

# Why mixed-income neighborhoods matter: lifting kids out of poverty

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There's a hopeful new sign that how we build our cities, and specifically, how good a job we do of building mixed income neighborhoods that are open to everyone can play a key role in reducing poverty and promoting equity. New research shows that neighborhood effects—the impact of peers, the local environment, neighbors—contribute significantly to success later in life. Poor kids who grow up in more mixed income neighborhoods have better lifetime economic results. This signals that an important strategy for addressing poverty is building cities where mixed income neighborhoods are the norm, rather than the exception. And this strategy can be implemented in a number of ways—not just by relocating the poor to better neighborhoods, but by actively promoting greater income integration in the neighborhoods, mostly in cities, that have higher than average poverty rates.

In the *New York Times*, economist Justin Wolfers reports on groundbreaking work by Eric Chyn of the University of Michigan that found previous research may have [understated the effect of neighborhoods on lifetime earnings and employment](#). The paper shows that moving low-income children in very poor neighborhoods to less poor neighborhoods can have a major positive effect on their life chances.

Most media outlets have covered this story as reinforcing the importance of “mobility programs”: that is, policies that encourage residents of very low-income neighborhoods to move to more economically integrated areas, usually with some form of direct housing assistance like vouchers. And the ability to move to neighborhoods with good amenities and access to jobs, without having to pay unsustainable amounts for housing or transportation, is a crucial part of creating more equitable, opportunity-rich cities.

But the coverage may be missing the other half of the policy equation: Chyn's paper adds to the evidence about the value of mixed-income neighborhoods in general, not just mobility. That means it's just as important that cities find a way to invest in low-income neighborhoods to bring opportunity to them, rather than simply trying to move everyone out.

## Why the new research is so important

The results of the voucher demonstration illustrate that there can be large benefits from even modest changes in economic integration. The average household moved about 2 miles from their previous public housing location, and still lived in a neighborhood that had a higher than average poverty rate. Chyn's results show the effects of moving from neighborhoods dominated by public housing (where the poverty rate was 78% on average), to neighborhoods that had poverty rates initially 25 percentage points lower, on average. Most participants still lived in neighborhoods with far higher levels of poverty than the typical American neighborhood. But compared to their peers who remained in high poverty neighborhoods, they enjoyed better economic results later in life.