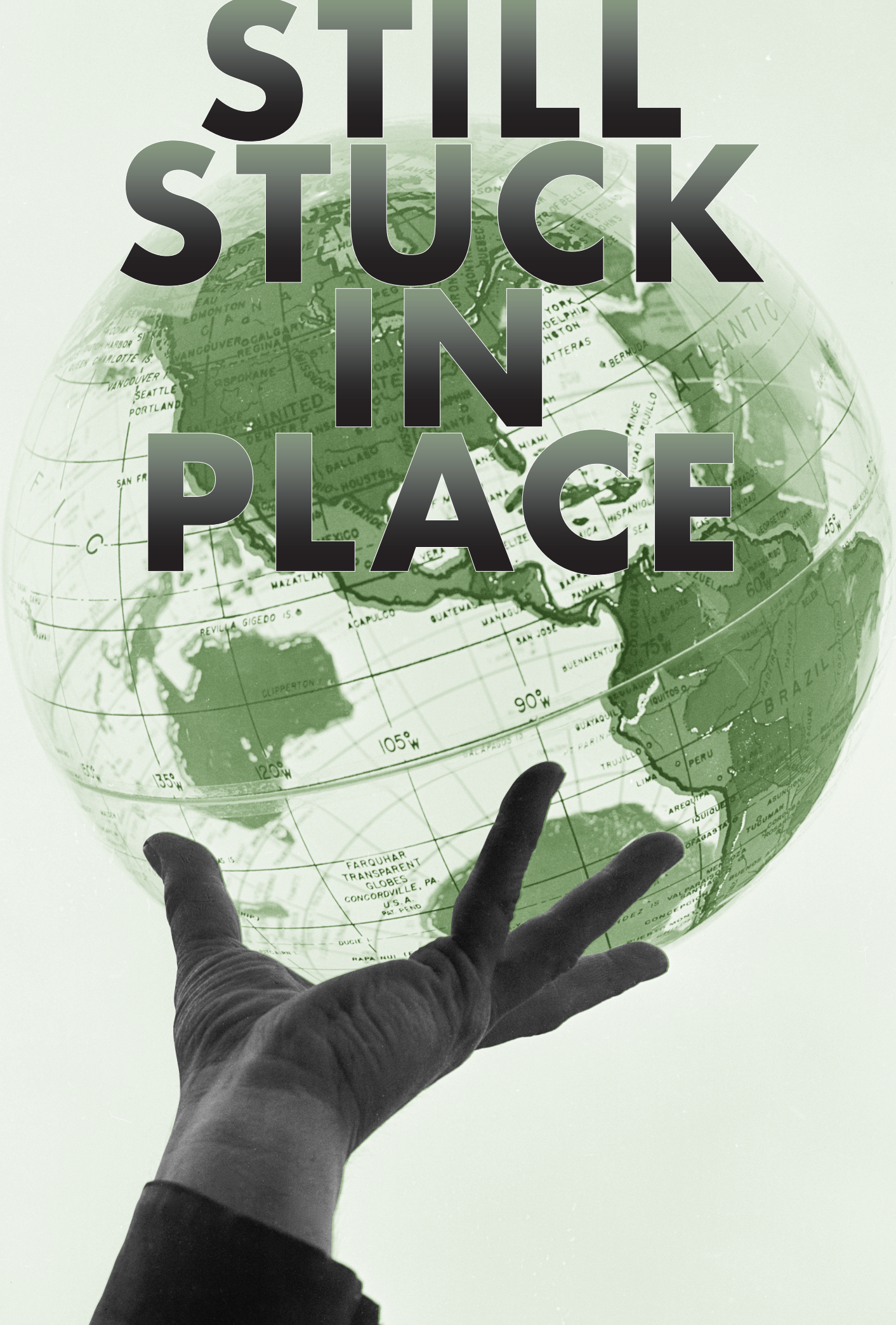
STILL STUCK IN PLACE



PATRICK SHARKEY

Over the past few decades, there has been a renaissance of U.S. research on the effects of the "birth lottery" on economic fortunes. This line of research, which is now booming again, asks how much it matters whether the stork drops you into a poor household or a well-off one. As data and methods have improved, something close to a consensus has emerged: The United States is not the land of opportunity often imagined in political debates and Horatio Alger stories.[1]

But just as this new understanding of economic mobility has filtered into the public consciousness, another strand of research has emerged that challenges the very idea that it is worthwhile to try to measure the level of income mobility in the country as a whole. Three recent studies have shown that economic mobility varies sharply both across and within regions, suggesting that there is no single, national measure that accurately characterizes economic mobility in the United States.[2]

Instead, we now know that moving up depends a lot on where one grows up. Most notably, research from Raj Chetty and Opportunity Insights finds that in some places, children from low-income families have a reasonable chance of rising out of poverty by early adulthood. However, in other places, including a wide swath of the Southeast, children from poor backgrounds are much more likely to remain poor as adults.[3] There is as much variability in opportunity *within* the United States as there is *across* many of the well-off countries in the world.[4]

These findings reflect an observation about American inequality that has frequently been dismissed or overlooked in the academic literature: Inequality in the United States is organized, to a large degree, along spatial lines.[5] Labor market opportunities, social networks, environmental hazards, and institutions like schools, governments, banks, and police departments vary dramatically depending on where one lives, creating a rigid geography of opportunity. And a growing body of evidence suggests that our life chances are becoming even more closely tied to our geographic origins than in the past.

The intergenerational persistence of place

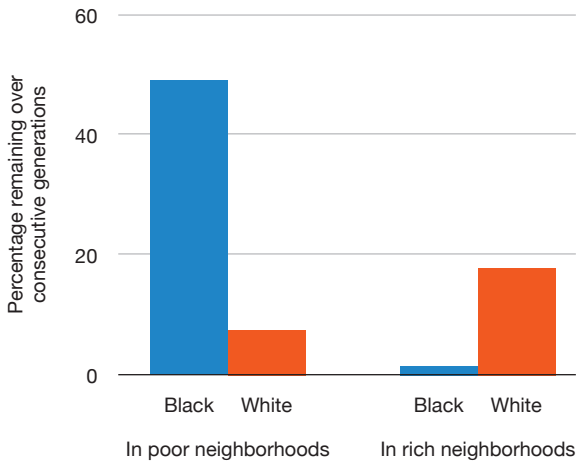
Why does geography matter more now? The starting point in answering this question is to recognize that neighborhood disadvantage has compounding negative effects across generations. We have long known that there are consequences of growing up in a disadvantaged residential environment, but the literature on "neighborhood effects" has understated the full impact of spatial inequality. Most of the empirical work on the topic treats the neighborhood environment as something that is experienced at a single point in time or over a few years of a child's life. However, evidence suggests that neighborhood inequality can be understood only if we take a multigenerational perspective, because families living in disadvantaged neighborhoods usually have lived in those neighborhoods for a long time. The vast majority of children who currently reside in poor neighborhoods come from families that have lived in similarly poor neighborhoods for multiple generations. It might be said, then, that residential advantages and disadvantages are passed down in the same way as wealth, genes, and culture.[6]

This intergenerational persistence of place matters because the consequences of living in highly disadvantaged neighborhoods are cumulative.[7] Using a national sample that followed families over two generations, I estimated the degree to which adults live in a neighborhood of similar economic status to that of their childhood neighborhood.[8] The main takeaway here is that one's neighborhood is frequently quite similar in childhood and in adulthood. The overall correlation between childhood and adulthood neighborhood economic status is 0.67.

This intergenerational persistence is particularly strong for Black Americans. Using the same national sample, I found that almost half of African-American families live in poor neighborhoods for consecutive generations, while this is true for just 7 percent of white families (see Figure 1).[9] This happens for many reasons. Most obviously, exclusionary zoning and the cost of housing limit who can live where, thus increasing segregation by economic standing and race. And of course there is explicit discrimination by race, ethnicity, and income in the housing and lending markets as well as informal hostility (or the perception of hostility) that restricts the range of communities that families consider.[10]

All these forces act as constraints on residential mobility, leading people to remain in place over time. These constraints are stronger for some—such as Black residents—than others. And when families remain in place, neighborhood

Figure 1. Almost half of Black Americans live in poor neighborhoods for consecutive generations.



Source: Sharkey, 2013.

advantages and disadvantages are transmitted from one generation to the next.

The role of geographic mobility

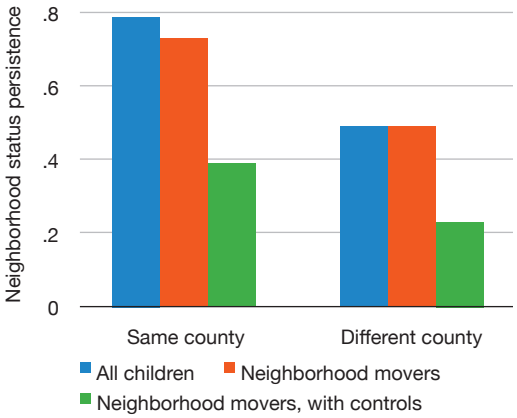
The second result of interest pertains to the *sources* of this intergenerational persistence of place. The bars in Figure 2 show how our measure of neighborhood status persistence varies with geographic mobility. A bar height of 1 means that childhood neighborhood status perfectly predicts neighborhood status in adulthood, while a bar height of 0 means that the relationship between childhood and adulthood neighborhood status is as good as random—in other words, that childhood neighborhood economic conditions are not predictive of adult neighborhood conditions.

Figure 2 shows that the degree of continuity in neighborhood economic conditions is more pronounced for people who remained in the same county from childhood to adulthood. Notably, this finding holds even among those who remained in the same county but moved to a different neighborhood, and even when controlling for individual economic and family circumstances in each generation. Indeed, it seems that people are often "confined" to certain types of neighborhoods, and short-distance moves typically don't bring individuals into residential environments that are markedly different—in terms of the income, race, and ethnicity of neighbors—from their childhood neighborhoods. The upshot: To disrupt the cycle of intergenerational exposure to neighborhood disadvantage, families generally need to move long distances.

And here's the bad news: Families are becoming less likely to make the kinds of long-distance moves that lead them into entirely new residential settings. In almost every year from the late 1940s through the 1970s, about 20 percent of Americans moved residences each year. About half of these moves were within the same county, but each year over 6 percent of Americans moved to a different county, and between 3 and 4 percent moved to a different state. Since the 1970s, however, migration has declined steadily. Roughly 11 percent of Americans now move each year, fewer than 4 percent make longer-range moves across county lines, and fewer than 2 percent move to a different state (see Figure 3).

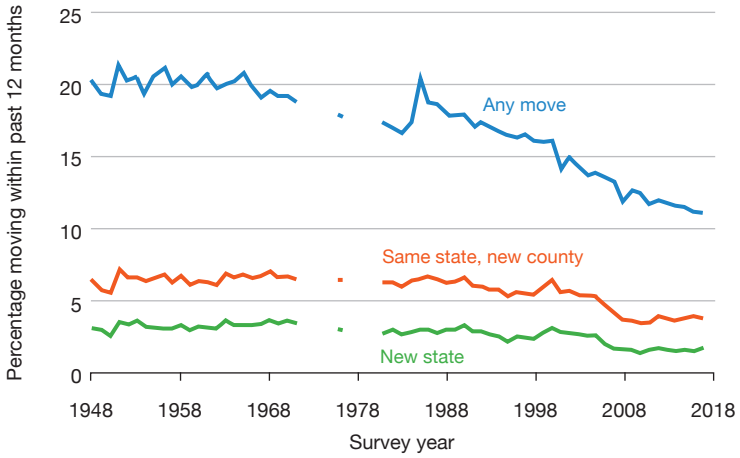
Although this commonly used measure of year-to-year migration shows a worrisome trend, Scott Winship has argued persuasively that what really matters for economic mobility is leaving one's childhood home and moving elsewhere, across county and state lines, to a different part of the country that offers greater opportunity.[11] Individuals who leave their home state do better on almost every measure of economic status than their peers who remain in the state in which they

Figure 2. Neighborhood economic status persists through adulthood, especially among those who remain in the same county.



Note: The right-hand bars include individual-level demographic and economic controls.
Source: Sharkey, 2013.

Figure 3. Americans are moving less often.



Note: Some years have missing data because the Current Population Survey did not always ask the question about mobility.
Source: Current Population Survey.

were born. Winship finds there has been little change over time in the prevalence of long-range migration from adolescence to adulthood, a reassuring finding indicating that the decline of year-to-year mobility may not reflect a general slowdown of long-range migration (but presumably, rather, a reduction in churn).

It might be said, then, that residential advantages and disadvantages are passed down in the same way as wealth, genes, and culture.

However, Winship also shows that this form of migration is less common for more disadvantaged groups, like racial and ethnic minorities and less-educated segments of the population. In my own research, I have shown that Black Americans were substantially more likely than whites to make long-range moves that crossed state lines throughout most of the 20th century, but this changed in the most recent generation. Since the 1970s, Black Americans have been much less likely than whites to make the types of long-distance moves that are associated with upward mobility.[12]

Long-distance migration has always been a mechanism for economic mobility, suggesting that recent declines in these types of moves may be exacerbating economic and racial and ethnic inequality.

The rise in geographic inequality

The third result of interest is that geographic inequalities are on the rise. It would matter less that geographic mobility is declining for some groups if geographic inequalities were slowly dissipating. And many have assumed or predicted that geography should matter less than it ever has before. For decades, observers of the shifting economy have predicted that the rise of globalism and the emergence of networks loosened from the bounds of physical space would lead to the "death of distance." But a new set of urbanists has overturned this view. Bringing attention to the crucial importance of "clustering" in the new urban economy, they make the case that being in close proximity to new ideas and innovation has become more important to one's life chances than ever before.[13]

Coastal and Sunbelt cities like New York, Los Angeles, San Diego, Washington, D.C., and Phoenix have attracted newcomers who have higher incomes and more education than those who are leaving the same cities, while Rust Belt cities like Detroit, Columbus, Pittsburgh, and Cleveland have seen higher-income, better-educated residents leave and lower-income residents move in.[14] As a result, cities have begun to look more and more different from each other, some with bustling economies offering relatively high-paid jobs, others depressed and isolated from economic opportunity. Gerard Torrats-Espinosa has shown that over the past few decades there has been more growth in income segregation *between* cities than there has been *within* cities, and this is especially true at the top of the income distribution.[15]

This development means that as income and wealth inequality have continued to rise, opportunity has come to be concentrated in some clusters of cities and is increasingly absent in others. Entire sections of the country, and all the residents within them, are increasingly separated from areas of economic opportunity.

Confronting geographic inequality

It is now time to put the story together. The first point I have made is that living in disadvantaged places reduces opportunity, especially when the experience of neighborhood disadvantage is passed down across generations. Although any amount of exposure can reduce opportunity, more exposure is worse. The second point is that the American Dream has long been one of escaping one's neighborhood of origin and searching for economic opportunity. The worrisome reality is that the key motor behind the dream—long-range geographic mobility—has become less common for some segments of the population, especially Black Americans. And the third point is that it's an especially inopportune time to lose this motor because place matters more than ever, with some cities more and more isolated from economic opportunities and others reaping the benefits of growth and attracting more advantaged populations. If you put these three points together, it means that geography is increasingly the source of inequality.

This leaves us with a dilemma for public policy. A growing body of evidence now makes it very clear that gaining access to high-opportunity places is crucial to economic and social mobility.

And yet gaining that access is becoming increasingly difficult for disadvantaged segments of the population.

Three approaches would help to resolve this dilemma.[16] The first is to encourage families to make residential moves that lead them into areas with greater opportunity. Results from the many housing mobility programs that have been implemented and evaluated offer clear hints as to which types of programs have the greatest capacity to generate sustained changes in families' lives. My reading of the literature suggests that the most promising approaches are programs that target families with young children and those who live in the most disadvantaged and violent neighborhoods; programs with administrators committed to identifying housing units with responsible landlords, rather than leaving families to navigate the low-rent housing market on their own; and programs that have the resources to provide extensive supports to families to help with transportation, school searches, child care, and employment, giving families a better chance to successfully integrate into new communities.[17] Additionally, I argue for policy reforms that reduce the barriers families face in making long-range moves, such as scaling back occupational licensing regulations and working to make all forms of housing assistance portable across states.[18]

The second approach is to make sustainable investments in local communities in an effort to mitigate the consequences of growing up in a highly disadvantaged neighborhood or low-opportunity city. Although place-conscious investment is often met with skepticism, there is now a substantial body of rigorous evidence indicating that investments that give children access to high-quality schools; provide work and transportation supports to caregivers; offer incentives for employers to hire low-income residents; and provide mentors, after-school programming, or summer jobs to young people can have large impacts on parental outcomes in the labor force and on important youth outcomes such as arrests and academic achievement.[19] The challenge is that these types of investments most often come in the form of small-scale, temporary "initiatives" that are implemented in specific places for short periods of time. In the decades that have passed since the late 1960s, the federal government has never developed an urban agenda designed to generate sustained investment in urban neighborhoods. This type of investment is taken for granted in most communities across the country, but it is long overdue in low-income communities of color.

The third approach is to dismantle or scale back policies that have reinforced and exacerbated geographic inequality and limited the chances for all Americans to gain access to high-opportunity communities. Several options are available, including: scaling back zoning restrictions that limit housing development; implementing mandatory inclusionary zoning policies that require developers to set aside units for affordable housing; ending the mortgage interest deduction and reinvesting government revenue lost to this regressive tax policy into affordable housing development and rental vouchers; providing incentives for coordinated metropolitan-wide plans for transportation, housing, education, and economic development; and taking aggressive steps to end discrimination in the housing and lending markets.[20]

This last approach begins with the recognition that social policy has long been used, sometimes unintentionally and sometimes intentionally, to reinforce racial, ethnic, and economic segregation. New policies and programs are needed to improve the chances for all Americans to experience upward mobility, but working to change existing housing and land use policies may be the most straightforward way to confront geographic inequality.

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Notes

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8. Sharkey, *Stuck in Place*.

9. Ibid.

10. Sharkey, Patrick. 2012. "Residential Mobility and the Reproduction of Unequal Neighborhoods." *Cityscape* 114(3), 9–32. This article also reviews evidence showing that even when individuals make residential moves that lead them into more integrated neighborhoods, processes of change occur around them that lead to higher levels of segregation over time. For instance, I find that when African-American young adults leave home and enter more racially diverse neighborhoods, those neighborhoods begin to change over time as more white families leave and Black families enter. Over time, the change in the neighborhood environment experienced upon leaving the family home fades away as individuals find themselves in neighborhoods that are becoming less racially diverse over time.

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