

“Moving to opportunity”: Does it truly help families?

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Do families that move to a more affluent area improve family members' life chances, or does increased competition from, and perhaps discrimination by, their more advantaged neighbors work to depress their well-being? In a recent study titled "Long-term neighborhood effects on low-income families: evidence from moving to opportunity" (National Bureau of Economic Research, working paper no. 18772, February 2013, http://www.nber.org/papers/w18772.pdf?new_window=1), authors Jens Ludwig, Greg J. Duncan, Lisa A. Gennetian, Lawrence F. Katz, Ronald C. Kessler, Jeffrey R. Kling, and Lisa Sanbonmatsu show that moves from higher poverty to lower poverty neighborhoods have a positive effect on adult physical and mental health and subjective well-being.

Using data from the U.S. Department of Housing and Urban Development's Moving to Opportunity (MTO) randomized housing-mobility experiment, the authors reveal some of the long-term positive effects of moves of socioeconomically depressed families to more affluent neighborhoods. This kind of research has become increasingly important given the persistence of residential income segregation and the rise of income inequality in America. The authors note that policymakers, if provided with a clearer understanding of neighborhood effects on life chances, are better equipped to evaluate policies concerning residential segregation as well as the efficiency of private market housing outcomes. While other data have suggested that low-income neighborhoods adversely impact residents' life chances and implicitly have suggested that affluent neighborhoods improve residents' physical and socioeconomic well-being, this study demonstrates that simply moving to a more advantaged community does not necessarily elevate one's economic well-being. Moreover, such a move has a different impact on adults than on youth. The study finds that MTO is correlated with an improvement in the physical and mental well-being of adults. However, there was no improvement to youth test scores or educational attainment. For youth, MTO's impact is fairly consistent with other neighborhood-effects literature. In general, female youth tend to fare better in other measures—such as mental health and risky behaviors—after moving to less distressed neighborhoods, while male youth tend not to fare better or to fare worse.

Despite the mixed results of MTO moves, such moves clearly improve the well-being of adults, and the well-being of adults indeed has potentially positive implications for low-income families.