

Culture of Poverty?

Intergenerational Transmission;
Poverty and Place;

What Mechanism for Intergenerational Transmission?

- Nature vs nurture
- Parental investments in human capital
 - Parental time
 - Parental resources as constraint
- Culture as human capital
 - Oscar Lewis' culture of poverty --self sustaining, impervious to real changes in the structure of economic opportunity

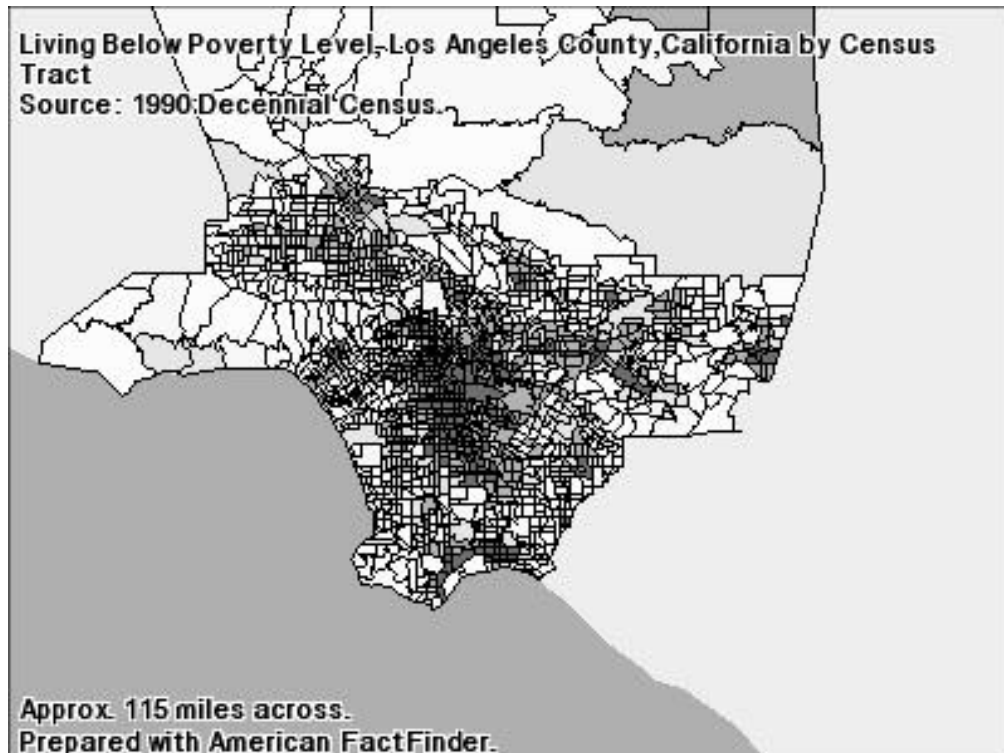
Empirical Evidence

- Welfare Recipients
- The Bell Curve
- Studies of Twins
- Other evidence

Poverty and Place

- Geographic concentration of poverty
(Census Maps)
- Location theory and income segregation of neighborhoods
- William Julius Wilson, *The Truly Disadvantaged* and *When Work Disappears*
- Jargowsky (1997) , *Poverty and Place*

Census Maps: factfinder.census.gov



Neighborhood Poverty, 1970 - 1990

- Number of high poverty areas more than doubled
- Total number of persons living in such areas increased from 4.1 million to 8.0 million
- Blacks more concentrated in high poverty areas
- Majority of poor do not live in high poverty areas

Why Neighborhood Matters?

- Provision of local public goods
- Suburbanization of jobs and the spatial mismatch hypothesis
- Access to job networks and information
- Acquisition of social skills
- Environmental degradation
- Crime as constraint

Characteristics of High Poverty Neighborhoods

- Physical Disrepair and high vacancy rates
- High Unemployment rates
- Low educational attainment
- High proportion of families headed by women
- Greater reliance on public transportation

Why Do High Poverty Neighborhoods Exist?

- The Monocentric city model
- Demand for local public goods
- Filtering model of housing markets
- Educational finance
- Zoning restrictions

New Studies

- Effects of car ownership on employment
 - Raphael, Stephen and Stoll, Michael, “Can Boosting Minority Car-Ownership Rates Narrow Inter-Racial Employment Gaps?”
August 2000
- Moving to Opportunity Program
 - Importance of Experimental Design
 - Evaluation studies