Evidence from the Moving to Opportunity (MTO) Experiment

INTRODUCTION

Low-income households tend to spatially concentrate in central-city neighborhoods. Numerous scholars have proposed theories of concentrated poverty as well as assessed the negative impacts of living in high-poverty neighborhoods. Surprisingly few studies, however, examine the factors affecting individual or household exposure to neighborhood poverty.

RESEARCH QUESTIONS

1) Was the MTO program successful in reducing participants’ long-term exposure to poverty?

2) Do car ownership and access to public transit reduce participants’ long-term poverty exposure?

DATA AND METHODS

We examine poverty exposure among 4,239 MTO participants using administrative program data. Our study is unique in its use of a time-weighted average poverty exposure measure calculated over the course of the entire MTO experiment, from 1994-2010.

We use a multivariate OLS regression model to explain the duration-weighted average neighborhood poverty rate as a function of variables of interest and controls.

POVERTY EXPOSURE RATES BY GROUP

ABBREVIATED MULTIVARIATE MODEL RESULTS: AVERAGE POVERTY EXPOSURE

CONCLUSIONS AND RECOMMENDATIONS

Evidence from the MTO experiment demonstrates the complexity of individuals’ long-term exposure to poverty. Despite the program intervention, and even for households that successfully leased up in the experimental group, households spent much of their time in high-poverty neighborhoods.

Viable housing policies to reduce poverty exposure include more intensive post-search counseling and incentives to lease-up in racially integrated neighborhoods.

The most straightforward interventions to reduce poverty exposure include policies to improve households’ access to automobiles.

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