

Stuck in Place

Urban Neighborhoods
and the End of Progress
toward Racial Equality

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The Inheritance of the Ghetto

In his book *The Truly Disadvantaged*, published in 1987, William Julius Wilson put together a theory that made sense of what Americans were seeing on the nightly news as they turned on their TV sets in the 1980s.¹ They were seeing violence that was concentrated in specific segments of America's cities to a degree that had not existed since the riots of the 1960s. They were seeing urban blight that left areas of the city empty and abandoned. They were seeing crack addicts and the homeless strewn across urban streets. And most of the faces they saw in these images were black. When Americans read the morning newspaper they saw statistics about the deterioration of the two-parent family structure, the rising dropout rate, failing urban schools, and the rising incarceration rate—and all of these trends were most pronounced among African Americans.

Some of what the nation saw and read was a product of sensational journalism and subtle racism—the images and stories of violence and desperation did not represent the large majority of black neighborhoods.² Even so, the statistics on poverty, crime, and violence confirmed the emergence of a new type of urban poverty. Wilson's book laid out a theory to explain the transformation of urban neighborhoods that has been repeated so frequently that it almost seems obvious in hindsight. In his book Wilson documented how the manufacturing base in northeastern and midwestern cities had begun to evaporate, leaving minority populations that had relied on stable, working-class jobs since the Great Migration without an employment base. With the decline in manufacturing jobs within central cities, joblessness skyrocketed and there were fewer “marriageable” black men who could support a family and play the role of breadwinner—the rate of families headed by a single parent rose sharply, as did the rate of welfare receipt. In addition to the transformation of urban labor markets, Wilson demonstrated how civil rights legislation allowed middle-class blacks to expand the boundaries of urban ghettos, or to leave them altogether, a process that had the unanticipated consequence of removing the “middle-class buffer” from black neighborhoods. When the middle class left, the community

institutions they left behind, including the church and the schools, deteriorated rapidly.

The result of these and other, subtler changes was a concentration of poverty in the urban ghetto that was associated with an array of social problems, including violence, homelessness, joblessness, rising rates of families headed by single women, and welfare receipt. Whereas the ghetto of the 1940s was a place where all classes of African American families were forced to live, the ghetto of the 1980s was a place where the most impoverished African Americans had been abandoned. Americans saw the consequences of this concentration of poverty when they made forays into central cities or when they turned on their TVs and witnessed the everyday blight and bloodshed that characterized the urban ghetto of this period.

The second major work on urban poverty that was published during this period came from Douglas Massey and Nancy Denton, who wrote *American Apartheid* several years after the publication of Wilson's book.³ Massey and Denton's argument did not challenge the accuracy of the theory put forth by Wilson, but they argued that Wilson's book overlooked the “missing link” underlying all of the changes that he had documented: the persistence of racial segregation. In *American Apartheid* and in subsequent works, Massey and his co-authors described how the changes in the labor markets of urban areas and the increase in black poverty that Wilson documented would not have had such serious consequences were it not for the rigid segregation in America's urban neighborhoods.⁴ The core empirical finding underlying Massey's claims was this: despite the major advances made in civil rights in the late 1960s, racial segregation had barely declined in the post civil rights era. Decades after the Fair Housing Act of 1968, many of America's largest cities remained “hypersegregated,” to use a term coined by Massey and Denton to describe areas characterized by the isolation and concentration of minority populations. Severe racial segregation was a necessary condition for the concentration of urban poverty and all of the social problems that emerged with it, they argued.

If one is willing to simplify the complex set of theories and analyses put forth by Wilson and Massey and their co-authors, there are two crucial observations about urban poverty that stood out from their work. The first, from Wilson, is that ghetto poverty transformed in the post World War II period, so that urban ghettos were increasingly characterized by the concentration of poverty and related social problems. The second, from Massey, is that racial segregation has persisted in the post civil rights era, and the segregation of urban neighborhoods by race has allowed for the concentration of poverty and other problems that Wilson described. The way that scholars

have studied the sources of neighborhood inequality, the consequences of neighborhood inequality, and the persistence of racial inequality in America has been shaped by these two complementary observations about the persistence of racial segregation and the concentration of poverty in America's cities. In the wake of this research from Wilson and Massey, poverty has increasingly come to be thought of not only in individual terms but also in terms of how it is distributed across space and across communities.

This chapter presents evidence in support of an additional observation that provides a new perspective for scholars and policy makers attempting to understand and respond to concentrated poverty. The problem of urban poverty in the post civil rights era is not only that concentrated poverty has intensified and racial segregation has persisted *but that the same families have experienced the consequences of life in the most disadvantaged environments over multiple generations*. It is not just that the ghetto has persisted, but that the ghetto has been inherited. The problems and challenges of life in the urban ghetto are problems experienced by parents and then passed on to children—multiple generations of family members have been taught in the nation's worst schools and have been exposed to the nation's most unhealthy and most violent environments. This observation complicates the way scholars understand urban poverty, but it also complicates the way policy makers think about addressing urban poverty—confronting the problems of the urban ghetto requires confronting problems that have been faced by generations of African American families. This is the problem of the inherited ghetto, and this chapter presents the initial evidence to document how severe a problem it is.

Neighborhood Poverty in Black and White, Past and Present

Before describing the transmission of neighborhood environments across generations, a process I refer to as contextual mobility, it is useful to begin by describing the overall degree of racial inequality in children's neighborhood environments both in the past and in the present. Figure 2.1 shows the distribution of neighborhood environments of white and black children born during two distinct periods: first, children born from 1955 through 1970, the first cohort of children raised during or just after the civil rights era; and second, children born thirty years later, from 1985 through 2000, a group that can be thought of as the current generation of American children and young adults.

As is visible from the figure, being raised in a high-poverty neighborhood is extremely rare for whites born in both periods, but is the norm for African Americans. Among children born from 1955 through 1970, only 4 percent of

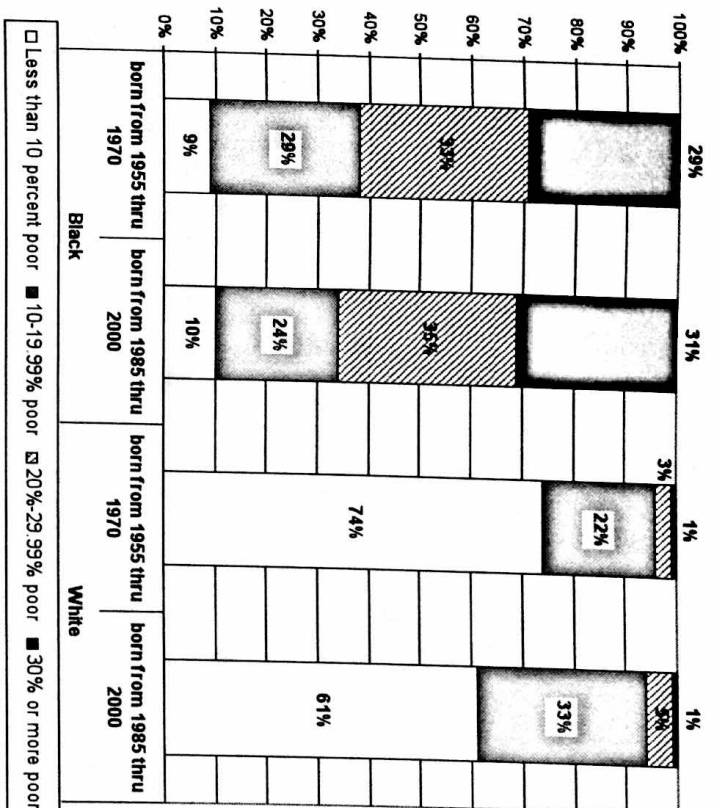


Figure 2.1. Neighborhood poverty levels among blacks and whites born in two periods: 1955–70 and 1985–2000.

whites were raised in neighborhoods with at least 20 percent poverty, compared to 62 percent of African Americans. Three out of four white children were raised in neighborhoods with less than 10 percent poverty, compared to just 9 percent of African Americans. Essentially no white children were raised in neighborhoods with at least 30 percent poverty, but three in ten African Americans were. These figures reveal that African American children born from the mid-1950s to 1970 were surrounded by poverty to a degree that was virtually nonexistent for whites.

This degree of racial inequality is not a remnant of the past, as the figures for children born thirty years later make clear. If there is any difference between children in the previous generation and in the current one, the degree of neighborhood disadvantage experienced by African American children has worsened in the current generation. Two out of three African American children born from 1985 through 2000 have been raised in neigh-

hoods with at least 20 percent poverty, compared to just 6 percent of whites. Only one out of ten African Americans in the current generation has been raised in a neighborhood with less than 10 percent poverty, compared to six out of ten whites. Even today, 31 percent of African American children live in neighborhoods where the poverty rate is 30 percent or greater, a level of poverty that is unknown among white children.

While the severity of neighborhood disadvantage experienced among the black population has been well documented, these figures provide a striking reminder of the fact that black and white children in America continue to be raised in entirely distinct environments. One might wonder whether the racial discrepancies visible in figure 2.1 reflect simple differences in the degree of individual poverty among blacks and whites—blacks may live in poor neighborhoods because they have lower income themselves, for instance. This is not an adequate explanation for the patterns in figure 2.1. If this figure is reproduced including only black and white families who are in the upper portion of the income distribution, the racial gaps in neighborhood poverty are even more pronounced. About half of middle- and upper-income blacks were raised in neighborhoods with at least 20 percent poverty, compared to 1 percent of whites. This finding is consistent with extensive research demonstrating that blacks and whites with similar economic status live in dramatically different residential environments, with blacks living in areas with higher crime rates, poor quality schools, higher poverty rates, lower property values, and severe racial segregation.⁵

Living amid such concentrated poverty does not mean simply that a child's neighbors have little money. In the American context, neighborhood poverty is fundamentally interwoven with racial segregation, with the resources available for children and families in the community, with the quality of local institutions like schools, with the degree of political influence held by community leaders and residents, with the availability of economic opportunities, and with the prevalence of violence. Living in a high-poverty neighborhood typically means living in an economically depressed environment that is unhealthy and unsafe and that offers little opportunity for success.

Figure 2.2 uses census data to provide a partial description of the different dimensions of disadvantage that come bundled together at the neighborhood level by examining characteristics of high-poverty neighborhoods in 1970 and in 2000, as compared to all other nonpoor U.S. neighborhoods in both years, the most prominent racial or ethnic group in neighborhoods with at least 30 percent poverty was, not surprisingly, African Americans. In 1970, the poorest U.S. neighborhoods were 44 percent black, while neighbor-

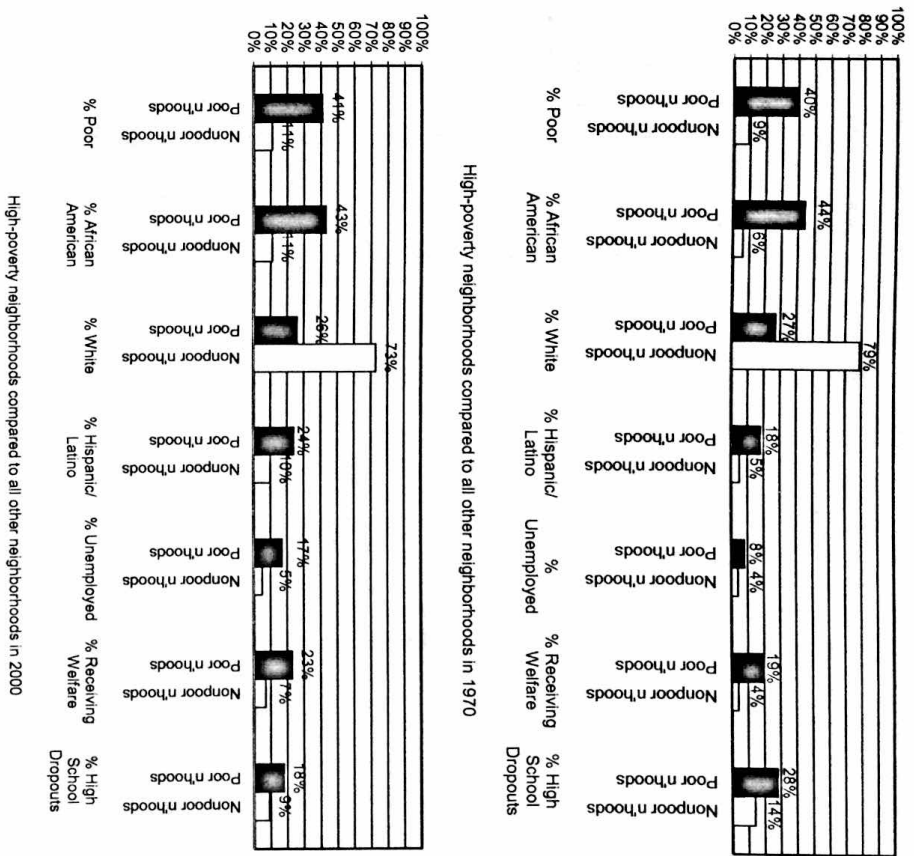


Figure 2.2. Characteristics of high-poverty neighborhoods in 1970 and 2000.

hoods with less than 30 percent poverty were just six percent black, on average. In 2000, high-poverty neighborhoods were 43 percent black, compared to 11 percent black in the remainder of neighborhoods. In both periods, high-poverty neighborhoods had extremely high rates of joblessness and idleness. For instance, in 1970 high-poverty neighborhoods had 8 percent unemployment, 19 percent welfare receipt, and a high school dropout rate of 28 percent among youth aged 16–19. By 2000 these figures had changed somewhat due to the worsening educational attainment of the population as a whole and the worsening economic climate in such neighborhoods—in 2000, high-poverty neighborhoods had unemployment rates of 17 percent

and welfare receipt rates of 23 percent, while 18 percent of youth aged 16-21 were high school dropouts. Compared to the rest of the nation, these neighborhoods featured a remarkable concentration of jobless adults—in 2000, the unemployment rate in high-poverty neighborhoods was more than three times as high as in the rest of the nation.

Even these figures do not capture some of the most salient aspects of high-poverty neighborhoods, such as the prevalence of violence. Data on crime and violence at the level of neighborhoods are not available for the nation as a whole, but it is possible to provide a more vivid description of what it means to live in an area of concentrated disadvantage by narrowing the focus to a single city with available data, in this case Chicago, and to a single dimension of violence, in this case homicides. The maps in figures 2.3 and 2.4 show census tracts in Chicago in 1970 and 2000, respectively, and are shaded by the degree of neighborhood poverty in the census tract, with the darkest shaded tracts indicating those with at least 30 percent poverty. The maps also show the spatial distribution of homicides occurring in Chicago from 1966 through 1970 and then from 1966 through 2000.⁶

As is strikingly visible from the maps, the concentration of violence goes hand in hand with the concentration of poverty. There is a remarkable spatial clustering of homicides in and around neighborhoods with high levels of poverty, a pattern that is most striking in 1970 when the vast majority of homicides were clustered in the most disadvantaged sections of the city, the primarily black, high-poverty neighborhoods of the west and south sides. By 2000, poverty had spread as the traditional black ghetto widened to include a broader area stretching further south and further north and west. The spatial distribution of homicides widened accordingly, stretching into the same new high-poverty neighborhoods. In both periods, there are entire sections of this violent city where the most extreme form of violence, a local homicide, is an unknown occurrence. There are other neighborhoods where homicides are a common feature of life. Several neighborhoods on the south and west sides of the city experience the shock of a local homicide on a regular basis, almost once a month on average.

Not every city is as segregated by race and income as Chicago is, and not every city is as violent. Still, these maps provide perhaps the most vivid portrait of what living in areas of concentrated poverty can mean in America's cities. The neighborhoods shaded darkest in the maps, where the dots representing homicides are most densely clustered, are the types of neighborhoods in which three out of ten black children from the current and previous generations have been raised in America. These are environments that

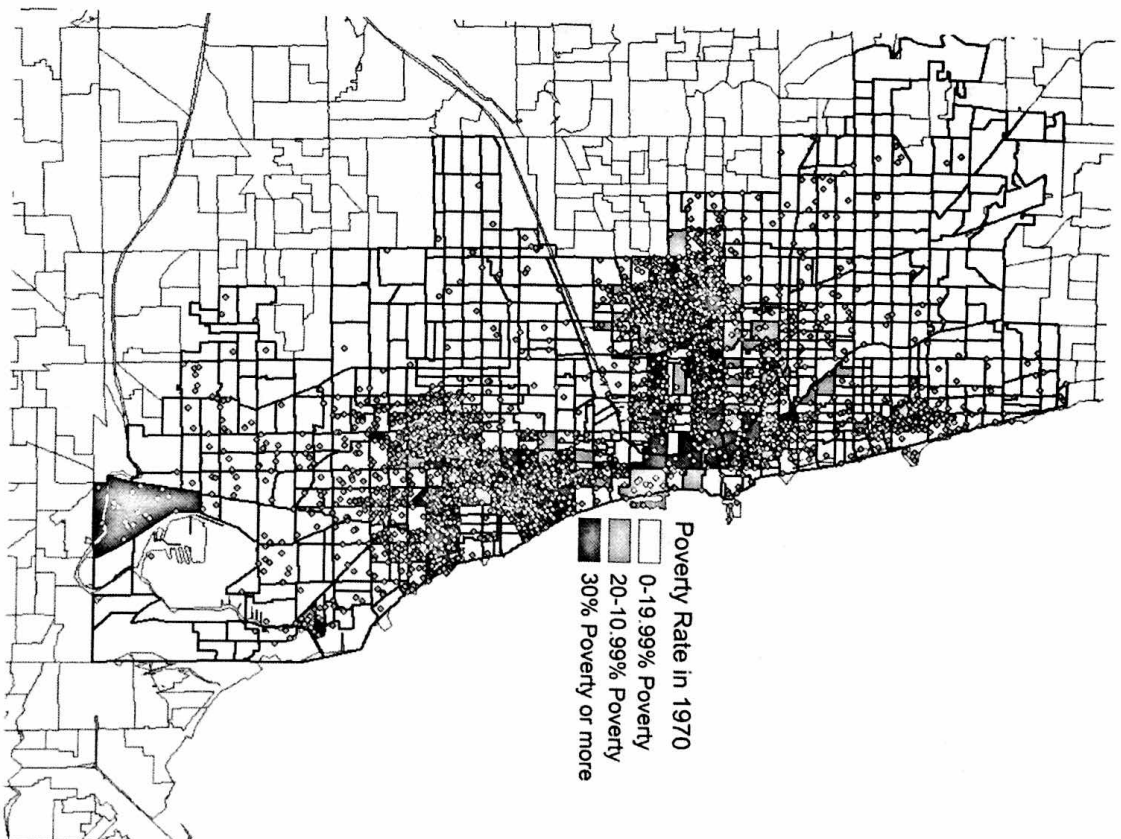


Figure 2.3. Homicides in Chicago from 1966 to 1970, by neighborhood poverty rate.

are unknown among whites, whether they were born in the late 1950s or the late 1990s. While the figures and maps presented to this point reveal the severity of racial inequality in America's neighborhoods, this evidence does not reveal how neighborhood inequality has been experienced by families over time. Numerous scholars have examined the degree of disadvantage at a given point in time or as experienced by a given birth cohort. But these studies have not considered how advantaged and disadvantaged neighborhoods have been transmitted from parents to children, or the degree of *multigenerational* exposure to neighborhood poverty. The remainder of the chapter turns to these issues by examining intergenerational *contextual mobility*.

The Intergenerational Transmission of Neighborhood Environments

In beginning to think about the degree of contextual mobility in the post-civil rights era, it is necessary to consider first a more abstract question about intergenerational transmission: why is inequality, along any dimension, transmitted across generations? Much of the recent literature on economic mobility approaches this question inductively by examining how much of the similarity in adult income between parents and their children can be explained by other aspects of their lives—their occupations, for instance, or their educational attainment. This same approach can be used to better understand contextual mobility, and later in the chapter I test whether continuity across generations of family members is explained by various aspects of family background, human capital, or economic resources that parents pass on to their children.

However, there are also unique reasons why successive generations of family members may end up in very similar neighborhood environments, reasons that are independent of families' human capital or financial resources. The most obvious reason is that people develop ties, both social and psychological, that connect them with specific places.⁷ A child who is raised in a working-class neighborhood, for example, may continue to live in such a neighborhood even if he lands a job in a white-collar occupation and could afford to live in a more affluent neighborhood. The attachment to the neighborhood in which he was raised, the sense of "belonging" that he feels in a working-class area, may be more important than the desire to move to a new environment.

But while ties to places are likely to be important for all groups, there are several mechanisms that facilitate or constrain the mobility of white and nonwhite racial and ethnic groups in very different ways, leading to the

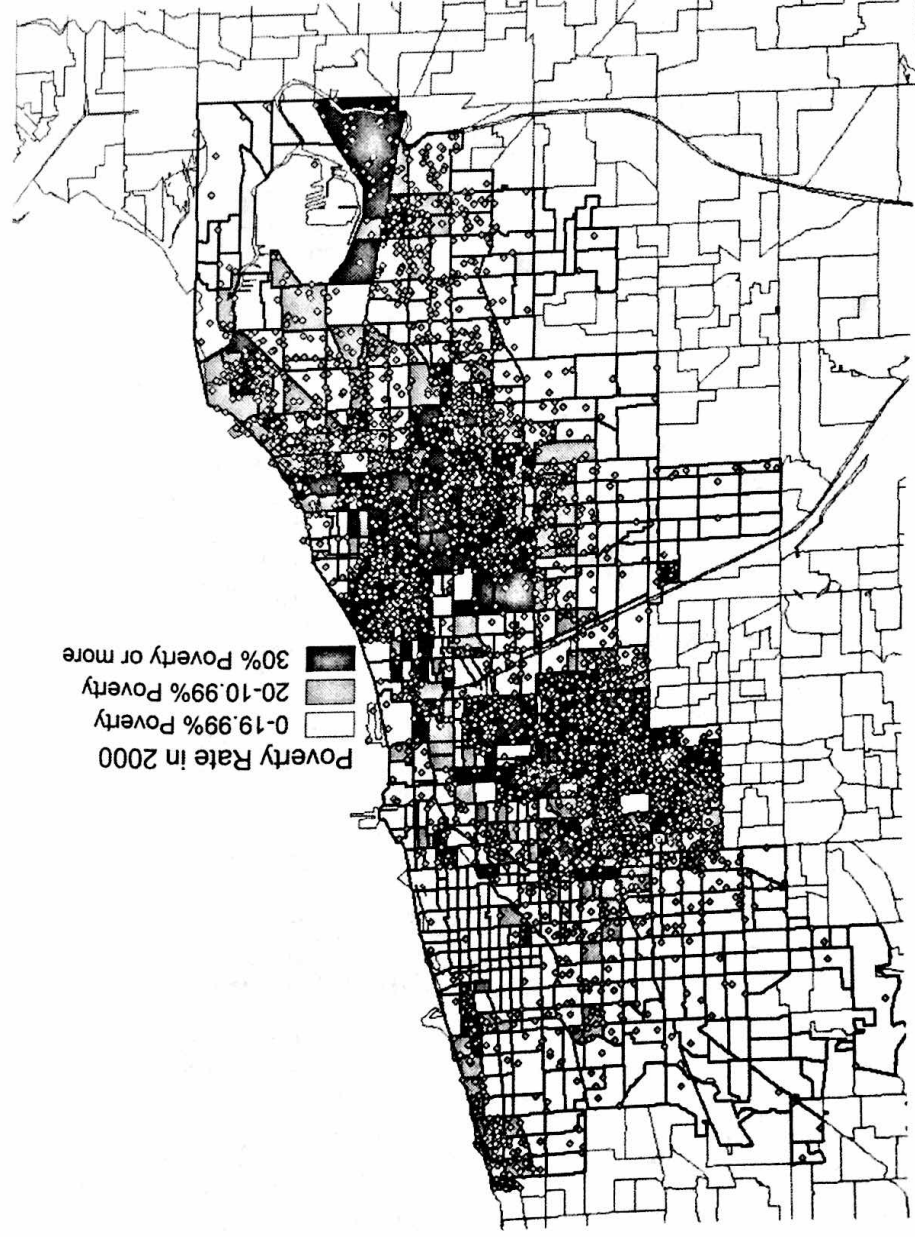


Figure 2.4. Homicides in Chicago from 1996 to 2000, by neighborhood poverty rate.

reproduction of racial inequality in neighborhood environments over time. Discrimination in the housing market is one obvious example of an explicit and effective mechanism by which racial inequality was maintained through the 1960s and beyond.⁸ Although discrimination in the housing and lending markets was made illegal with the passage of the Fair Housing Act of 1968, there is strong evidence that racial discrimination in rental housing and home mortgage lending remains prevalent in American cities.⁹ In addition to blatant discriminatory practices, the residents of a neighborhood may use informal intimidation or violence to “defend” their neighborhood from encroachment by members of other racial or ethnic groups,¹⁰ while other actors like real estate agents and local politicians may take informal or formal action to restrict blacks to specific sections of urban areas and to maintain boundaries between minority ghettos and white neighborhoods.¹¹

It is also possible, of course, that individual preferences and mobility decisions have played a role in maintaining the rigid segregation in America’s cities. Part of the reason why preferences for neighborhood composition have garnered increasing attention as an explanation for residential patterns in urban areas is the realization that despite the declines in organized discrimination following the 1960s, America’s cities continue to be remarkably segregated by race and ethnicity.¹² Some have argued that different racial groups’ preferences help to explain why segregation is so persistent—for instance, one very consistent finding from this literature is that African Americans are the most open of any racial or ethnic group to living in integrated neighborhoods, yet this group is ranked as the least attractive neighbors by all other racial and ethnic groups.¹³ Even this claim is complicated, however, because of the possibility that individuals’ stated preferences about their desired neighborhood racial composition may reflect more general desires to live among high-status neighbors or in neighborhoods with low crime rates and high property values.¹⁴ In a nation with severe racial inequality, the racial composition of a neighborhood may serve as a proxy for these diverse neighborhood attributes that affect where white and black Americans choose to live.¹⁵

Researchers have made little progress in sorting out the relative importance of each factor that plays some role in maintaining rigid segregation in urban neighborhoods. But the larger point is that all of the factors I have discussed—social and psychological ties to places, discrimination, informal intimidation, and individual preferences—provide unique explanations for why neighborhood advantages and disadvantages are particularly likely to linger on over time and to be passed on from parents to children. In other words, these factors support the hypothesis that neighborhood inequality

may be one of the most rigid dimensions of inequality in America, and they help to explain why mobility out of the poorest neighborhoods may be even less common than mobility out of individual poverty.

Only a few studies have examined the degree of continuity and change in families’ neighborhood environments over time, however. The small number of studies that have examined patterns of continuity and change have reached a common conclusion: blacks from all income groups are much less likely than whites to exit from poor neighborhoods, and are more likely to experience downward contextual mobility (e.g., moving from a middle-income neighborhood to a poor neighborhood) than upward mobility, at least when mobility is measured over a small number of years.¹⁶ In fact, African Americans have repeatedly been found to be much less likely to move out of high-poverty neighborhoods than whites, even after accounting for other individual differences.¹⁷

These studies suggest substantial differences in the degree of persistent neighborhood disadvantage experienced by blacks and whites, but the studies are limited because they typically focus on short intervals in a child’s life, providing only a brief glimpse into the patterns of continuity and change across the life course. The remainder of this chapter represents the first effort to provide evidence on the overall persistence of neighborhood economic status across the full distribution of neighborhoods and from one generation of family members to the next.

An Initial Look at Contextual Mobility

To what extent are neighborhood conditions passed on from parents to children? To generate the first piece of evidence addressing this question, I begin by using standard tools from the research literature on intergenerational economic mobility to describe the strength of the relationship between the neighborhood environment in one generation and the neighborhood environment in the next generation, giving a simple description of the degree to which parents pass on their neighborhood advantage, or disadvantage, to children. To obtain these estimates I follow the most common methods developed to estimate the strength of the relationship between a parent’s income and her child’s income, a generation later—but instead of examining income mobility I examine neighborhood income mobility. The results tell us how well the neighborhood environment in which a child is raised predicts the type of neighborhood in which that child will end up as an adult—or the strength of the relationship between one’s neighborhood origins and destinations. If there is a perfect relationship between parents’ and children’s neighborhood environments, meaning the parent’s neigh-

hood predicts the child's neighborhood perfectly, this estimate would be 1.00; if there is no similarity between parents' neighborhoods and their children's neighborhoods, this estimate would be 0.00.

Among the full sample of whites and blacks, I estimate the strength of the relationship between the average income in parents' neighborhoods and in their children's neighborhoods to be .67, meaning a 10 percent change in the parent's neighborhood income is associated with a 6.7 percent change in the child's neighborhood income as an adult.¹⁸ In relation to similar estimates in the literature on economic mobility, this figure is extremely high and tells us that the neighborhood conditions of parents and their children are remarkably similar.

To make the result less abstract, we can think about what this estimate would imply for a hypothetical family living in the United States beginning sometime in the 1970s. Imagine that this family lives in a very poor neighborhood in 1970 in "generation one," when we first begin to track the residential environments in which the family lives. In 1970, the average income in the family's neighborhood is half of the national average for all U.S. neighborhoods. If the typical neighborhood in the United States had an average income of \$50,000, our family lived in a neighborhood with an average income of \$25,000—in other words, the family is starting in a very poor neighborhood. Based on the estimate of intergenerational persistence, it is possible to simulate how this family's neighborhood environment would be expected to change with each passing generation. For simplicity, I will assume that the rate of intergenerational mobility remains the same in the future. Figure 2.5 shows the results from this simulation.

In the second generation the children in our hypothetical family could expect to live, as adults, in a neighborhood where the average household income among all neighbors is about a third lower than the national average. If the typical American neighborhood still had an average income of \$50,000, a son or daughter of our original parents could expect to live in a neighborhood with an average income of about \$33,500. In the third generation the grandchildren of our original parents could expect to live in a neighborhood that is about 22 percent less affluent than the average American neighborhood. This is the pattern that is depicted in figure 2.5—with each passing generation, the children are moving closer to the national average, but they remain in relatively poor neighborhoods. It is not until the fifth generation that the great-great grandchildren of our original parents can expect to live in a neighborhood where the average income is within 10 percent of the national average.

If each generation lasts roughly twenty-five years, this means that a full

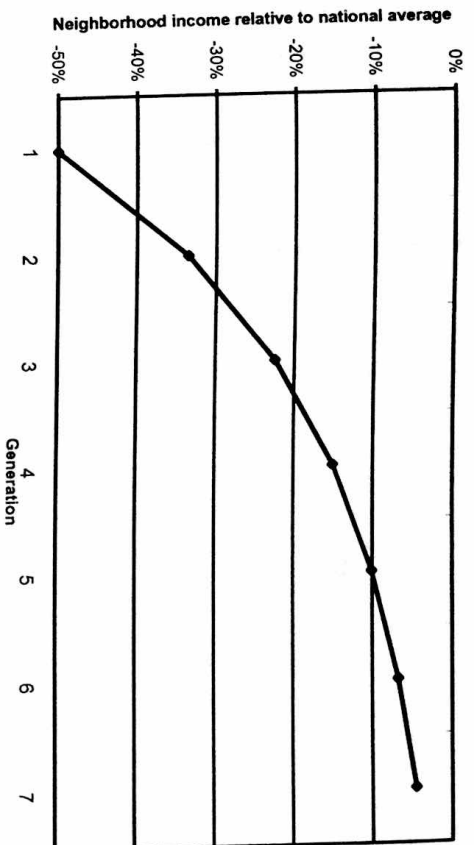


Figure 2.5. Neighborhood economic status of a hypothetical family over seven generations.

century will pass before the descendants of a family starting in a very poor neighborhood can expect to live in a neighborhood where the distribution of residents' incomes is similar to that found in the typical American neighborhood. Thus, the family that we first observed in a poor neighborhood in 1970 would continue to live in a relatively poor neighborhood, on average, until the year 2070 if the patterns that have existed over the last few decades do not change in the future. This exercise, although hypothetical, provides perhaps the clearest illustration of how persistent neighborhood advantages and disadvantages are across generations of family members. While inequalities that exist at a given point in time typically fade away as generations pass, they fade extremely slowly.

What do these findings mean for families that are not hypothetical? They mean that the inequalities that existed among families a generation ago, in the 1970s, have been passed on to today's families, with little change. They mean that the type of residential environment in which American families now live has been inherited from the previous generation.

Even this depiction of continuity across generations is incomplete, however, because it suggests that the process of contextual mobility works in the same way for all groups within a society. An alternative way of examining these dimensions of mobility is to take all of the families beginning in the poorest (or richest) segment of U.S. neighborhoods—I will look at the

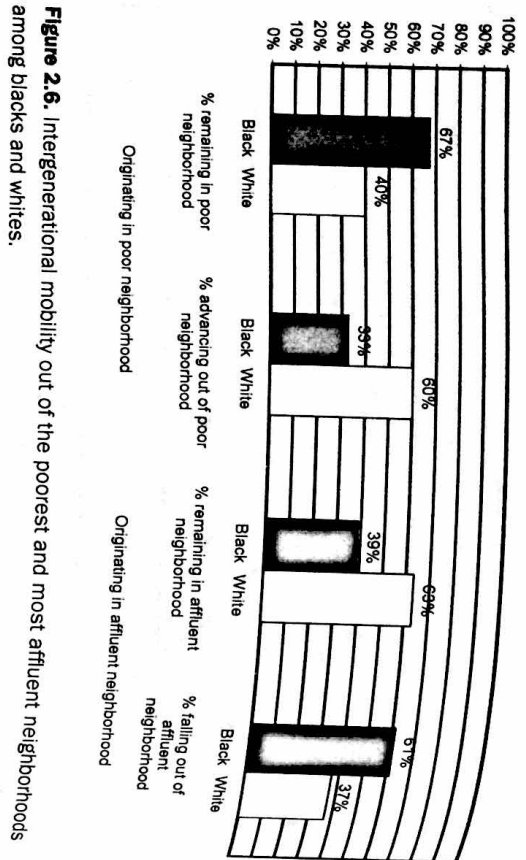


Figure 2.6. Intergenerational mobility out of the poorest and most affluent neighborhoods among blacks and whites.

poorest and richest quarter of American neighborhoods—and examine the proportion that remains or moves out of the poorest (or richest) quarter of neighborhoods over a generation. This analysis gives a very clear sense of how intergenerational mobility out of the poorest and richest neighborhoods differs for African Americans and whites.

The first two columns from figure 2.6 show the proportion of black and white families beginning in the poorest U.S. neighborhoods that remain in the poorest neighborhoods a generation later, and the second pair of columns shows the proportion that advance out of the poorest neighborhoods over a generation. Among African Americans beginning in the poorest quarter of U.S. neighborhoods, two out of three remain in the poorest quarter of neighborhoods in the next generation, and one out of three advance upward into a neighborhood with less poverty. The figures for whites present a very different story. About 40 percent of whites originating in the poorest American neighborhoods remain there in the next generation, and 60 percent move upward. So if one were to pick out ten white children living in a poor neighborhood in 1970 and track them into adulthood, we would find that just four of them are now raising their own children in neighborhoods with similarly high levels of poverty. The other six could now be found raising their own children in a neighborhood that is much less poor than the one in which they were raised, a neighborhood that is closer to the typical American neighborhood.

Just as African Americans are less likely to advance out of the poorest U.S.

neighborhoods, they are more likely to fall downward over a generation. The third pair of columns in figure 2.6 shows the proportion of black and white families originating in the most affluent quarter of U.S. neighborhoods who remain in the most affluent neighborhoods a generation later, and the last pair of columns shows the proportion that move downward into a less affluent neighborhood. Among the small number of black families who lived in the richest quarter of U.S. neighborhoods a generation ago, only 39 percent remain there in the next generation. If one were to again select ten black children in 1970, this time from the richest U.S. neighborhoods, four of them would still be found in an affluent neighborhood a generation later, while the remaining six would now be raising their children in neighborhoods that are less affluent than those in which they were raised. If one also selected ten white children in 1970, at least six of them would still be found in the nation's most affluent neighborhoods a generation later.

In essence, when white families live in a poor neighborhood, they typically do so for only a single generation; when they live in a rich neighborhood, they usually stay there for multiple generations. The opposite is true for African American families: Neighborhood affluence is fleeting, and neighborhood poverty is most commonly *multigenerational*.

This pattern becomes more apparent from figure 2.7, which shows the proportion of all African American families and white families that have

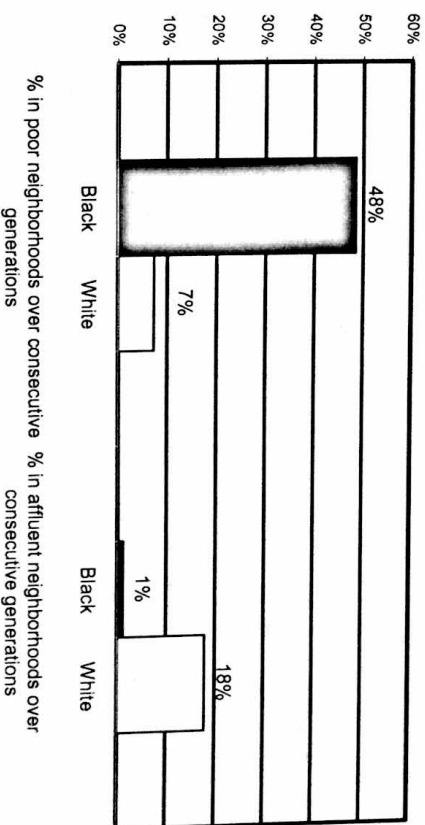


Figure 2.7. Multigenerational exposure to neighborhood poverty and affluence among blacks and whites.

lived in the poorest and the most affluent US neighborhoods over consecutive generations. Over the past two generations, 48 percent of all African American families have lived in the poorest quarter of neighborhoods in each generation. The most common experience for black families since the 1970s, by a wide margin, has been to live in the poorest American neighborhoods over consecutive generations. Only 7 percent of white families have experienced similar poverty in their neighborhood environments for consecutive generations. By contrast, persistent neighborhood advantage is virtually nonexistent for black families. One out of every one hundred black families in the United States has lived in affluent neighborhoods over the past two generations, compared to roughly one out of five white families.

These same patterns emerge no matter how one wishes to examine the data, and the racial disparities in multigenerational neighborhood disadvantage become increasingly severe when one examines the extremes of the distribution of neighborhoods. For example, one quarter of all African American families have lived in the poorest 10 percent of all U.S. neighborhoods in consecutive generations, compared to just 1 percent of whites. Thus, the true depth of racial inequality in neighborhood environments becomes even more pronounced when we consider the neighborhoods where poverty is most concentrated. It is not uncommon for successive generations of black family members to live in America's poorest neighborhoods, while persistent exposure to the poorest neighborhoods is virtually nonexistent among whites. This is the reality of racial inequality in America's neighborhood environments over the past two generations.

Why Is Neighborhood Inequality So Persistent?

The persistence of neighborhood advantage and disadvantage is clear from the figures presented to this point, but these figures do not reveal why children tend to end up in settings that are so similar to those in which they were raised. If continuity in the neighborhood environment is attributable to continuity in families' financial resources, for instance, then it would be easy to dismiss these findings as another symptom of poverty, as opposed to something about places.

The following analysis assesses this possibility. To begin, we'll return to the estimate of the overall strength of the intergenerational association in neighborhood income, which is .67, as noted above and as shown again in the first column of figure 2.8. As a reminder, if all parents and their children lived in identical neighborhoods, then we would get an estimate of 1.00, and if there was no relationship between parents' neighborhoods and their children's neighborhoods whatsoever we would get an estimate of 0.00. The

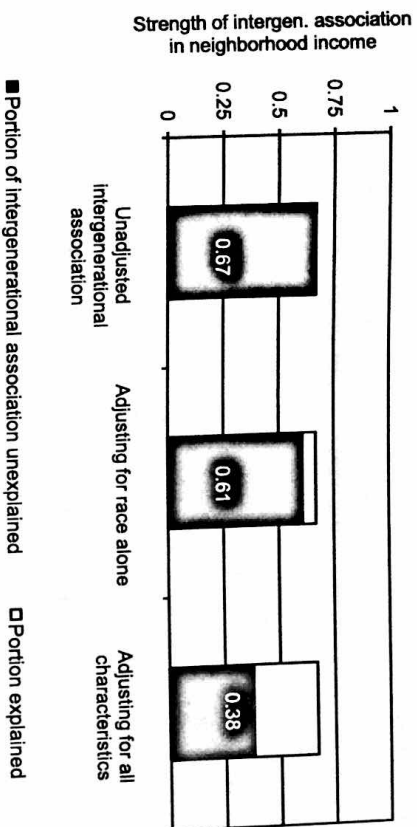


Figure 2.8. Decomposition of the intergenerational association in neighborhood income.

.67 estimate tells us that parents and their children live in extremely similar neighborhood environments, but this is before we consider any other characteristics of parents and their children that might explain this similarity.

The second column of figure 2.8 "adjusts" this estimate to consider the family's race alone. The results from this model allow for an assessment of the possibility that parents and children may live in similar neighborhoods simply because they are of the same race and because race is an important determinant of the type of environment in which an individual lives. There is some truth to this argument, as race explains a small part of the association between parents' and children's neighborhood environments—in the second column the strength of the intergenerational association is down to .61, instead of the original estimate of .67.

But the real test is in the third model, which expands beyond race to adjust for a range of characteristics of the child and his family. The last column of figure 2.8 shows the strength of the relationship between neighborhood economic status across two generations after statistically adjusting for parents' and children's income, their educational attainment, the "status" of their jobs, whether they own their homes, receive welfare, or reside in public housing, and their marital status. The full results, which are shown in an online appendix to the book (*Stuck in Place: Methods Appendix*),¹⁹ indicate that children with parents who have high-status jobs and high income end up in more affluent neighborhoods as adults, while children who obtain more education, have high income, and have high status occupations find

themselves in higher-income neighborhoods as adults. Children who own their own home, have more kids, or live in public housing end up in less affluent neighborhoods, conditional on all of the other characteristics in the model. A few of these relationships are somewhat counterintuitive, but the fact that income, education, and occupation are the strongest predictors of neighborhood economic status is not at all surprising. What is surprising is that all of these characteristics of parents and children explain less than half of the association between parents' and children's neighborhoods. In other words, most of the similarity between parents' neighborhoods and their children's neighborhoods is not attributable to the resources or human capital that parents and children bring with them to the housing market.

This leaves us with a challenging question: if it is not individual resources or education that explains the continuity of neighborhood advantages and disadvantages across generations, then why do parents and children end up in such similar environments? One potential answer lies in the *places* that parents and children occupy. That is, it could be that in addition to passing on resources or a mindset focused on the future, parents may pass on a place to their children, a hometown in which children are raised, a neighborhood in which children feel comfortable, a city that children remain in as they approach adulthood. It is possible to test this idea by examining the strength of the similarity in children's origin and destination neighborhoods for children who remain in the same place in which they were raised and for children who move on to a different place upon reaching adulthood. Because not all children in the sample live in a metropolitan area, I use residence in the same county as a child and as an adult to define the group of children who remain in place from childhood to adulthood.

The first two columns of figure 2.9 show the intergenerational association in neighborhood income for the two groups of children, those who stay close to home when they reach adulthood and those who leave their origin county. There is a substantial difference between the two groups. If children grow up and remain in the same county in which they were raised, the strength of the association between their adult neighborhood and that of their parents is .79, which indicates remarkable similarity in the neighborhood environments of parents and children. If they move on to a different county, it is only .49—still a strong relationship but not nearly as strong as that for children who remain in the same county. Connections to specific places appear to be an important part of the reason why parents and their children live in such similar neighborhoods.²⁰

The remaining columns in the figure explore this finding in a bit more depth. One possible explanation for these findings is that children may grow

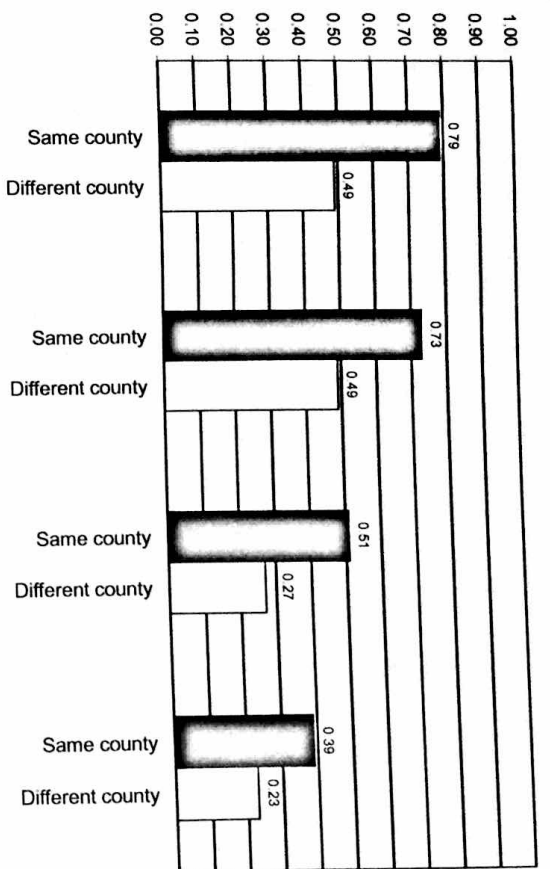


Figure 2.9. Intergenerational association of neighborhood income for children who remain in same county and for children who move to different county in adulthood.

up and live in the same actual neighborhood in which they were raised. This does not seem to explain the initial findings—the third and fourth column of the figure show the same results, after removing from the sample all children who end up in the same actual neighborhoods as adults. Even after this group is removed, the strength of the relationship between parents' and children's neighborhoods is extremely strong if the child remains in the same county. The subsequent columns in figure 2.9 go one step further and show the same results after adjusting for all of the characteristics of parents and children, as described above. While these characteristics do explain part of the similarities in neighborhood environments, much of the association remains unexplained. More important, the difference between children who remain in the same county as adults and those who move on is still pronounced.

I should note that this analysis does not help us sort out the mechanisms leading respondents to remain in the same places over time or to depart their hometown for a new destination. To do so would require extensive information on respondents' decision-making processes as they decide upon a geographic destination and a neighborhood within that destination, including the strength of their social networks in their neighborhood or city

of origin and the importance of these networks in influencing residential decisions, the extent to which discrimination in the housing and lending markets constrains residential decisions, respondents' perceptions of how they would be treated in potential destinations, and so forth. It is possible, however, to get a sense of what factors are associated with remaining in the same county from childhood to adulthood (full results from the analysis are shown in the online appendix). Some interesting results emerge from this analysis: I find that African Americans are much more likely than whites to remain in the same county in adulthood, as are children whose parents were married or owned their home during childhood, or who themselves were married or owned their home in adulthood. This latter finding suggests that home ownership and being married may create connections to a place that endure across generations. On the other hand, children who obtain more education and earn more income as adults are more likely to move on to a different county when they reach adulthood, suggesting that education may broaden the horizons of youth or provide new opportunities in different places.

The subtler factors that lead children to stay in place are more difficult to capture in data from a survey. The larger point, however, is that connections to places—whether the result of constraints on mobility, the strength of social and familial ties, or some combination—play an extremely important role in leading to continuity in the social environments surrounding families and thereby reproducing neighborhood inequality.

This finding raises several intriguing questions about how places have affected trends in racial inequality over the last several decades. Considering how common it is for children to grow up and remain in the same community, a natural question to examine is how individuals' economic prospects are linked to the fortunes of their neighborhoods or hometowns. For example, what do strong connections to places mean for black families who migrated to rust-belt cities that have experienced substantial declines in manufacturing employment over the last several decades? To answer this type of question requires moving beyond the family-level data available through a sample survey and examining the forces that affect urban communities as a whole, which is what I attempt in the following chapter.

The Inherited Ghetto

The overriding conclusion from this chapter is that neighborhood environments, along with all of the advantages and disadvantages that go with them, tend to be passed on from parents to children—and this pattern has

not changed much in the post civil rights era. Inequalities in families' neighborhood environments that exist at one point in time do fade slightly as one generation passes to the next, but they fade away extremely slowly. The primary consequence of this pattern is that the stark racial inequality that existed in the 1970s has been transmitted, in large part unchanged, to the current generation. Two out of three black children who were raised in the poorest quarter of neighborhoods continue to live in the poorest quarter of neighborhoods as adults, and about half of black families have lived in the poorest quarter of neighborhoods over consecutive generations. These findings indicate that the concentration of African Americans in today's poorest urban neighborhoods represents a continuation of disadvantage that has persisted since the 1970s.

This conclusion becomes most apparent when we consider the intersection of race and class in urban neighborhoods, a connection that is encompassed in the concept of the urban ghetto. In the introductory chapter I provided a highly theoretical definition of the term "ghetto" as the spatial expression of a variety of social processes leading to the concentration of disadvantaged groups in residential areas; to conclude this chapter I will operationalize this concept in a more transparent, concrete manner, by identifying ghetto neighborhoods as those that are majority black and among the poorest quarter of all American neighborhoods. Defined in this way, I find that about 72 percent of black adults living in today's urban ghettos were raised by parents who also lived in the ghetto a generation earlier. In other words, almost three out of four black families living in today's most segregated, poorest neighborhoods are the same families that lived in the ghettos of the 1970s.

This finding provides the clearest reflection of what I mean when I refer to the inherited American ghetto. More than any other finding I will present, this statistic reveals something about racial inequality that is hidden even in the most rigorous academic studies and the best journalistic accounts of life in the most disadvantaged neighborhoods. Inequality in America's neighborhood environments is a phenomenon that is not experienced at a single point in time; it is a phenomenon that is experienced continuously, that lingers on within families as time passes. The problem of the urban ghetto is not simply that it has persisted over time, but that the same families have experienced the disadvantages associated with life in the ghetto over multiple generations. The violence that children in the most dangerous urban neighborhoods see around them is familiar to their parents, even if the intensity or character of the violence may change. The schools these

children attend are similar to the schools their parents attended a generation earlier, even if funding is invested in some periods and then withdrawn in others.

As I will demonstrate later in the book, it is the *cumulative* effect of living in concentrated disadvantage, over generations, that is particularly severe. When families live in disadvantaged neighborhoods over multiple generations, children show substantially worse developmental outcomes when compared to families that live in poor neighborhoods in a single generation, and this remains true even after we account for everything else about a family that might affect children's development.

This reality complicates how policy makers approach the problem of the urban ghetto. We cannot think about the social problems in areas of concentrated poverty, or the disadvantages faced by residents in such areas, as distinct from their historical context. To confront concentrated poverty and to provide opportunities for residents of the poorest urban ghettos, we must confront disadvantages that have been handed down over generations.

Chapter 3

A Forty-Year Detour on the Path toward Racial Equality

Considering the momentous social changes that have occurred since the peak of the civil rights movement, how is it that the generation of children who should have benefited most from that movement has made so little advancement in residential America? The results from chapter 2 provide the first part of an answer. African Americans' lack of progress in residential America is *not* primarily a product of accumulated deficits in individual human capital that might be thought to explain why, as a group, they remain concentrated in the nation's poorest neighborhoods. This is not to say that racial inequality in schools or in the labor market is trivial or has faded away over the past four decades, but rather that African Americans' educational attainment, economic circumstances, and occupational positions cannot explain why they continue to live in such disadvantaged neighborhoods.

Instead, the results suggest that the transmission of neighborhood advantages and disadvantages is driven primarily by the transmission of *places* from parents to children. A large part of the reason that African Americans continue to live in the nation's most disadvantaged environments is that they have remained within communities and cities that have borne the brunt of four decades of economic restructuring and political disinvestment. Connections and attachments to specific places, arising due to a combination of white discrimination, hostility and violence, housing and credit constraints, and social and familial ties, emerged in chapter 2 as a powerful explanation for the persistence of neighborhood inequality among the children of the civil rights era. To understand why these connections to places have limited mobility, however, we must move beyond the individual-level data and focus on broader trends and social policies that have served to maintain the unequal residential structure that is present in urban America.

In the introductory chapter 1 defined the concept of the urban ghetto as the spatial expression of social processes, including processes of social and economic exclusion, discrimination, and disinvestment. This chapter puts flesh to these abstract ideas, describing how the processes have played out