to choose a new neighborhood.

Place-based programs, on the other hand, have the potential to reverse these transgressions of justice. One of the ways to overcome homogeneity and domination is through empowerment, which Young defines to include “expanding the range of decisions that are made through democratic processes” (1990). By allowing residents to take ownership of their neighborhood change, they are able to better address the needs of their community, and they are able to be part of the revitalization process. Further, the positive benefits they can receive from an improved neighborhood can improve overall wellbeing, thus restoring their freedom to move to a new neighborhood, if they so desire. By the theory of place-based initiatives, however, it is hopeful that community members will become invested in their neighborhoods, increasing their likelihood to stay and realize its success. Empowerment further ensures that residents are not displaced as their neighborhood improves, thus avoiding the gentrification effects that many cities have seen
(Sharkey, 2013). I advocate for exactly these outcomes: Place-based programs aligned with Young’s ideals of empowerment and of the fostering of friendship and community engagement, by seeking policies that enable residents to take ownership of their neighborhood and be fully involved in the redevelopment process (1990). In this way, policies can help the poor overcome the structural mechanisms that generate concentrated disadvantage.

From an empirical standpoint, place-based programs have proven to be effective in addressing the sources of concentrated poverty and alleviating the effects of concentrated disadvantage. The housing-focused initiative Jobs-Plus effectively elevated low-income households out of poverty by providing employment-matching services and job training, initiating a community information network for jobs, and rewriting public housing rules to incentivize work. Jobs-Plus successfully addressed the negative effects of high-poverty neighborhoods spurred by all three mechanisms. Compared to residents of cities who were not part of Jobs-Plus, participants in the program enjoyed a fourteen percent growth in income, which improved to twenty percent in the program’s final year (Riccio, 2006). The program also empowered some residents to leave public housing with their larger income, thus restoring their freedom of housing choice. For the many residents who remained, the program lessened the impact of spatial mismatch and minimal job networking that originally served as barriers to the job market. As a direct investment in community members, Jobs-Plus positively impacted the six cities that used it.

Another successful program is the Empowerment Zone, which aimed to reverse the effects of concentrated poverty by investing in schools and community programs. The Clinton Administration began this program in 1993, to provide financial aid to distressed
neighborhoods in eight cities, based on proposals written by the neighborhoods, stating their needs and plans (Busso and Kline, 2007). The government consequently gave money for community development, job training, and infrastructure improvements, among other block grants. The neighborhoods that received funding saw significant improvements over similar neighborhoods that were not part of the program. For example, neighborhoods in the Empowerment Zone had a fifteen percent increase in jobs over non-Zone cities, along with a wage increase of eight percent (Busso and Kline, 2007). These effects are further internalized, and they impact many different aspects of disadvantage: “A new job in a tough neighborhood means more than just a job for one worker; it creates social benefits in the form of reduced public assistance and reduced crime” (Moretti 2012). Part of the success of the Empowerment Zone is due to its location-specific nature, by requiring communities to make their own decisions about how to use the development grants in order to directly empower them. Initiatives such as the Empowerment Zone can effectively help communities meet their needs, while actively working to eradicate poverty.

In both of these examples, the most important aspect to be considered is the lasting change. In discussing the success of the Empowerment Zone, Moretti notes: “For each dollar in public funds that was spent, three and a half dollars were invested by private businesses, thus creating a virtuous cycle of growth. This is the true hallmark of a successful place-based policy, because it indicates that when the public money ends, the area will keep creating jobs” (2012). This is consistent with Sharkey’s advocacy for long-term investments to overcome the effects of inherited poverty over time, which I have discussed (2013). The solution to breaking the cycle lies in place-based investments to empower communities to achieve lasting change.
Conclusion

Throughout this paper, I have explored the implications of concentrated disadvantage from the perspectives of economics, political philosophy, and sociology. I propose that the social, political, and market mechanisms in the United States, if left alone, will continue to push low-income families to live in neighborhoods of disadvantage, thus generating negative effects of concentrated poverty which further perpetuate the cycle. These mechanisms and cyclic effects are violations of Iris Marion Young's ideals of justice and city due to their dominating nature, as well as their end outcome in homogenous communities.

The Empowerment Zone and Jobs-Plus programs are examples of initiatives that can correct these violations. For the people living in disadvantaged neighborhoods, unable to move to a better one, due to either funding constraints or an imperfect informational network, the programs can serve two purposes. First, investing in a community will work to mitigate the effects of high-poverty neighborhoods. Second, as a result of higher earnings or a broader community network (as seen with Jobs-Plus), the freedom of choice will be restored, as budget constraints and information inefficiencies are lifted.

To clarify exactly how my arguments are linked, I suggest housing renovations for mixed-income tenants as an ideal place-based program that directly addresses the mechanisms and cyclic effects of poverty. Requiring mixed-income apartment complexes helps to break down the social mechanism that serves as a barrier to mixed-income neighborhoods. By encouraging this heterogeneity, Young's ideal of city is in sight, and differences across social groups can be mediated. Addressing the social mechanism further improves networking for low-income residents, which in turn can help them find jobs, build community trust, and reduce crime as a result of collective efficacy. Mixed-income
housing can also address the market mechanism, as long as rooms for low-income residents are subsidized at an affordable rate. Finally, mixed-income housing renovations would also address the cyclic effects of poverty directly, as low-quality housing is a venue through which high crime and poor health occur in low-income neighborhoods. The mechanisms and effects of concentrated disadvantage are endogenously related, so deciding which aspects to target first can be difficult to decide. Strategies such as a mixed-income housing unit do well to empower residents to realize better outcomes and become more engaged with their communities.

With that final illustration in mind, I conclude my analysis of structural poverty in urban America by proposing that the government adopt place-based policies to empower neighborhoods, by investing in their success. Only once these issues are addressed, will we begin to see poverty become less concentrated, and see its negative effects begin to disappear.
References


