Unpacking the Black Box in Moving To Opportunity

Jeffrey R. Kling

CBO and National Bureau of Economic Research

Presentation to the HHS meeting on

"What Works, Under What Circumstances, and How?"

September 3, 2014

Neighborhood Effects on the Long-Term Well-Being of Low-Income Adults
Jens Ludwig *et al.*
Science **337**, 1505 (2012);
DOI: 10.1126/science.1224648

… A 1–standard deviation decline in neighborhood poverty (13 percentage points) increases subjective well-being by an amount equal to the gap in subjective well-being between people whose annual incomes differ by $13,000—a large amount given that the average control group income is $20,000.

Subjective well-being is **more strongly affected by changes in neighborhood economic disadvantage than racial segregation**…

Collaborators

Greg Duncan

Lisa Gennetian

David Harding

Lawrence Katz

Ronald Kessler

Jeffrey Liebman

Jens Ludwig

Lisa Sanbonmatsu

Christopher Winship

Support

Casey Foundation

Centers for Disease Control

Department of Housing and Urban Development

Gates Foundation

Institute of Education Sciences

MacArthur Foundation

National Institute on Aging

National Institute of Child Health and Development

National Institute of Mental Health

National Science Foundation

Robert Wood Johnson Foundation

Russell Sage Foundation

Smith Richardson Foundation

Spencer Foundation

W.T. Grant Foundation

4,604 households in high-poverty public housing in 5 cities:

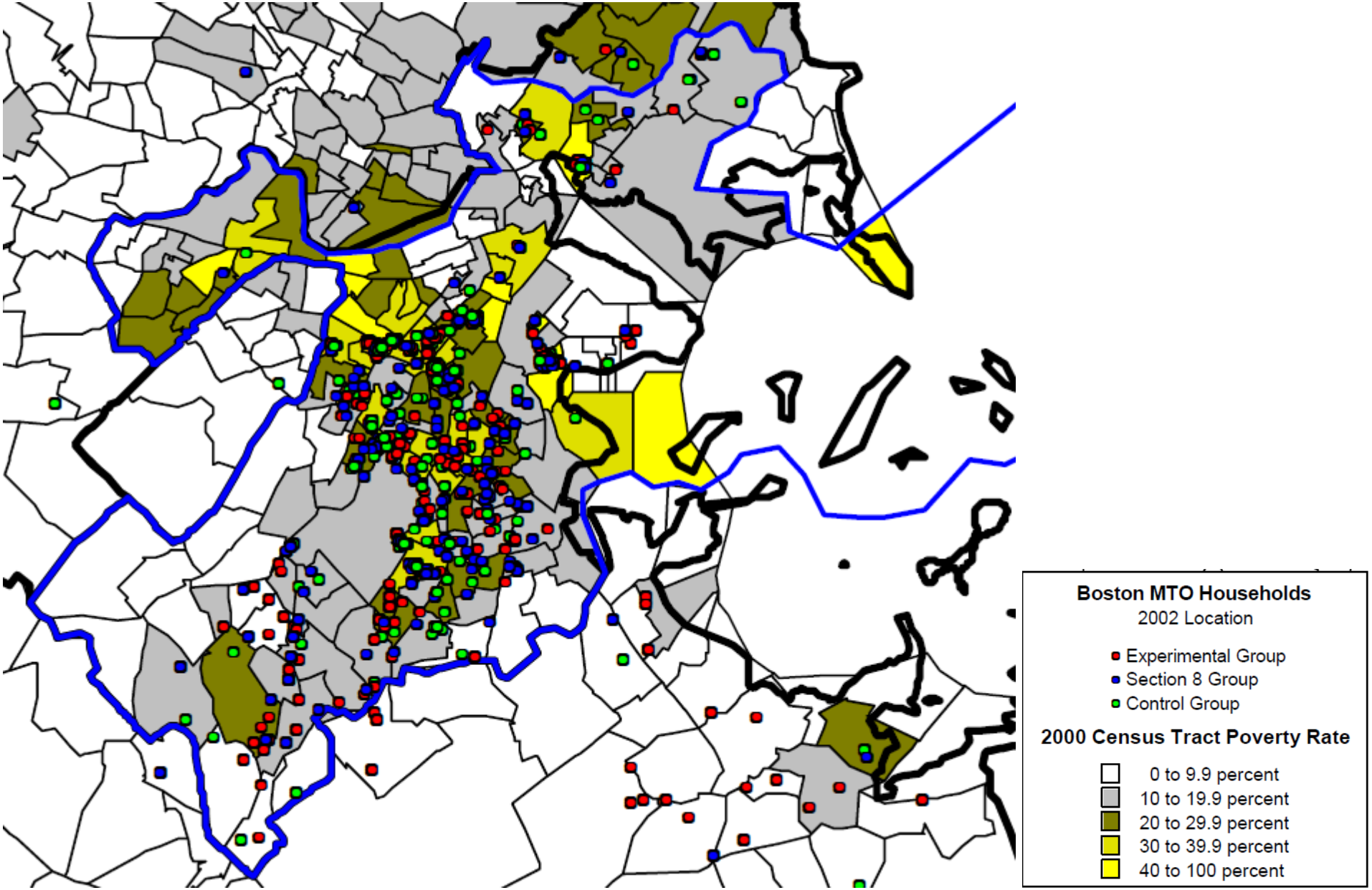
Baltimore, Boston, Chicago, Los Angeles, New York

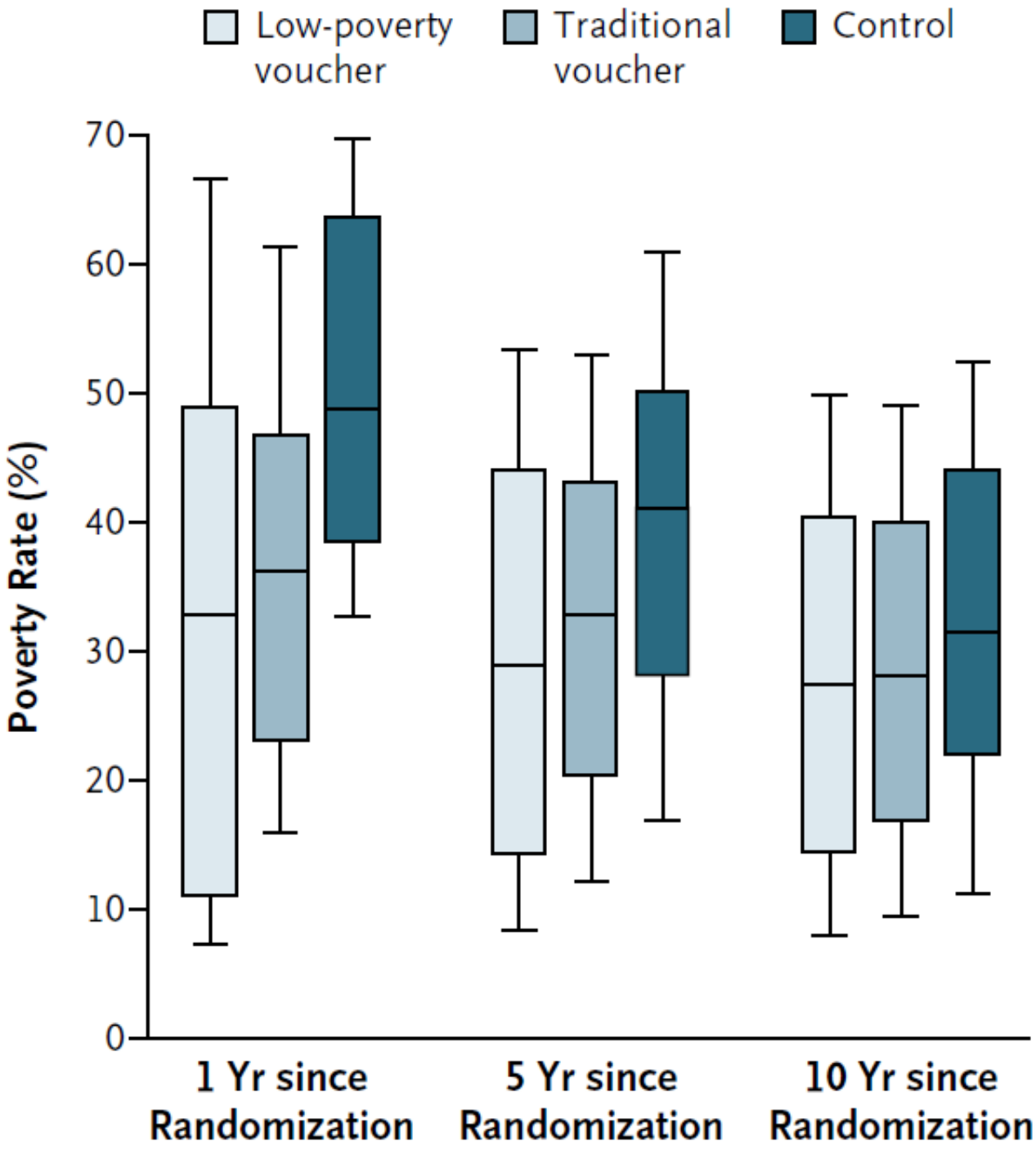
Assigned to groups by lottery from 1994 to 1998

- Low-poverty voucher group – **Housing voucher usable in Census tracts with poverty rates <10%**; mobility counseling
- Traditional voucher group – Housing voucher with unrestricted use
- Control group – No new assistance

Follow-up 12-16 years later; effective survey response rate of 90%

	Control group mean	MTO treatment (voucher) groups mean
	n = 1139	n = 2134
Gender and age		
Female	0.978	0.984
Age as of 31 December 2007 (years)	44.5	44.6
Race and ethnicity		
African-American (any ethnicity)	0.660	0.640
Hispanic ethnicity (any race)	0.304	0.325
Other demographic characteristics		
Never married	0.637	0.623
Working	0.245	0.270
High school diploma	0.361	0.367
General Educational Development (GED) certificate	0.199	0.169*
Receiving Aid to Families with Dependent Children (AFDC)	0.763	0.752
Household characteristics		
Household income (2009 dollars)	$12,438.64	$12,833.64

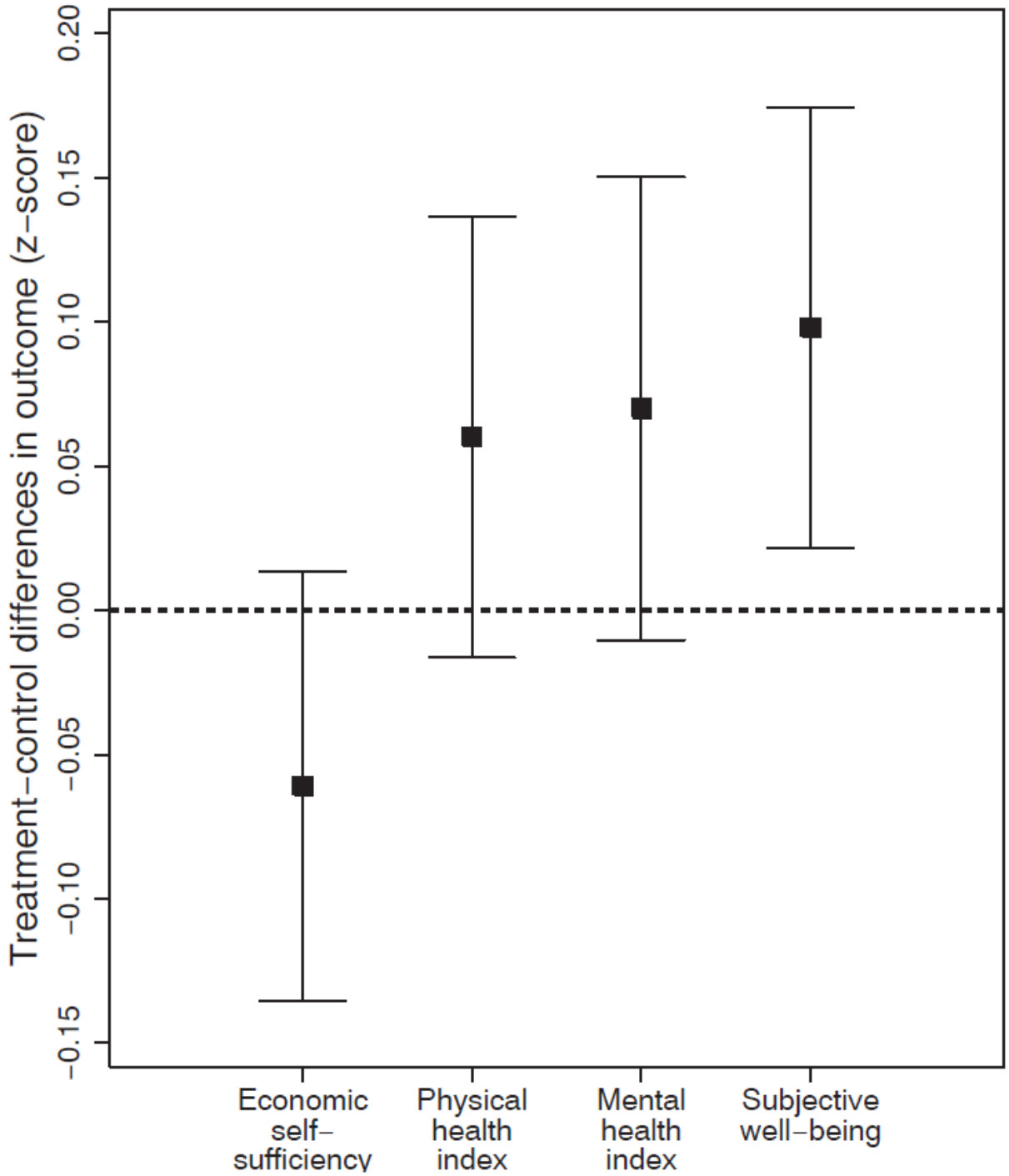

Boston MTO Households
2002 Location
Experimental Group
Section 8 Group
Control Group
2000 Census Tract Poverty Rate
0 to 9.9 percent
10 to 19.9 percent
20 to 29.9 percent
30 to 39.9 percent
40 to 100 percent


Low-poverty voucher
Traditional voucher
Control
Poverty Rate (%)
70
60
50
40
30
20
10
0
1 Yr since Randomization
5 Yr since Randomization
10 Yr since Randomization

Subjective wellbeing measure is based on responses to the following question from the General Social Survey:

> "Taken all together, how would you say things are these days—**would you say that you are very happy, pretty happy, or not too happy**?"

A summary measure of the overall impact of neighborhood conditions on people's lives, this measure has been shown to be correlated in expected ways with objective indicators of well-being such as life events and biological indicators (such as smiling frequency and brain activity).


Treatment−control differences in outcome (z−score)
0.20
0.15
0.10
0.05
0.00
−0.05
−0.10
−0.15
Economic self− sufficiency
Physical health index
Mental health index
Subjective well−being

$$(1)\ Y = Z\pi_{11} + X\pi_{12} + e_1$$

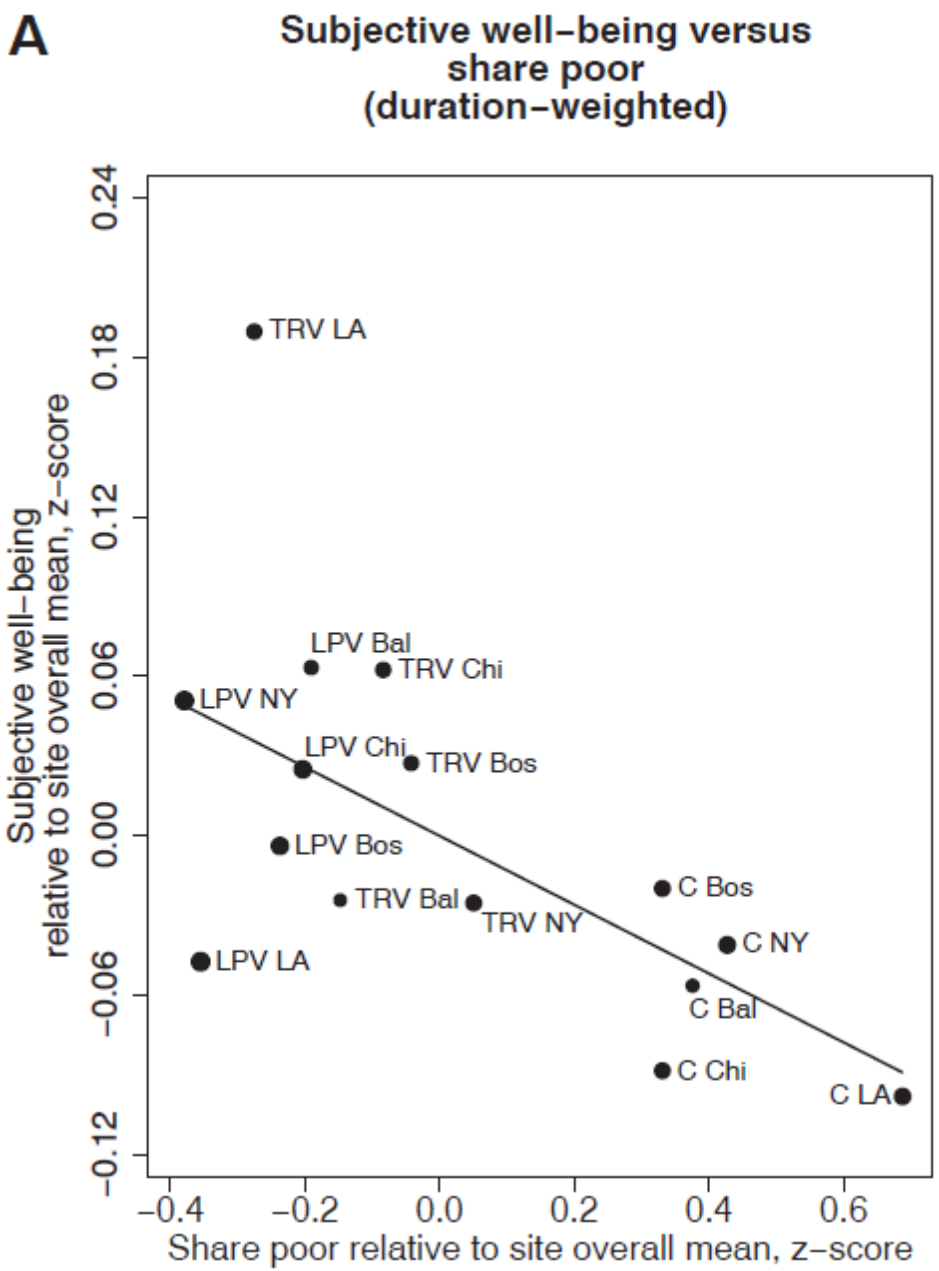
$$(1)\ Y = Z\pi_{11} + X\pi_{12} + e_1$$

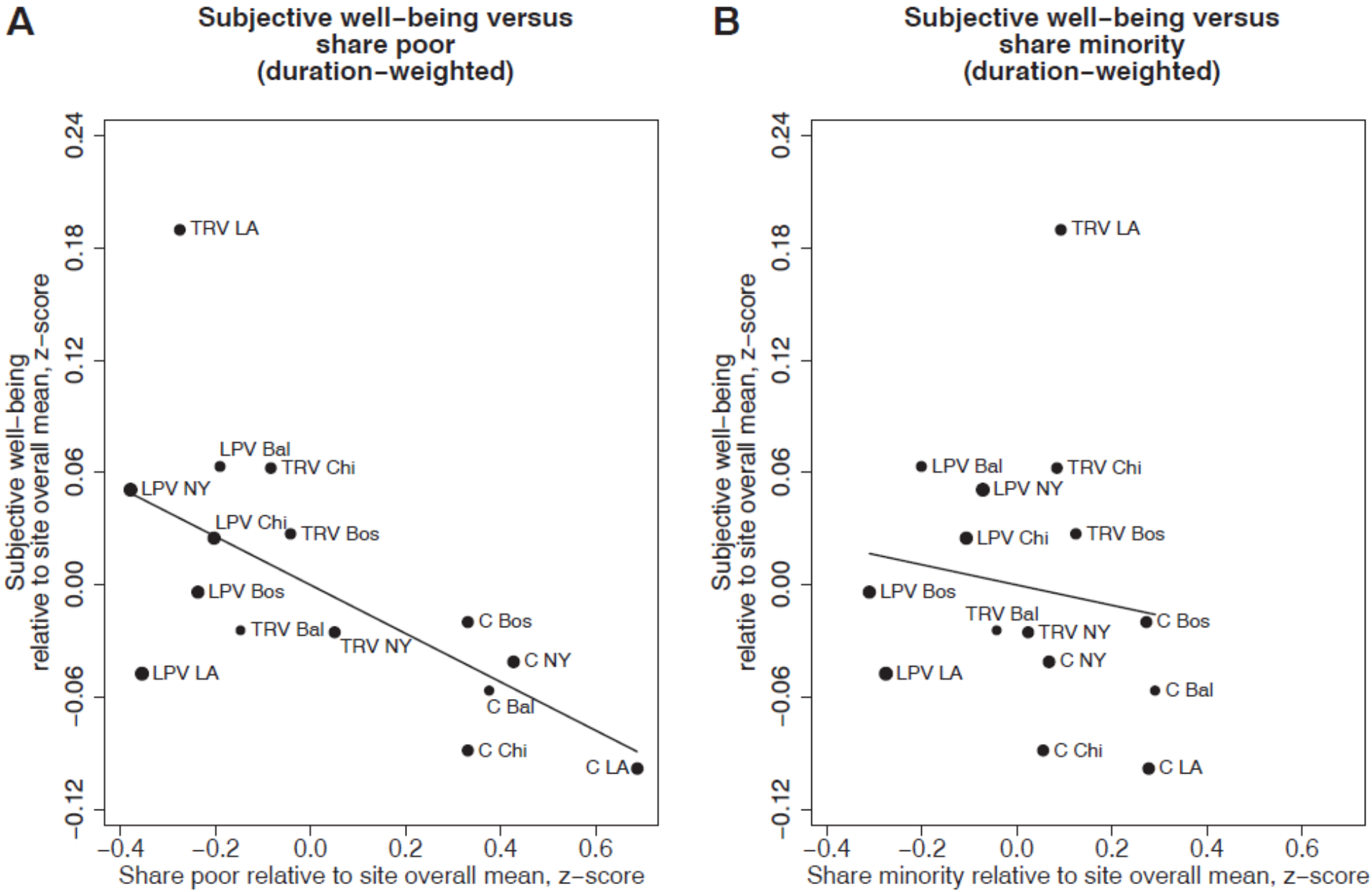
$$(2)\ Y = W\pi_{21} + X\pi_{22} + e_2$$

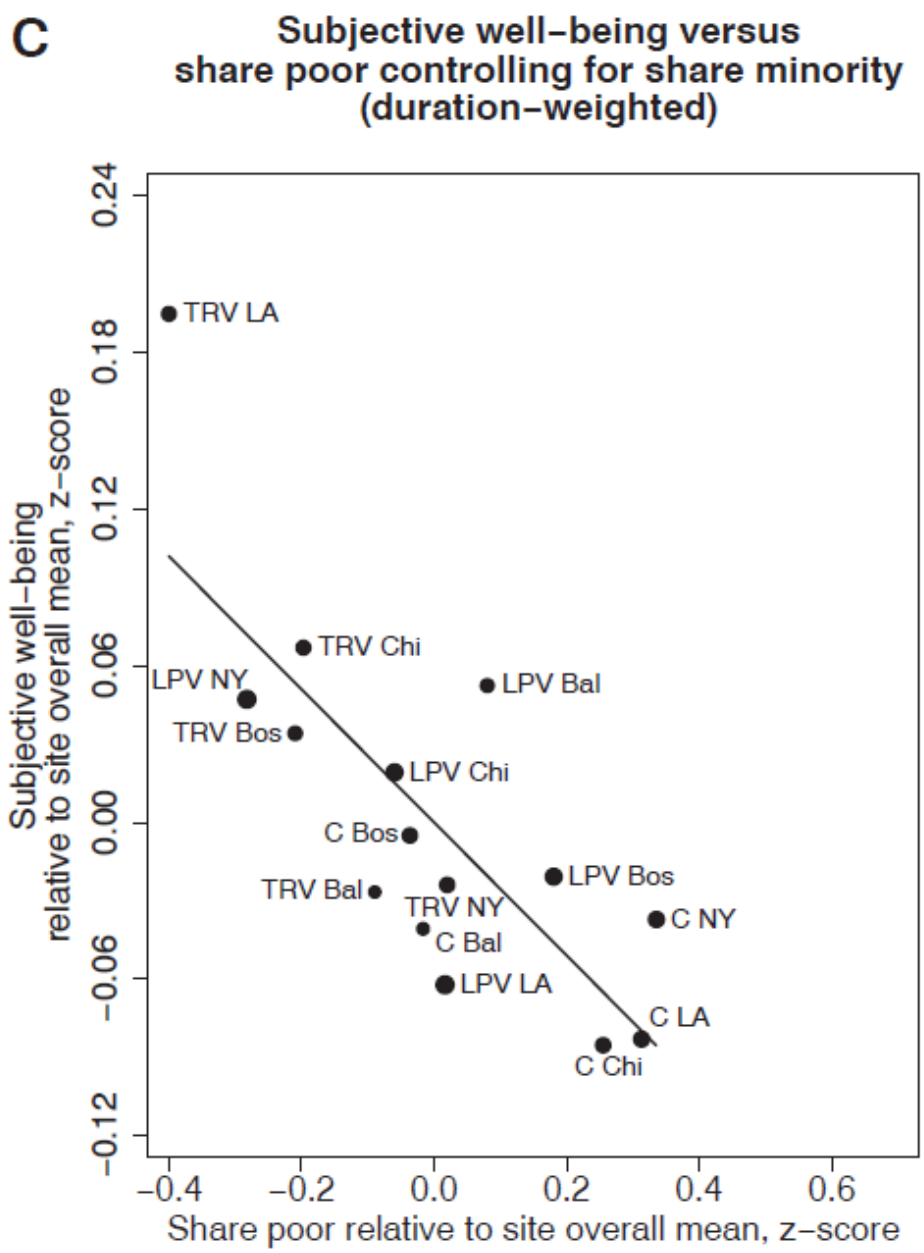
$$(1)\ Y = Z\pi_{11} + X\pi_{12} + e_1$$

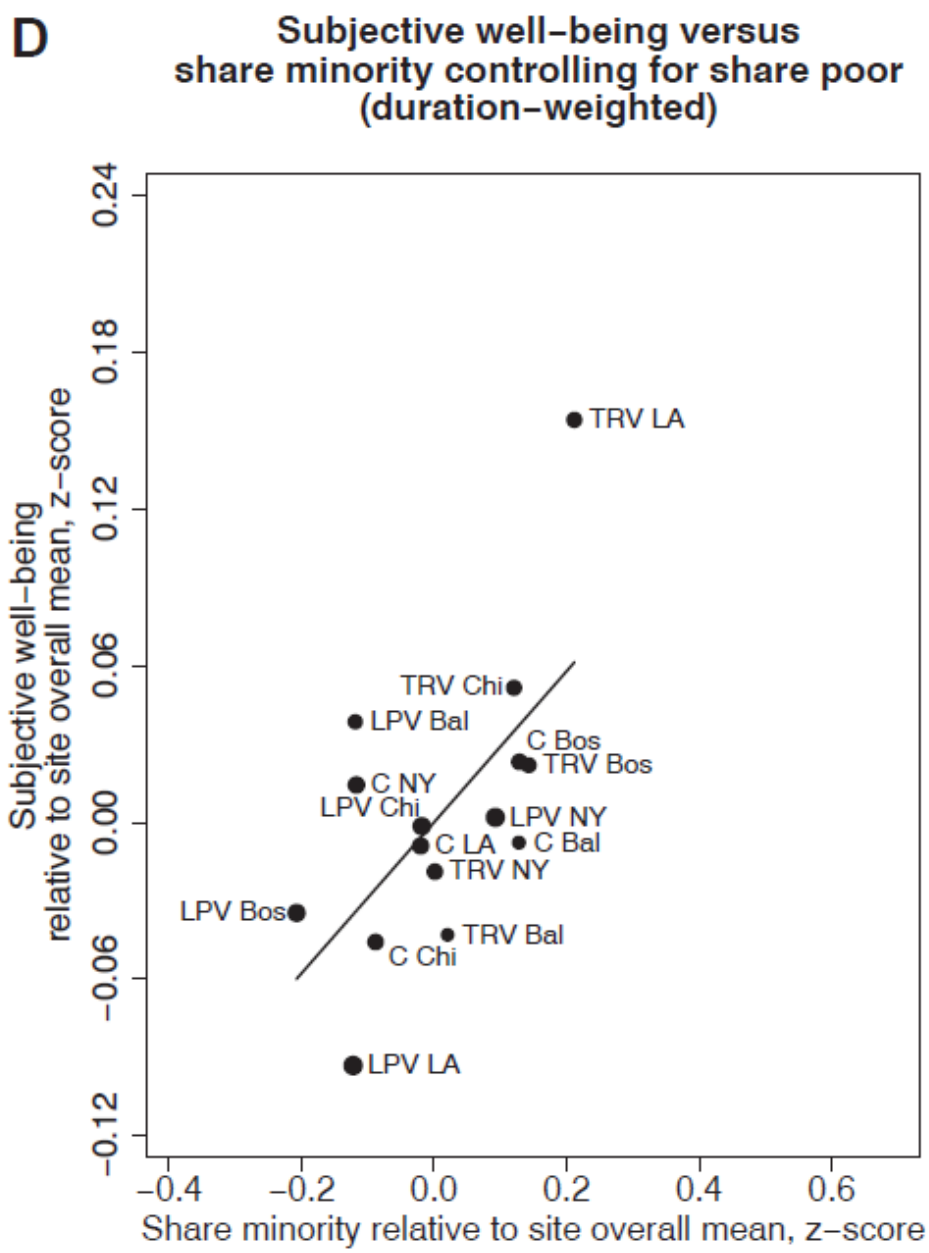
$$(2)\ Y = W\pi_{21} + X\pi_{22} + e_2$$

$$(3)\ W = Z\pi_{31} + X\pi_{32} + e_3$$


A
Subjective well–being versus share poor (duration–weighted)
Subjective well–being relative to site overall mean, z–score
0.24
0.18
0.12
0.06
0.00
−0.06
−0.12
TRV LA
LPV Bal
TRV Chi
LPV NY
LPV Chi
TRV Bos
LPV Bos
C Bos
TRV Bal
TRV NY
C NY
LPV LA
C Bal
C Chi
C LA
−0.4
−0.2
0.0
0.2
0.4
0.6
Share poor relative to site overall mean, z–score


A
Subjective well–being versus share poor (duration–weighted)
Subjective well–being relative to site overall mean, z–score
Share poor relative to site overall mean, z–score
TRV LA
LPV Bal
TRV Chi
LPV NY
LPV Chi
TRV Bos
LPV Bos
TRV Bal
TRV NY
C Bos
C NY
LPV LA
C Bal
C Chi
C LA
B
Subjective well–being versus share minority (duration–weighted)
Subjective well–being relative to site overall mean, z–score
Share minority relative to site overall mean, z–score
TRV LA
LPV Bal
TRV Chi
LPV NY
LPV Chi
TRV Bos
LPV Bos
TRV Bal
TRV NY
C Bos
C NY
LPV LA
C Bal
C Chi
C LA

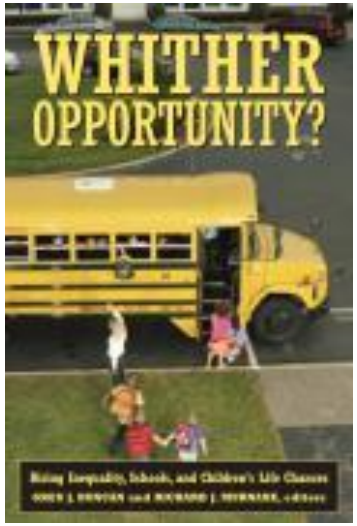

C
Subjective well–being versus
share poor controlling for share minority
(duration–weighted)
Subjective well–being
relative to site overall mean, z–score
0.24
0.18
0.12
0.06
0.00
−0.06
−0.12
TRV LA
TRV Chi
LPV NY
LPV Bal
TRV Bos
LPV Chi
C Bos
LPV Bos
TRV Bal
TRV NY
C NY
C Bal
LPV LA
C LA
C Chi
−0.4
−0.2
0.0
0.2
0.4
0.6
Share poor relative to site overall mean, z–score


D
Subjective well–being versus
share minority controlling for share poor
(duration–weighted)
Subjective well–being
relative to site overall mean, z–score
0.24
0.18
0.12
0.06
0.00
−0.06
−0.12
TRV LA
TRV Chi
LPV Bal
C Bos
TRV Bos
C NY
LPV Chi
LPV NY
C LA
C Bal
TRV NY
LPV Bos
TRV Bal
C Chi
LPV LA
−0.4
−0.2
0.0
0.2
0.4
0.6
Share minority relative to site overall mean, z–score

Relationship between

Subjective wellbeing and two Census tract characteristics

Table S10	2SLS	LIML	Fuller (c=4)	F statistic
Share poor	-.26	-.28	-.27	14.2
Controlling for share minority (duration-weighted)	(.09)	(.10)	(.10)	
Share minority	.28	.32	.29	4.6
Controlling for share poor (duration-weighted)	(.17)	(.19)	(.18)	
P-value of test that coefficients are equal	.03	.04	.03	



Unpacking Neighborhood Influences on Education Outcomes:

Setting the Stage for Future Research

Duncan and Murnane, eds. (2011)

Shift focus to social, economic, and cultural processes that create associations between the compositional or demographic characteristics of neighborhoods

Collect data that measure how individuals and families of different types allocate their time between different places

Use research designs that can unpack the causal effects, if any, of specific neighborhood characteristics as they operate through well-specified mechanisms

Example: **Effects of exposure to violence on academic achievement**

Recruit individuals from the neighborhoods with high levels of neighborhood violence

Select a target set of additional neighborhoods with high neighborhood violence and match each of them to neighborhoods that are comparable in terms of poverty, race, and educational levels but have lower neighborhood violence

Design an intervention that is non-academic, but involves engagement with the neighborhood – such as working on a local clothing drive

Randomly assign these youth to teams in different locations outside of their own neighborhoods

For more information, see:

www.mtoresearch.org