UCLA INSTITUTE OF TRANSPORTATION STUDIES Reducing Long-Term Exposure to Poverty: Evidence from the Moving to Opportunity (MTO) Experiment

INTRODUCTION

Low-income households tend to spatially concentrate in central-city neighborhoods. Numerous scholars have proposed theories of concentrated poverty as well as assessed the negative impacts of living in highpoverty neighborhoods. Surprisingly few studies, however, examine the factors affecting individual or household exposure to neighborhood poverty.

RESEARCH QUESTIONS

- 1) Was the MTO program successful in reducing participants' long-term exposure to poverty?
- **2)** Do car ownership and access to public transit reduce participants' long-term poverty exposure?

CONCEPTUAL MODEL





DATA AND METHODS

We examine poverty exposure among 4,239 MTO participants using administrative program data. Our study is unique in its use of a time-weighted average poverty exposure measure calculated over the course of the entire MTO experiment, from 1994-2010.

We use a multivariate OLS regression model to explain the duration-weighted average neighborhood poverty rate as a function of variables of interest and controls.



POVERTY EXPOSURE RATES BY GROUP

Note: To use their vouchers, experimental group families were required to rent units in neighborhoods with poverty rates below 10% in 1990. They had to remain in these neighborhoods for at least one year.

Variable

Program

Section 8

Experime

Lease up

Lease up experime voucher Transpor

Gain car

Keep car

Lose car

15 minut bus stop Neighbor Integrate neighbor **Full Mod**

ABBREVIATED MULTIVARIATE MODEL RESULTS: AVERAGE POVERTY EXPOSURE

Name	Coefficient (Robust Standard Error)	Beta Weight
Status [Exclu	uded group: Control]	
3	0.006 (0.006)	0.019
ental	0.006 (0.004)	0.002
	0.112*** (0.006)	-0.402
with ental	-0.067*** (0.008)	-0.196
tation Resou	rces [excluded group: No car] -0.031*** (0.004) -0.036***	-0.093
	(0.006)	-0.078
	-0.025*** (0.007)	-0.053
es from a	-0.006 (0.004)	-0.019
rhood Chara	cteristics	
ed lease up Thood	-0.015** (0.006)	-0.024
el Statistics: N= 4,239; Adjusted R ² = 0.396; Probability > F= 0		

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Evidence from the MTO experiment demonstrates the complexity of individuals' long-term exposure to poverty. Despite the program intervention, and even for households that successfully leased up in the experimental group, households spent much of their time in high-poverty neighborhoods.

The most straightforward interventions to reduce poverty exposure include policies to improve households' access to automobiles.



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CONCLUSIONS AND RECOMMENDATIONS

Viable housing policies to reduce poverty exposure include more intensive post-search counseling and incentives to lease-up in racially integrated neighborhoods.

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