

# How good assisted housing policy can be good education policy.

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8/19/2016

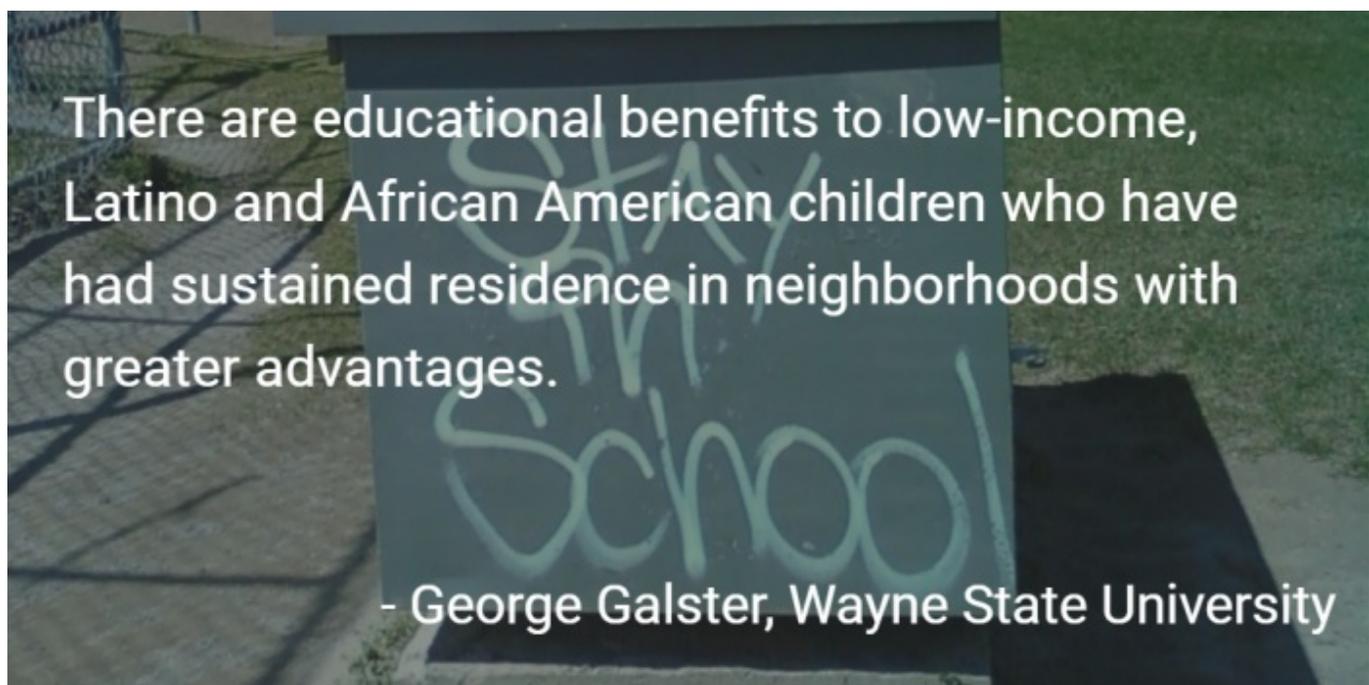
*Where people grow up can be very important to their educational and other life outcomes. Using evidence from a public housing program in Denver, Colorado, **George Galster** finds that low-income Latino and African American children who lived for sustained periods in better off neighborhoods were less likely to drop out of secondary school or to repeat a grade. With this in mind, he argues that in order to increase the educational outcomes of low-income minority groups, public housing program planners should locate more subsidized dwellings in neighborhoods with greater advantage.*



Neighborhoods are well known to impact children's development through a variety of mechanisms: peer influences, socialization and social control, violence and social disorder, institutional resources, market incentives, stigmatization, environmental health, and parental mediation. Knowing this, our research finds that there are educational benefits to low-income, Latino and African American children who have had sustained residence in neighborhoods with greater advantages.

Our innovation is leveraging information from a natural experiment related to the Housing Authority of the City and County of Denver (DHA). An innovative public housing program instituted by the DHA provides a unique opportunity to explore this issue because the DHA mimics a random assignment to a wide range of neighborhoods for families with children who apply for DHA housing. By comparing Latino and African American youth who have been raised in different environments randomly assigned to them, we can confidently infer which aspects of neighborhood caused which outcomes. By implication, our study allows us to estimate to what degree an assisted housing policy will produce educational payoffs for low-income minority youths by providing them access to superior neighborhood opportunities.

We found several dimensions of neighborhoods mattered for different aspects of secondary school performance. Two were especially noteworthy.



Low-income, minority youths' chances of dropping out of school before getting a diploma were greatly reduced in neighborhoods where a larger share of workers had greater occupational prestige (such a professional or managerial jobs). We interpret these findings as suggesting that neighborhoods that surround their secondary students with higher-prestige workers likely expose them to norms and role models (both in neighborhoods and schools) that encourage educational success, and perhaps provide access to networks of information about post-secondary school opportunities, prerequisites and payoffs.

Neighborhood social vulnerability (higher percentages of poor, unemployed, single-parent and renter households) proved to increase low-income, minority youths' chances of repeating a grade. Restricted social networks involving other disadvantaged residents who likely have limited education themselves may provide little in the way of information, resources and assistance to youths related to academic success in school. On the contrary, such networks may impart knowledge and norms about other (perhaps illegal) activities that may directly or indirectly discourage academic achievement.

We believe that the findings of this study can be generalized for low-income, minority households who have traditionally been the focus of social welfare and housing policies in the United States. The results hold an important implication: good assisted housing policy can be good education policy as well. Urban policymakers in both the education and housing realms should be cognizant of neighborhood as an important developmental context. A well-conceived and operated scattered-site public housing program could likely yield improvements in the secondary school performance of low-income Latino and African American teens if these subsidized dwellings could be located in more advantaged neighborhoods. For example, using the estimated parameters of our study's models for an "archetypical" low-income, African American male youth in our sample, we estimate that if he were raised in a neighborhood having an occupational prestige scale one standard deviation above the mean, his chances of graduating from high school would be about 25 percent higher than if he were raised in a neighborhood one standard deviation below the mean occupational prestige.

*This article is based on the paper, 'Neighborhood effects on secondary school performance of Latino and African American youth: Evidence from a natural experiment in Denver', in Journal of Urban Economics.*

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*Note: This article gives the views of the author, and not the position of USAPP – American Politics and Policy, nor the London School of Economics.*

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