

Neighborhood Effects and Government's Role in the Concentration of Poverty

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On January 8, 2013, America celebrated the fiftieth anniversary of the start of the war on poverty. A half century later, the risk of going to prison is higher than the chance of going to college in many neighborhoods across the country (Sharkey, 2013, p. 49). Broad swathes of cities are seemingly isolated from mainstream institutions and values of the country. The population living in high poverty census-tracts has continued to boom, sometimes exceeding 50% decadal growth (Mangum, Mangum, and Sum, 2003, p. 47). Employment opportunities increasingly pass these neighborhoods by. Almost one out of ten high schools does little more than churn out dropouts (Goldsmith and Blakely, 2010, p. 144). Single mother families, composing almost one half of all poor families, are increasingly becoming standard (Mangum, Mangum, and Sum, 2003, p. 60). These trends further the grim cycle of inner city poverty, leading to welfare becoming a fact of life, middle-class flight, ever-present crime, and the end of opportunity. Poverty becomes the generational inheritance. Isolation of the impoverished, though self-perpetuating, did not naturally emerge. Every branch of government has been complicit in the institutionalization of income segregation.

Meanwhile, debate rages over the causes of this phenomena and the hope for its absolution. Traditionally divided upon ideological lines, two large camps have emerged. The first camp, traditionally embraced by conservatives, focuses on the "culture of poverty" which has emerged in low-income areas (Parry, 2012). This is a culture characterized by dependency, irresponsibility, and crime: all of which directly lead to poverty. Meanwhile, liberals are drawn to the structuralists who analyze different

societal-level phenomena severely disadvantaging certain marginalized groups (Parry, 2012). Examples include institutional racism, inequality, and the decline in manufacturing jobs. One theory which bridges the gap to some degree was that of William Julius Wilson (Parry, 2012). In his seminal work, *The Truly Disadvantaged*, Wilson lays out the argument that the effects of living in neighborhoods of concentrated poverty are responsible for the intractability of America's poorest communities (Parry, 2012). While racism, welfare, and a culture of poverty have indeed been significant determinants in the persistence of urban poverty, it is the hyper-concentration of the poor which extends and amplifies these harms and creates the dystopia that is the ghetto.

Wilson refers to the concept of social isolation to describe how the culture of an inner city deteriorates (1987, p. 60). As middle class families leave inner city neighborhoods and job opportunities shrivel, positive role models disappear. These figures serve an invaluable function in lower income communities because they demonstrate the values of hard work, self-sufficiency, and responsibility to the next generation. Areas with a high population of single parent families are especially dependent on beneficial community influences for adolescents. Especially important is the transmission of occupational values such as "the language of the job" and "conventional work practices" which are important transferrable skills employers require of potential employees (Goldsmith and Blakely, 2010, p. 147). When these role models disappear, the next generation looks elsewhere for values. Stable family structures and educational achievement are no longer pursued, thus setting the stage for greater levels of poverty. Instead of pursuing legitimate occupations, the indigent turn to welfare and crime as tools of survival.

Wilson also described a “spatial mismatch” between the unemployed urban poor and the unskilled jobs that have largely moved to the suburbs (Parry, 2012). The decline of manufacturing has diminished the supply of jobs within cities available to uneducated workers (Goldsmith and Blakely, 2010, p. 145). Meanwhile, competition for space in urban downtown centers has led to high floor-area ratios, incentivizing construction of skyscrapers and forming a barrier to land-intensive manufacturing plants (Goldsmith and Blakely, 2010, p. 126-27). The resulting office jobs created are often for highly skilled professionals. Meanwhile, much dynamic job growth is occurring outside central cities. Of the 92 largest urban areas in America, a third of workers are employed over ten miles out from the city’s hub (Goldsmith and Blakely, 2010, p. 127). In Los Angeles, only 10% of metropolitan employment is downtown (Goldsmith and Blakely, 2010, p. 127).

Personal contacts are critical for access to jobs. Most low-skilled job openings are filled via word of mouth (Goldsmith and Blakely, 2010, p. 147). Yet, inner city residents face substantial barriers in simply gaining information about the job openings that exist out in the suburbs. Even if they do learn about a job offering, transportation can prove to be a serious barrier. Car ownership rates are much lower among the urban poor than suburbanites, making employment outside the downtown city problematic. Among urban households earning less than \$20,000, 27% did not own a car (Goldsmith and Blakely, 2010, p. 145). With less developed connections to those outside their communities and truncated professional networks, getting hired is also a struggle for job applicants from inner cities. In the 1990s, the unemployed poor looking for employment spent an average of 26-27 weeks annually looking for work. Accordingly, the percentage of census-tracks

where the majority of men are unemployed has spiked from .7% of all tracks in 1970 to 4.5% in 2000 (Goldsmith and Blakely, 2010, p. 143).

The middle class exodus and acceleration of unemployment harm the services communities can provide their members. The middle class forms a kind of “social buffer,” that can mitigate the pain of lengthy economic downturns (Wilson, 1987, p. 56). While the poorer and more economically vulnerable members of society may face hardship, middle class citizens can provide stability to community institutions. Churches, schools, parks, recreational facilities, and stores remain viable in difficult times through the support of middle class patrons (Wilson, 1987, p. 56). For instance, urban hospitals have been hit by rising tides of state-insured and uninsured patients. Over one-fifth of Detroit Receiving Hospital’s clients have no ability to pay for their treatment (Goldsmith and Blakely, 2010, p. 113). Because of these burdens, nine Detroit hospitals had to cut one-third of their staff to avoid bankruptcy.

Neighborhoods play a crucial role in the quality of schooling children receive. In his examination of urban education, Wilson attributed high dropout rates and low student achievement on the dearth of positive role models (Jargowsky and Komi, 2011, pg. 52). He believed this led students to fail to see the relevance of education, and that “teachers become frustrated and do not teach and children do not learn” (1987, p. 57). He observed that only 18,500 students in Chicago’s public schools graduated in 1984 when there had been 39,500 students in 9th grade four years ago; among graduates, only 6000 read at or above a 12th grade level (Wilson, 1987, p. 57). These statistics, however, only represent Chicago as a whole. When looking specifically at racially segregated inner city schools,

only 9,500 out of 25,500 graduated and only 2,000 could even read at the national average (Wilson, 1987, p. 57-58).

As unskilled jobs continue to dwindle as a share of the economy, education is growing increasingly essential to participating in the modern economy. Three in five jobs did not require a high school diploma in 1950, but by 2001 that percentage had plummeted to 9% (Goldsmith and Blakely, 2010, p. 144). Even basic low-skilled jobs require a basic level of literacy and mathematical skills. These facts explain why high school dropouts lose \$260,000 in expected lifetime earnings (Goldsmith and Blakely, 2010, p. 144). Over 1,700 schools, disproportionately located in cities, have extremely high dropout rates (Goldsmith and Blakely, 2010, p. 144). Less than one out of three Cleveland students graduate on time (Goldsmith and Blakely, 2010, p. 144). Twenty other large cities with a combined population of 29 million have citywide graduation rates below 58% (Goldsmith and Blakely, 2010, p. 144). These numbers, being citywide statistics, do not reveal the true measure of desperation in high poverty areas. Comparing students of similar skillsets, it has been estimated that living in a high poverty area as a child doubles the likelihood of dropping out of college (Sharkey, 2013, p. 108).

A breakdown in the family structure has plagued high poverty communities. The proportion of poor families headed by females jumped from 20% in 1959 to nearly 50% in 2000 (Mangum, Mangum, and Sum, 2003, p. 60). Much of this growth can be attributed to a scarcity of “marriage worthy mates” in inner cities (Mangum, Mangum, and Sum, 2003, p. 60). High rates of both criminality and unemployment persist among men from high poverty urban areas, leading women to remain unmarried (Mangum, Mangum, and Sum, 2003, p. 60). Six out of ten families in poverty are headed by a single

mother (Goldsmith and Blakely, 2010, p. 65). Of single mothers with children in 2007, 37% were in poverty; a startling figure when compared with the less than 7% of married couples with children that are poor (Goldsmith and Blakely, 2010, p. 64). Single motherhood imposes extensive economic difficulties upon families. Single mothers tend to work in poorly paid jobs and work fewer hours while trying to provide for a family on just one income (Goldsmith and Blakely, 2010, p. 64). Indeed, three-quarters of married families had two working spouses in 1999 (Mangum, Mangum, and Sum, 2003, p. 61). Single mothers also tend to be younger and possess less work experience, diminishing their earnings potential (Mangum, Mangum, and Sum, 2003, p. 61). An education gap exists as over 30% of householders in married families have completed a bachelor's degree while only 12% of single female have gained the degree (Mangum, Mangum, and Sum, 2003, p. 61). Single mothers are also almost twice as likely to have failed high school as married family-heads (Mangum, Mangum, and Sum, 2003, p. 61). One study from the 1980s showed that out of working single mothers, only 47% were able to earn incomes above the poverty line (Goldsmith and Blakely, 2010, p. 64).

Studies have even argued that an individual's health is adversely affected by living in a highly disadvantaged area. While it is true that simply being poor has significant health implications, neighborhoods also play a role. This neighborhood-caused health gap has long-term impacts on the continuation of poverty because of the costs associated with medical emergencies and the harm to opportunity. First, tightened finances due to difficulty gaining employment, resulting from the spatial mismatch and other the other barriers mentioned previously and the higher prices stemming from greater transportation costs leaves families with less discretionary money to put towards

their health (Currie, 2011, p. 4). This diminishes families' abilities to invest in healthier, more expensive, foods and regular doctor's visits. When aggregated to the neighborhood level, not enough demand exists for dealers of healthier options to remain in operation. This is evidenced by the corner stores and fast food restaurants that have replaced grocery stores in many poor inner city communities (Currie, 2011, p. 13). For example, only 18% of food suppliers in New York City's East Harlem community shelve low fat, fiber-rich foodstuffs (Currie, 2011, p. 13). In the wealthy Upper East Side of New York, 58% carry these healthy options (Currie, 2011, p. 13). This disparity in access is at least partly responsible for the poor's elevated obesity rates and heightened risk of related medical issues such as diabetes and heart disease. Stress resulting from higher crime, poverty rates, violence, and less social support can boost chances of high blood pressure and general health problems (Johnson, 2011, p. 19). Furthermore, tobacco advertising and liquor stores are more ubiquitous, facilitating poor health choices (Johnson, 2011, p. 19).

One contention made is that the education gap between inner city neighborhoods and their wealthier contemporaries results in less knowledge on how to best maximize their health (Currie, 2011, p. 4). Another argument given is that poverty-stricken areas lack safety features that wealthier areas are accustomed to (Currie, 2011, p. 4). A danger of unsafe neighborhoods is the increased risk of permanent damage. Currie raises the example of a child who suffers a severe brain injury because of unsafe conditions (2011, p. 5). Injuries of this nature can cause enduring limitations to intellectual development, suppressing future earnings. Several studies have gone as far as to show that the neighborhood a mother grows up in can impact the health of her kids. One project showed that the "opening of a new college in a woman's county of birth when she was 17

improved her education leading to increased child birth weight and gestational age, use of prenatal care, and significantly lessened smoking” (Currie, 2011, p. 9). Another study revealed that compared to their own sisters, mothers who were born in low-income areas have a 6% greater chance of delivering a low weight baby (Currie, 2011, p. 10). These health impacts can have long-term impacts on the continuation of poverty. Serious medical emergencies can consume the savings a low-income family is able to accumulate and serious medical problems can cause a loss of opportunity as well.

Experimental studies on neighborhood effects have yielded mixed results. One of the most significant studies on the issue, Moving to Opportunity (MTO), found little evidence of economic impacts from neighborhood effects (Parry, 2012). MTO involved 4,600 single mothers from high-poverty areas being assigned to three groups: one group received housing vouchers which could only be used in low-poverty areas, another gained unrestricted vouchers, and the final group was not granted a voucher (Parry, 2012). The goal was to test the impact of changing community environments. While the chief investigator of the study found that “the difference between living in a very poor neighborhood and a moderately middle-class neighborhood is as large as doubling your income in terms of happiness and well-being,” the results failed to affirm either educational gains or improved employment rates (Parry, 2012). MTO studies related to education, therefore, have been inconclusive and are still ongoing (Jargowsky and Komi, 2011, pg. 54). Special focus is being directed to the younger children who will have had less time exposed to the high poverty area (Jargowsky and Komi, 2011, pg. 54). As mentioned by the investigator, MTO has shown benefits to physical and mental health with marked decreases in obesity and psychological distress (Currie, 2011, p. 9).

Some argue that MTO was a flawed study. Galster raised five contentions against the validity of MTO (Galster, 2011, p. 224). First, he challenged the randomness of the sample by arguing that the participants were only randomly chosen from a self-selecting population which may have distinct personal characteristics not representative of the whole (2011, p. 224). He also challenges the measurement of variables because many in the control group which was supposed to represent remaining in a high poverty area moved to nicer neighborhoods. Likewise, a high percentage of the treatment group which moved into a low poverty area wound up moving back to a higher poverty area (Galster, 2011, p. 224). Another issue he raises is the lack of long-term exposure to the variables. Some neighborhood effects may only develop after a long period of exposure (Galster, 2011, p. 224). This was echoed by Sharkey, who pointed out that the program was a “blip” for those whose families have subsisted in poverty for generations (Parry, 2012). Galster’s third concern is that many of the neighborhood effects may have already been internalized by the kids (2011, p. 225). These might take a long duration to dissolve or they may be permanent traits from the living in the high poverty area. Another issue is that many of the “movers” remained adjacent to high poverty areas, diminishing the chance of positive neighborhood effects being able to occur (Galster, 2011, p. 225). Finally Galster is critical that a fourth of the MTO families were headed by an adult unable to work because of illness or lack of resources such as childcare and transportation (Galster, 2011, p. 225).

It is impossible to have a discussion of inner city poverty without looking into the issue of race. African-Americans in particular comprise a disproportionately large percentage of both the poorest urban neighborhoods and the overall poor. This inequality

has been facilitated by the discriminatory policies which have consistently served to remove opportunities at the margin for African- Americans. In fact, discriminatory public programs have shaped the nature of poverty until the present day by confining a large segment of the poor to high poverty neighborhoods. However, it is equally important to understand, that racism alone fails to explain the stability of inner city poverty. Indeed, middle-class African-Americans themselves are migrating to the suburbs because of urban blight. It is the self-reinforcing aspects of poverty-stricken inner cities which have preserved the situation discrimination originally helped make the status quo.

Similar to the endurance of poverty, the intense concentrations of impoverishment found in America today no single cause can explain. The decline of manufacturing, the continuance of racism, and Americans' general preference for home ownership and spacious commodes have contributed considerably. These factors, however, have been exacerbated and inflamed by a multitude of government policies directly and indirectly abetting the ghettoization of the poor. Whether by subsidizing the outmigration of the middle-class or by clustering the poorest of the poor together, every layer of government is implicated in this phenomenon. Indeed, legal professor and inequality scholar Sheryll Cashin (2004, p. 123) concludes:

Individuals acting on their personal prejudices and preferences might have chosen, in the absence of exclusionary public and private policies, to cluster among their own race and economic class. But it would not have been possible for millions of individuals acting independently to create the regime of systemic stratification and exclusion that reigns today.

The suburban boom constituted one of the greatest determinants of today's income segregation. Suburbs provided an attractive and affordable destination for the

exodus of middle- and upper-class citizens from cities. By 1970, suburbs had eclipsed cities in population by 12 million and contained 76 million residents (Jackson, 1973, p. 196). They also were geographically separated enough to preclude significant exposure to the inner city poor. As the affluent departed, the remaining low-income population grew more concentrated and became increasingly isolated from the middle- and upper-classes.

The ascent of suburbia was made possible by a web of government programs. The National Housing Act (1937) allowed qualifying borrowers to attain mortgages with a 2-3% interest rate and a down payment sometimes as low as 10%, which combined to cause federally guaranteed mortgages to become less expensive than renting (Cashin, 2004, p. 111). The significance of this program cannot be understated because previously mortgages had often demanded down-payments of 50% and lasted only five years (Palen, 2008, p. 122). Furthermore, while government programs significantly increased affordability and access of loans for new houses, home improvement financing continued to be hamstrung by low supply and short maturation periods, and rates on credit for apartment-construction remained prohibitively high (Jackson, 1973, p. 211). Thus, purchasing new homes was made substantially more attractive vis-à-vis the alternatives of renovating an older home or renting. Naturally, powerful incentives towards homeownership were created. The newly formed Federal Housing Administration (FHA) rapidly became one of the principal actors in the insurance market, underwriting more than a third of new U.S. housing developments and a staggering two-thirds of single-home purchases (Cashin, 2004, p. 111). In the decade from 1946-1955, the number of new homes exceeded two times the total from the previous fifteen years (Jackson, 1973, p. 216). By 1994, it had underwritten 22 million loans (Palen, 2008, p. 122). The FHA,

however, did not insure mortgages for every demographic or neighborhood. The agency assessed neighborhoods, affixing one of four different ratings to every city block (Jackson, 1973, p. 211). The FHA underwriting manual explicitly held that it was “necessary that properties shall continue to be occupied by the same social and racial classes,” and that appraisers should assess “the probability of the location being invaded by ... incompatible racial and social groups” (Cashin, 2004, p. 111). Being docked for smoke, odor, and the presence of slums along with “inharmonious racial and nationality groups,” inner cities received low ratings (Jackson, 1973, p. 211). Critics allege that these policies which functionally excluded inner cities from the subsidized housing were self-fulfilling prophecies because access to these funds could have had a substantial positive impact on the neighborhoods (Jackson, 1973, p. 211). To create and preserve community homogeneity in the new developments, the FHA developed the “protective or restrictive covenant” (Palen, 2008, p. 202). These were affixed to deeds to prohibit new owners from selling the property to a minority at any time in the future (Cashin, 2004, p. 111). Restrictive covenant use skyrocketed, with racial covenants constraining eighty percent of Chicago’s residential properties in the 1940s, until the Supreme Court ruled in *Shelley v Kraemer* (1948) that these discriminatory covenants were unenforceable by the government (Palen, 2008, p. 202).

Meanwhile, loan insurance from the also newly organized Veteran’s Administration (VA) granted veterans access to below-market mortgage rates (Palen, 2008, p. 122). In fact, veterans were enabled through the GI Bill to buy homes for a mere \$1 down payment (Jackson, 1973, p. 210). The VA also mandated homogenous communities as a requirement (Palen, 2008, p. 122). Discriminatory housing policies had

existed at the federal level prior to the VA and FHA with the Home Owner's Loan Corporation (HOLC), which refused to refinance homes in neighborhoods insufficiently homogenous in a policy which became known as redlining (Cashin, 2004, p. 112). The FHA, however, affected the emergence of high-poverty areas to a much greater degree than its predecessors through its twofold impacts. First, the subsidization of purchasing homes enticed buyers on the margin to make a purchase. Because of the magnitude of the subsidy offered, it is reasonable to assume this intervention made homeownership a viable option to many for whom it would not have been feasible otherwise. After all, of the one million single-family homes constructed in 1950, almost half were insured by the FHA or the VA (Jackson, 1973, p. 211). Ultimately, it enabled the middle-class exodus from cities and the rise of suburbia. At their commencement, the FHA and VA only insured mortgages on new homes, completely isolating the benefits to new communities in the suburbs (Palen, 2008, p. 122). Since an applicant could significantly improve odds of being selected by targeting a house in a "white, middle-class neighborhood with 'enforced zoning, subdivision regulations, and suitable restrictive covenants,'" it is not surprising that the suburbs were disproportionately subsidized through this program (Jackson, 1973, p. 211). Secondly, by politically imposing racial homogeneity on new neighborhoods, the FHA blocked the disproportionately poor African American community from participating in this boom. African-Americans comprised a mere 1% of the new homes underwritten by the government from 1945-1965 (Jackson, 1973, p. 211). Similar policies were conducted on state and local levels. For instance, in the 1950s and 1960s, the Los Angeles Realty Board adopted policies to specifically preserve the "racial integrity" of white neighborhoods (Sharkey, 2013, p. 64). Cashin revealed that "early

investments in single-family suburban homes have increased in value fourfold,” showing another barrier to wealth accumulation unavailable to inner city residents (2004, p. 113). Unable to escape through artificially affordable housing, poor minorities in inner cities became increasingly isolated from the affluent.

Further diminishing the private costs of suburbanization is the federal tax-deductibility of mortgage payments. Directly subsidizing home-ownership, it artificially makes homeownership more attractive when compared to unsubsidized alternatives such as renting. As already established, federal financing which allowed home-ownership to become a viable alternative to many was largely closed to the ethnic poor who fill urban high-poverty areas. This served to further separate the low income poor from the rest, as those who could qualify but still couldn't afford a federally-insured mortgage now received another subsidy. Thus, mortgage deductibility increased potential home-buyers on the margin out of the pool who qualified for FHA or VA-backed mortgages. Furthermore, because federal income taxes is progressive, with increasing rates of taxation as individuals move up income levels, so too is this subsidy progressive (National Research Council, 1990, p. 225). The more income an individual earns, the higher the rate of taxes paid, and therefore, the higher the potential savings which can be attained through mortgage deductions. While it can be expected that any home-purchasing subsidy will have led to a net increase in migration from urban to suburban areas as home construction and growth was more dynamic in suburbs than cities, mortgage deductibility specifically incentivized suburbs. In order to maximize the deductions, the home-owner will purchase a home in the suburbs where land is cheaper,

allowing for the construction of a larger, more expensive house while spending less on the unsubsidized property price (National Research Council, 1990, p. 225).

The burgeoning, pristine suburban communities, however, were not open to everyone. In order to exclude undesirable classes from becoming residents, localities enacted extensive zoning regulations based upon population density. These regulations called for certain neighborhoods to be reserved for single family homes and others for duplexes, or two-family houses, while still others for apartments (Cashin, 2004, p. 104,105). Cities themselves led the charge. Beginning with New York City in 1916, zoning ordinances based upon segregating neighborhoods according to their use were installed in over 350 municipalities within a decade (Cashin, 2004, p. 105). By 1936, zoning ordinances had been established in 1,322 cities, 85% of cities nationwide (Jackson, 1973, p. 209). While the Supreme Court in *Euclid v. Ambler* upheld the right of local governments to prevent an apartment from becoming “a mere parasite” upon home-centered neighborhoods, the Federal District court judge who first ruled on the case concluded the purpose of the zoning regulation at issue to be “to classify the population and segregate them according to their income or situation in life” (Cashin, 2004, p. 105,107). Some zoning laws strictly tailor neighborhoods. In the 1970s, the village of Belle Terre restricted residences with over two occupants to single families of blood relatives (Cashin, 2004, p. 107). Although pioneered by cities, zoning was enthusiastically embraced by suburban communities. Suburbs, despite being a part of a city’s greater metropolitan area, typically formed new municipalities with the ability to zone out lower income housing, and therefore, poor residents. In fact, research has found that the two strongest motivations behind forming a new municipal government are

avoidance of paying for public services covering the urban poor and preferences for racial separation (Cashin, 2004, p. 109). Lower-income citizens within a community also lead to lower property values and greater crime rates. Zoning became a useful, cost-free method for localities to implement exclusion and avoid these drawbacks. Absent government fiat, however, the exclusion of undesirable populaces imposes substantial costs upon the actors seeking to preserve a status quo. Vacant properties must be bid away from developers. Contractual agreements covering entire neighborhoods may be established in some areas, but only with advanced foresight and coordination in order to ensure they apply to all the property in a neighborhood.

Zoning policies have tremendous flexibility in how they are structured. Homes and property lots can have large minimum sizes or costly materials and design specifications built into the building code to ensure low-income housing is priced out of the neighborhood (Cashin, 2004, p. 109). Some communities even proscribe construction on undeveloped areas, thereby ruling out all new housing (Cashin, 2004, p. 109). Suburbs adopted zoning, using it to ward off undesirable classes and allow these communities to “become secure enclaves for the well-to-do” (Jackson, 1973, p. 210). Yet despite this flexibility, the consequences of even the most innocent zoning program can be enormous. For instance, cities often allocated too much property for commercial use, crowding out potential residents from moving into the city (Palen, 2008, p. 274). Chicago provides an unfortunate example as 300% more land was reserved for commercial use through zoning than could profitably be applied in that manner (Jackson, 1973, p. 210). Research by Rothwell and Massey on the impact of zoning on class segregation revealed that as a

metropolitans area's average density allowed decreases, the degree of income segregation expands (2010, p. 1133).

The interstate highway system constructed under the Eisenhower also significantly abetted the stratification of American cities. Over all, Cashin reports that the new highways “displaced 330,000 mostly black families” within the first decade of construction (2004, p. 113). The roads became dividers between poorer African-American neighborhoods and wealthier white ones. Examples include Miami's stretch of I-95 which went straight through the substantial African-American community of Overton and replaced 87 acres of commercial and residential and the intentional rerouting of I-40 by Tennessee state officials to have it slice across Nashville's African-American business district (Cashin, 2004, p. 114). One-seventh of St. Paul's African-American population was uprooted by highway construction (Cashin, 2004, p. 114). These discriminatory infrastructure placements have affected the geography of cities. I-20 in Atlanta has become an ethnic demarcation line with most African-Americans to its south side and the majority of whites on the north side (Cashin, 2004, p. 114). Historian Ronald H. Bayor argues this was the intended outcome as public infrastructure was designed “to sustain racial ghettos and control black migration” (Cashin, 2004, p. 114). Likewise, freeways specifically sectioned off the low-income, minority community of Watts in Las Angeles and isolated northern African-American communities in Memphis (Cashin, 2004, p. 114). “Marginalized white ethnic and working class communities” faced similar discriminatory zoning laws in cities such as St. Louis, Boston, Wilmington, Providence, and Chicago (Cashin, 2004, p. 114).

The intervention in infrastructure also aided the suburban boom. Massive federal subsidies for state's expansion of the highway system, connecting suburbs to cities, have totaled more than half a trillion dollars since the program's beginning in 1956 (Cashin, 2004, p. 115). A staggering 90% of the price tag for the new highways was borne by the federal government (Palen, 2008, p. 122). The magnitude of this subsidy effectively undercut efforts for widespread public transportation and made automobiles the bedrock of American transportation (Jackson, 1973, p. 217). While this may have occurred in a free market depending on the strength of preferences for automobiles, it is impossible to determine because the tradeoffs inherent to value-preferences can only be displayed in action. The federal government, in engaging upon this program, was responding to political pressures rather than market forces. Since government revenue is funded through taxation rather than charging for the services it applies, it is impossible to prove that the automobile-based transportation infrastructure would have emerged as the most efficient system in open competition with viable alternatives. This is an important contribution to the concentration of poverty in urban areas as a public transportation-centric model would place greater economic constraints on commuting long distances, and thereby incentivize more geographically contiguous neighborhoods and intra-city development (Jackson, 1973, p. 217). In fact, urban stretches of interstates are utilized most by suburban commuters (National Research Council, 1990, p. 231). Numerous bridges, such as the George Washington Bridge which connects New York City with New Jersey, also facilitated suburban travel to and from cities (Jackson, 1973, p. 212). Likewise, the explosion in multi-lane thoroughfares directly expedited commuting (Jackson, 1973, p. 212). These projects functioned as a subsidy in shielding the middle-class families that

migrated to suburbia from the full costs of creating their new communities. If suburban residents had to finance the transportation infrastructure these geographically dispersed neighborhoods require, suburbia would have been much less attractive to potential residents, and homebuyers on the margin would shift to alternatives. Cashin argues that the suburbs would be significantly less detached from urban areas, have greater population densities, and may even have arisen as extensions of existing cities if markets had been “truly free in this realm” (2004, p. 115).

Federal and State-assisted urban renewal programs increased the concentration of poverty by relocating lower income residents away from downtown areas. These undertakings often involved the razing of low-income housing in downtown urban areas in order to allow for business redevelopment. Former residents largely relocated to established ghettos or public housing projects (Cashin, 2004, p. 116). The impact this process had has led some to assert that “concentrated black poverty... was by and large a government creation” (Cashin, 2004, p. 116). An example is the 1950s relocation of a substantial portion of Dallas’ African-American community to a “small area” in the south of the city (Sharkey, 2013, p. 56). The federal urban renewal program dating back to 1949 spent \$3 billion and eliminated nearly 400,000 low-income units of housing filled primarily with African-Americans (Cashin, 2004, p. 116). When state programs are factored in, urban renewal projects have relocated one million people (Cashin, 2004, p. 116).

Public housing directly intensified the clustering of disadvantage. Because the federal government required public housing to be 90% comprised of extremely low income individuals, areas with public housing became pockets of severe deprivation with

devastating effects on their host neighborhoods (Cashin, 2004, p. 116). Chicago provides an illuminating example. In order to compensate for the family-displacement from its “slum clearance” programs, Chicago erected thirty-three high-rise public housing projects in the 1950s and 1960s (Cashin, 2004, p. 116). Twenty-six of these were located in neighborhoods where African-American made up greater than 95% of the population, and only one was built in an area which was less than 84% African American (Cashin, 2004, p. 117). By 1990, 72% of the 1.3 million units of low-rent public housing projects resided in inner cities (National Research Council, 1990, p. 225). Many of the areas with poverty rates greater than 60% can directly attribute their high percentage of deprivation to these projects. It is possible that neighborhoods with public housing residents are less mobile than similarly poor areas. A Chicago-based study found that 59% of households in the neighborhood encompassing the Cabrini-Green public housing project had occupied the same living space from 1975-1980, as compared to 40% of households in nearby high-poverty areas (National Research Council, 1990, p. 225). As Sharkey argues, “The location of public housing high-rises provides another answer to refute the idea that the persistence of racial segregation and the urban ghetto can be explained as the product of unfettered market forces sorting individuals with different preferences and resources into different communities” (2013, p. 62). The chosen locations were the result of a political process whereby the most marginalized communities with little political power were forced to accept the hyper-concentration of severely disadvantaged people in their neighborhoods (Sharkey, 2013, p. 62).

Examining the situation of St. Louis shows how these factors interacted to cause the intense concentrations of poverty that became the new normal. Commissioned by the

District Court in 1980 to report upon the city's segregation, Professor Ofield found that government policies had influenced the spatial outcomes (Judd, 1997, p. 216). Racial zoning and covenants worked over decades to segregate the city (Judd, 1997, p. 216). Furthermore, the FHA'S programs "provided virtually no loans for Black homebuyers in the St. Louis area" for decades (Judd, 1997, p. 216). A combination of downtown renewal projects and the locating of public and subsidized housing in low-income areas worked in tandem to stratify the city (Judd, 1997, p. 216). Suburban communities failed to become an exhaust valve for the residents of these deprived neighborhoods because policies such as zoning precluded low-income housing.

In the history of poverty in America, an outsized role has been played by the government. Through its artificial propping up of the suburban boom, the government incentivized the exodus of many of the people most critical for societal stability. Through urban redevelopment and public housing programs, the low-income African-Americans were channeled into dense, segregated ghettos. Here, the neighborhood effects became most pronounced, devastating essential values and dampening hopes for upward mobility. The legacy of America's war on the poor still lingers on.

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