

Behind the Numbers



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ECONOMIC SELF SUFFICIENCY

The FCFC's approach to achieving the desired community outcomes includes looking “behind the numbers” as part of our effort to move the community indicators in their desired directions (see pages 3-4). For the Economic Self-Sufficiency outcome, we have looked at Unemployment (2004), Per Capita Effective Buying Income (2006) and, in conjunction with the Safe and Supportive Neighborhoods outcome, the Geography of Opportunity (2007). In this 10th Anniversary Report we revisit and update some of these analyses, and we show how they contribute to ongoing community conversations.

From the discussion of the Geography of Opportunity in the 2007 Report:

“Place matters. Neighborhood counts. Access to decent housing, safe neighborhoods, good schools, useful contacts and other benefits is largely influenced by the community in which one is born, raised and currently resides.”

UPDATE:

This year's report from the Economic Self-Sufficiency Outcome Team (pgs. 60-62) emphasizes this point—that “place matters”—when they say that socio-economic and racial isolation of low-income families contributes to generational poverty.

The ways in which the neighborhood where a person lives can affect that person are, of course, many and complicated. In terms of promoting economic self-sufficiency, it is useful to think of two questions: “How does the neighborhood where someone lives as a child affect his/her economic status as an adult?” and “How does the neighborhood where someone lives as an adult affect his/her economic status?”

The first question deals with what have been called “neighborhood effects.” The second question addresses the “spatial mismatch hypothesis,” namely, that the distance between employment opportunities and the homes of disadvantaged groups is a significant factor in their lack of economic success.

Some recent research unites these two questions into one model that attempts to illuminate urban inequality.² The author found that “segregation does have discernable effects on educational attainment for blacks, but not for whites.” For example, blacks who grew up in highly segregated neighborhoods were almost twice as likely to drop out of high school compared to blacks who grew up in minimally segregated neighborhoods. He also found that “spatial mismatch affects unemployment probability for blacks, but such an effect is hardly present for whites.” When the results are combined (Figure 1), spatial mismatch has a bigger effect on unemployment than does the nature of the childhood neighborhood, but the effect of the latter is definitely measurable.

This model needs to be extended to include other economic and labor market outcomes besides unemployment, but the barriers facing people who grow up and live in low-income, racially concentrated neighborhoods have been brought into sharp focus by this analysis.

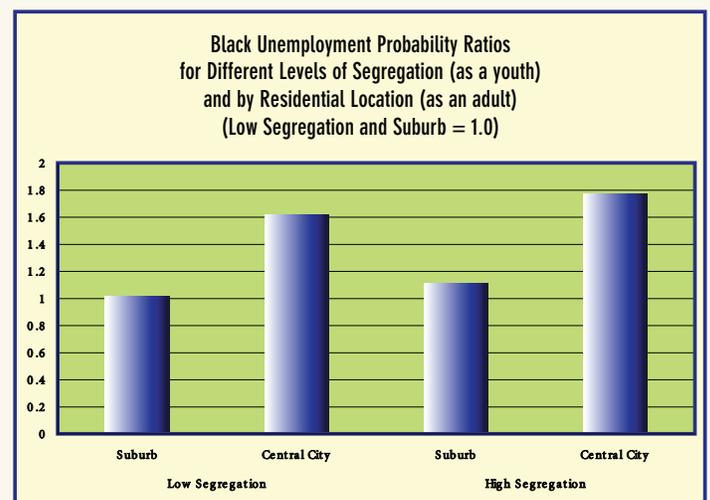


Figure 1. Blacks who grow up in a high segregation neighborhood and live in a central city neighborhood as an adult have an unemployment rate 75% greater than blacks who grow up in a low segregation neighborhood and live in a suburb as an adult.

¹ Squires, G.D. and Kubrin, C.E. (2005) Privileged Places: Race, Uneven Development and the Geography of Opportunity in Urban America. *Urban Studies*, 42 (1):47-68.

² Howell-Moroney, M. (2005) The Geography of Opportunity and Unemployment: An Integrated Model of Residential Segregation and Spatial Mismatch. *Journal of Urban Affairs*, 27 (4):353-377.