

# The Self-Sufficiency Challenge



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Programs to help people in poverty have myriad benefits, but don't expect them to accomplish what historically only large-scale structural changes have accomplished.

Maria, an African American resident of Boston's troubled Roxbury neighborhood, knows what's wrong with neighborhood revitalization programs: they're insufficient. "In probably 80 percent of this inner-city Boston area, the demographic situation is just horrible. It would need like a complete overhaul," she says.

## The Programmatic Approach

Over the past two years, a fellow researcher and I talked to Maria and hundreds of others in her neighborhood to learn about the impact of a federal foreclosure-intervention program called the Neighborhood Stabilization Program. Much more often than they discussed foreclosures, residents talked about the onslaught of crime, antisocial behavior, low levels of employment, and how underperforming institutions like the police and schools left neighborhood so broken that most doubted it could be fixed through a single repair like foreclosure intervention.

This was not the first time in my experience as an academic researcher, policy analyst, and resident in redeveloped public housing that I have seen housing policy attempt to apply short-term, programmatic solutions to attack problems caused by long-term external forces. The same thing is happening in attempts to promote self-sufficiency using housing programs.

Looking at the evidence through a socioeconomic lens reveals a disconnect between our understanding of the causes of social prob-

lems and their proposed solutions. Attempts to move housing-program participants to self-sufficiency are undermined by what many experts regard as “structural forces”: the economic shift away from an industrial economy, a legacy of anti-urban policies, ongoing racial discrimination, and inadequate and unequal distribution of resources. If structural forces are key, then increasing economic mobility for people is more a matter of political will than programmatic design.

Two of the best-known programs associated with contemporary public-housing reform are the Housing Opportunities for People Everywhere (HOPE) VI program (1992–2010), which promoted the redevelopment of public-housing projects into mixed-income developments, and the Moving to Opportunity (MTO) demonstration (1992–2002), which sought to relocate poor families to middle-income neighborhoods. Both programs were based on the belief that moving people out of high-poverty public-housing projects and into higher-income and less racially segregated communities would improve their economic mobility. Moving to Opportunity, in particular, recruited motivated families who wanted a better life for themselves and their families.

But neither of the programs could address the broader social and economic trends that caused the misfortune found in high-poverty neighborhoods: civic infrastructure worn from years of divestment, discriminatory behavior practiced by employers, brokers, or fellow citizens, and the fact that some jobs have moved to the suburbs and others have left the country entirely.<sup>1</sup> Temporary and targeted housing programs were being asked to intervene in ongoing processes that have proven durable and pervasive.

## Looking at the evidence through a socioeconomic lens reveals a disconnect between our understanding of the causes of social problems and their proposed solutions.

After 20 years of program implementation, an assessment indicates that the programs helped many people get by but were ineffectual when it came to helping them get ahead. It’s important that housing programs have helped ease the burdens of poverty, and residents’ quality of life has improved. But the programs have not helped residents achieve economic mobility: residents have made few gains in terms of employment, earnings, or reduction of welfare use.

While certainly some of the outcomes can be attributed to program implementation, details about some participants’ attempts to move to housing in low-poverty suburbs illustrate the consequen-

es of the long-term structural trends. Participants encountered instances of racial discrimination, especially in their housing searches. Neither the new neighborhood nor the new neighbors proved a source of job leads. Participants also reported a lack of decent, affordable housing, since the suburbs are dominated by single-family (and therefore relatively expensive) homes.

The absence of public transportation reduced the accessibility of suburban locations. Some participants did live for a time in more racially integrated environments. But in those cases—according to interviews—people who moved, especially the movers’ sons, encountered racial stereotypes and reported feeling that both the neighbors and police regarded them as ghetto thugs.

Explanations for the disappointing findings abound, but the fact is that housing-program participants confronted structural problems—a general lack of jobs, a country uncomfortable with racial and economic mixing, and a legacy of policies concentrating the poor into geographic areas. The structural problems were what ultimately thwarted participants’ aspirations of self-sufficiency.

### Income Mobility

What does all of this mean for housing? Most important, let’s measure housing programs against their core competency—improving poor people’s housing. Solid evidence shows that good housing programs improve quality of life. But efforts to use housing to move people to self-sufficiency have usually demonstrated the intractable nature of poverty and the significant structural barriers to getting ahead. Perhaps housing programs should set the more modest—but fundamentally important—goal of helping people get by.

What does this mean for an income-mobility agenda? Clearly, a structural approach is needed. What might that look like? Policies that intend to effect structural changes by enacting durable and pervasive interventions do exist. The Community Reinvestment Act is a housing policy that takes a structural approach. It has shown robust outcomes in the specific area in which it seeks to effect change: increasing lending to low-income minority families. In creating the act, Congress assumed that scale would be instrumental to the program’s success and aimed to uniformly apply lending standards to all marginalized neighborhoods.

Structural changes can also be made outside the housing arena. For example, governance that features a regional tax base and decisions that are made equally by both urban and suburban populations would address the perennial call to make greater investments in education by expanding school districts. Another structural approach would be increasing the minimum wage, an effort that has been gaining momentum. What such efforts have in common—and what makes them different from public-housing programs—is that they aim to impact all poor people, all the time.

A smattering of evidence suggests that increasing economic

mobility for those at the bottom of the economic spectrum is also in the hands of everyday people, who could support a tax policy more similar to those of other developed nations. Those countries facilitate lower- and middle-class mobility by requiring, in the words of one observer, “more money from the middle class itself.”<sup>2</sup>

## The programs helped many people get by but were ineffectual when it came to helping them get ahead.

Of course, the middle class feels so squeezed financially that it is hard to ask for more. But members of the middle class possess something important beyond financial capital, and that is human and social capital. They tend to have not just more money, but more skills and social connections than poorer people, who can benefit simply from living closer in more mixed communities.

One study found that the location—quite literally—of the middle class does matter for income mobility of the poor.<sup>3</sup> Using data from the United States, researchers concluded that the metropolitan areas that had greater dispersion of poor families in metropolitan neighborhoods also tended to have higher upward mobility.

That may be a surprising result, given that programs specifically designed to promote mixing were not successful. But it is important to note that the patterns the researchers identify reflect a general pattern of residents’ voluntary locational choices, not programmatic prescriptions. In addition, as the researchers caution, one does not know if spatial mixing alone caused economic mobility or if the patterns identified could reflect middle class preference for diversity and a more general willingness to engage with poorer people and their needs and concerns. In other words, the middle income families who choose to live in more economically mixed regions might be more willing to leverage their economic, human, and social capital to elevate their less well-off neighbors.

Occasionally, social science is accused of belaboring the obvious. Some may argue that the results from HOPE VI and MTO regarding the impact of bad neighborhoods seem unnecessary. It is common sense that it is harmful to live in a neighbor-

hood with high levels of violence and poorly performing schools. But it is possible that an experiment was necessary to learn that providing access to harmless neighborhoods is not sufficient to help even motivated, disadvantaged people enter into the economic mainstream.

Decent, safe, and affordable housing can help poor families get by, but changes in the attitudes and behaviors of an entire society are needed to help them get ahead.

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### Endnotes

- <sup>1</sup> Erin M. Graves, “Getting By vs. Getting Ahead: The Burden on Housing Programs” (Federal Reserve Bank of Boston Discussion Paper, forthcoming).
- <sup>2</sup> Eduardo Porter, “Combating Inequality May Require Broader Tax,” *New York Times*, November 28, 2012.
- <sup>3</sup> Ben Olinsky and Sasha Post, “Middle-Out Mobility—Regions with Larger Middle Classes Have More Economic Mobility” (white paper, Center for American Progress, Washington, DC, September 4, 2013).

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