

Growing up in high-poverty areas can affect your employment

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A recent working paper titled [Childhood environment and gender gaps in adulthood](#) (National Bureau of Economic Research working paper no. 21936, January 2016) examines the relationship, by gender, between childhood environment and economic well-being in adulthood. The researchers—Raj Chetty, Nathaniel Hendren, Frina Lin, Jeremy Majerovitz, and Benjamin Scuderi—found that men who experienced poverty as children suffered greater economic consequences than women who grew up in poverty.

Using tax records, the researchers examined gender gaps—that is, whether one gender was affected more than the other—at age 30 in employment, income, and college enrollment (between ages 18 and 23) for 10 million individuals born between 1980 and 1982. These factors were then assessed on the basis of the incomes of these individuals' parents and where these individuals lived when they were children. Differences in these factors between men and women varied depending on the income and marital status of their parents.

Gender differences in employment rates varied. Among people whose parents were in the bottom fifth of income distribution when they were young, the 30-year-old men were less likely to have a job than were the women. This was especially true among boys who were raised by a single parent. But for all other income groups, the opposite case was true; specifically, men were employed at higher rates.

The authors found that employment rates increased with parental incomes for both genders and that the increase was more pronounced for men. However, at the lowest income quintile, the trend was even more evident, with men experiencing lower rates of employment than women. The effect on employment rates was most apparent among men raised in single-parent households. Men have higher earnings than women across the parent-income distribution, but the difference was less pronounced in the lowest income quintile. Men were also less likely to attend college compared with women across the parent-income distribution, with the greatest disparity observed among men from lower income families.

The authors also explain how the employment gender gap varies geographically. They looked at these patterns across “commuting zones,” which are clusters of counties that act like local labor markets because they are connected by transit, and found substantial differences among them. According to the authors' analysis, the areas where men are less likely than women to have a job are those with a concentration of minority residents, single-parent households, and high racial segregation. The authors note that the gap is only 3 percentage points for low-income boys from New York City, while the gap is 12 percentage points for Charlotte, North Carolina. These two areas are representative of the large variation across local labor markets in the United States.

Gender differences, particularly related to employment, varied significantly across geographic areas. Men who grew up in low-income families living in high-poverty, racially segregated areas were significantly less likely to be employed as adults than their female peers. Higher crime rates were observed in these same geographies, leading the researchers to wonder if males growing up in these places are more likely to resort to criminal activities as a substitute for employment.

The authors conclude that growing up in a low-income, single-parent household or in a neighborhood with high levels of economic and racial inequality has a disproportionately negative impact on men when they reach adulthood. The authors suggest that these findings could shed new light on the recent decline of male participation in the U.S. labor force, which is often attributed to an aging population, structural changes in the economy, and globalization.