

January 10, 2018

Regulations Division
Office of General Counsel
451 7th Street SW, Room 10276
Department of Housing and Urban Development
Washington, DC 20410-0500
Submitted electronically through www.regulations.gov

Re: Docket No. FR-6070-N-01: "Notice for Suspension of Small Area Fair Market Rent (Small Area FMR) Designations," 82 Fed. Reg. 58439 (December 12, 2017)

To Whom It May Concern:

I submit these comments in response to the above captioned notice requesting comments from interested parties regarding HUD's August 10, 2017 action that purported to suspend for two years certain Public Housing Agencies' (PHAs') obligations under the Small Area Fair Market Rent (SAFMR) Rule, 81 Fed. Reg. 80,567 (Nov. 16, 2017). I am a professor of sociology at the University of Southern California, and my research examines socioeconomic and racial/ethnic inequality among neighborhoods and schools.

There is a large body of research across social science disciplines, using various methods, and over time demonstrating the detrimental effects of living in high-poverty, racially-segregated neighborhoods, particularly for children's well-being. Over the past three decades, multiple review articles have summarized the scholarly research across disciplines on neighborhood effects on children and adolescents in the U.S.¹ The bulk of the evidence indicates that growing up in a socioeconomically disadvantaged neighborhood reduces children's well-being.

A substantial body of social science literature, dating from the early 1980s, draws on survey data to document neighborhood effects on residents' outcomes. These studies, which use statistical controls to account for individual and family characteristics, show that growing up in a

¹ Duncan, Greg J. and Stephen W. Raudenbush. 1999. "Assessing the Effects of Context in Studies of Child and Youth Development." *Educational Psychologist* 34(1):29-41; Durlauf, Steven N. 2004. "Neighborhood Effects." *Handbook of Regional and Urban Economics* 4:2173-2242; Ellen, Ingrid Gould and Margery Austin Turner. 1997. "Does Neighborhood Matter? Assessing Recent Evidence." *Housing Policy Debate* 8(4):833-66; Jencks, Christopher and Susan E. Mayer. 1990. "The Social Consequences of Growing Up in a Poor Neighborhood." Pp. 111-86 in *Inner-City Poverty in the United States*, edited by L. E. Lynne and M. G. H. McGreary. Washington, DC: National Academy Press; Leventhal, Tama and Jeanne Brooks-Gunn. 2000. "The Neighborhoods They Live in: The Effects of Neighborhood Residence on Child and Adolescent Outcomes." *Psychological Bulletin* 126:309-37; Mayer, Susan E. and Christopher Jencks. 1989. "Growing up in Poor Neighborhoods: How Much Does It Matter?" *Science* 143:1441-45; Pebley, Anne R. and Narayan Sastry. 2004. "Neighborhoods, Poverty, and Children's Well-Being." Pp. 119-45 in *Social Inequality*, edited by K. M. Neckerman. New York: Russell Sage Foundation; Sampson, Robert J., Jeffrey D. Morenoff, and Thomas Gannon-Rowley. 2002. "Assessing 'Neighborhood Effects': Social Processes and New Directions in Research." *Annual Review of Sociology* 28:443-78; Sharkey, Patrick and Jacob W. Faber. 2014. "Where, When, Why, and for Whom Do Residential Contexts Matter? Moving Away from the Dichotomous Understanding of Neighborhood Effects." *Annual Review of Sociology* 40:559-79.

socioeconomically disadvantaged neighborhood reduces educational success and increases the odds of teenage childbearing.² Recent advances in statistical methodology provide causal evidence that is even more convincing that living in a socioeconomically disadvantaged neighborhood reduces children's educational attainment, cognitive skills, and increases the odds of teen parenthood, particularly for non-white and low-income children.³ For example, a nationally representative study shows that if black children live in the most disadvantaged neighborhoods throughout childhood, about 76% graduate from high school.⁴ If comparable black children live in the least disadvantaged neighborhoods, the graduation rate rises to about 96%. Further evidence comes from analyses of tax record data from over five million families with children across the U.S. that show that growing up in a higher-opportunity area increases a child's income in young adulthood by 10%, increases the likelihood of children attending college and getting married, and reduces the likelihood of teen pregnancy.⁵

Social scientists have also demonstrated that moving to higher-opportunity neighborhoods, those with lower poverty rates and more racial diversity, is beneficial for children's outcomes. Findings from Moving to Opportunity, which randomly assigned families living in public housing to receive a housing voucher to be used in a neighborhood with a poverty rate below 10%, demonstrate that children who moved to low-poverty neighborhoods before age 13 have better outcomes later in

² E.g., Aaronson, Daniel. 1998. "Using Sibling Data to Estimate the Impact of Neighborhoods on Children's Educational Outcomes." *Journal of Human Resources* 33(4):915–46; Ainsworth, James W. 2002. "Why Does It Take a Village? The Mediation of Neighborhood Effects on Educational Achievement?" *Social Forces* 81(1):117–52; Brooks-Gunn, Jeanne and Greg J. Duncan. 1997. "The Effects of Poverty on Children." *The Future of Children* 7(2):55–71; Brooks-Gunn, Jeanne, Greg J. Duncan, Pamela Kato Klebanov, and Naomi Sealander. 1993. "Do Neighborhoods Influence Child and Adolescent Development?" *American Journal of Sociology* 99(2):353–95; Chase-Lansdale, P. Lindsay and Rachel A. Gordon. 1996. "Economic Hardship and the Development of Five- and Six-Year Olds: Neighborhood and Regional Perspectives." *Child Development* 67(6):3338–67; Crane, Jonathan. 1991. "The Epidemic Theory of Ghettos and Neighborhood Effects on Dropping Out and Teenage Childbearing." *American Journal of Sociology* 96(5):1226–59; Crowder, Kyle and Scott J. South. 2011. "Spatial and Temporal Dimensions of Neighborhood Effects on High School Graduation." *Social Science Research* 40(1):87–106; Enslinger, Margaret E., Rebecca P. Lamkin, and Nora Jacobson. 1996. "School Leaving: A Longitudinal Perspective Including Neighborhood Effects." *Child Development* 67(5):2400–2416; Foster, E. Michael and Sara McLanahan. 1996. "An Illustration of the Use of Instrumental Variables: Do Neighborhood Conditions Affect a Young Person's Chance of Finishing High School?" *Psychological Methods* 1(3):249–60; Harding, David J. 2003. "Counterfactual Models of Neighborhood Effects: The Effect of Neighborhood Poverty on Dropping Out and Teenage Pregnancy." *American Journal of Sociology* 109(3):676–719; Klebanov, Pamela Kato, Jeanne Brooks-Gunn, Cecelia McCarton, and Marie C. McCormick. 1998. "The Contribution of Neighborhood and Family Income to Developmental Test Scores over the First Three Years of Life." *Child Development* 69(5):1420–36; Owens, Ann. 2010. "Neighborhoods and Schools as Competing and Reinforcing Contexts for Educational Attainment." *Sociology of Education* 83(4):287–311; South, Scott J. and Kyle D. Crowder. 1999. "Neighborhood Effects on Family Formation: Concentrated Poverty and Beyond." *American Sociological Review* 64(1):113–32

³ E.g., Sampson, Robert J., Patrick Sharkey, and Stephen W. Raudenbush. 2008. "Durable Effects of Concentrated Disadvantage on Verbal Ability among African-American Children." *Proceedings of the National Academy of Sciences* 105(3):845–52; Wodtke, Geoffrey T. 2013. "Duration and Timing of Exposure to Neighborhood Poverty and the Risk of Adolescent Parenthood." *Demography* 50(5):1765–88; Wodtke, Geoffrey T., Felix Elwert, and David J. Harding. 2016. "Neighborhood Effect Heterogeneity by Family Income and Developmental Period." *American Journal of Sociology* 121(4):1168–1222; Wodtke, Geoffrey T., David J. Harding, and Felix Elwert. 2011. "Neighborhood Effects in Temporal Perspective The Impact of Long-Term Exposure to Concentrated Disadvantage on High School Graduation." *American Sociological Review* 76(5):713–36

⁴ Wodtke, Harding, and Elwert 2011

⁵ Chetty, Raj and Nathaniel Hendren. 2016. *The Impacts of Neighborhoods on Intergenerational Mobility II: County-Level Estimates*. NBER Working Paper Series 23002. Cambridge, MA: National Bureau of Economic Research.

life than children who remained living in high-poverty neighborhoods. Specifically, young children whose families moved to low-poverty neighborhoods had earnings in young adulthood about 30% higher, were about 30% more likely to go to college, went to higher-quality colleges, and were about 25% less likely to become single mothers (for females) compared to young children in the control group.⁶ Analyses of the Gautreaux Housing Demonstration, which provided families with subsidized housing in lower-poverty, more racially-integrated neighborhoods in either Chicago or the surrounding suburbs, show that children of suburban movers went to higher-quality schools, received higher grades, and were more likely to attend college than city movers (54% of suburban movers compared to 21% of city movers attended college).⁷ Changing children's neighborhood contexts can also have intergenerational effects: children who moved via MTO and Gautreaux live in lower-poverty neighborhoods as young adults.⁸

Overall, the weight of the evidence from this large multidisciplinary research literature shows that growing up in socioeconomically disadvantaged, racially segregated neighborhoods is disadvantageous for children's well-being and future life chances. Providing opportunities for children to move to higher-opportunity neighborhoods is critically important for promoting social mobility and reducing future levels of socioeconomic and racial/ethnic inequality. Therefore, I urge HUD to implement the mandatory Small Area FMR rule forthwith.

Sincerely,



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⁶ Chetty, Raj, Nathaniel Hendren, and Lawrence F. Katz. 2016. "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Project." *American Economic Review* 106(4):855–902

⁷ Rubinowitz, Leonard S. and James E. Rosenbaum. 2000. *Crossing the Class and Color Lines: From Public Housing to White Suburbia*. Chicago: University of Chicago Press

⁸ Keels, Micere. 2008. "Residential Attainment of Now-Adult Gautreaux Children: Do They Gain, Hold or Lose Ground in Neighborhood Ethnic and Economic Segregation?" *Housing Studies* 23(4):541–64; Owens, Ann and Susan Clampet-Lundquist. 2017. "Housing Mobility and the Intergenerational Durability of Neighborhood Poverty." *Journal of Urban Affairs* 39(3):400–420