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Understanding Patterns of Localized Poverty in the United States: Identifying Strengths and
Weaknesses in Contemporary Statistical Analysis

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Introduction

The question of what causes the localization of poverty is an important task to follow for the modern world, as there are many negative effects that concentrated poverty causes. However, in the current study of concentrated poverty in the United States, while there have been many breakthroughs in teasing out the machinations behind this complicated field, there is a distinct lack in quality of indicators through which factors can be identified.

Causes

Some of the broad patterns identified by this study include historical effects, isolation, demographic change, and regional effects. Unfortunately for the statistical analysis of localized poverty, poverty is highly autocorrelated. This is due to historical poverty being hard to change, with poverty concentrations arising slowly over time. The contributions to this effect obviously contain the fact that not everyone in a given geographic area moves to another area over any given period of time, the slightly less obvious fact that poor people often move to areas that they can afford, and because poverty, and the effects that often accompany it, is seen as undesirable, housing prices in poor areas are depressed in part by the prior existence of poverty, attracting more poor due to this increased availability, but also numerous neighborhood effects that actively make people more likely to be poor.

1. Migration

Typically, the economic prosperity of a location is due to its characteristic, qualities, and capital, however, the existence of population mobility and the migration of people mean that

the economic prosperity and income distribution of any one location is also dependant on the in and out migration of individuals, the net outcome of which, combined with its qualities, are what determine the income distribution. Because if this outside effect on the concentration of poverty, I will address it first before addressing the internal effects.

Traditionally neoclassical theory has stated that migration occurs as a redistribution of the labor force following the supply and demand of labor across a spatial area. This changing supply and demand itself is a byproduct of shifting capital movements or new capital investments. Poverty concentrations are seen as an effect of the former, with capital leaving an area, the demand for labor decreases, decreasing wages and increasing unemployment. These excess workers should therefore move to other areas where wages are higher, a movement from poor to rich areas, equalizing poverty distribution.

The human capital perspective incorporates the idea that the workforce contains capital along with the existence of physical capital. Therefore the decision making is changed, making the incentive to move greater the more human capital the individual possesses, the greater the opportunity cost they have for not moving, thus the higher the human capital an individual has, the more they are expected to move. Because the more human capital an individual has, the more likely they will have a higher wage, the implications of this migration pattern is that the poorer individuals should move less than the richer individuals, thus the outmigration of the rich would actively increase poverty concentrations.

However, in spite of these two theories the poor seem to move between counties at higher rates than non-poor. When analyzing the 1995-2000 census data, Foulkes and Schafft

(2010) found that 20.6 percent of the poor population moved between counties, compared to 17.2 percent in the non-poor. Additionally, counter to neoclassical thought, the poor migration reinforced existing poverty concentrations as they were more likely than non-poor to move to counties that were poorer than the counties they moved from, demonstrating that the migration of labor from areas with low demand to those with high demand, if occurring, is not dominant, and in fact, the migration pattern seem to show excess labor movement increasing labor supply in already low demand markets. (Foulkes and Schafft 2010) Even more damning to neoclasical theory's understanding is the occurrence that poor are less likely to move from a poor metropolitan county to another metropolitan county than non-poor, a phenomena that might add validity to the human capital perspective, albeit in a limited application. (Foulkes and Schafft 2010) This limitation is further shown in the fact that the poor moved farther on average than the non-poor when they did move, a prediction opposite that of human capital theory. (Foulkes and Schafft 2010) This study brings to light a new question as to what the attracting force of poor migration is, as the poor are twice as likely to move to a suburban county as an urban county, and because the other two theories that do have identified attracting forces one being job demand for the poor, and the other not assuming preferences, but stating that those with more resources will move farther and more often, are both discredited. (Foulkes and Schafft 2010) The glaring option for migration destination selection however is housing prices, in which case, the causes of property value decline would be a cause of poverty concentration due to migration.

This not only means that the poor have high long-term spatial mobility, it demonstrates how hard neighborhoods entrenched in poverty must struggle to attract middle income

households just to maintain their current population distributions. Long term however, this shows how fast gentrification, or other phenomena that come along with decreasing neighborhood poverty concentrations, can occur when conditions do dramatically change. It also shows how fast conditions can change for the worse if conditions deteriorate further. The poor that do move do not always move to other areas of high poverty, and thus, this cycling of poor households into and out of high concentration areas may help to decrease the long term effects of concentrated poverty.

Current analysis of migration has failed to account for intra-county migration, as high-poverty urban communities' census tracts have historically suffered from significant housing mobility, with the numbers in some locations approaching 45% living in a different house than they did 5 years prior. (Erickson, 2008) This discrepancy in movement numbers is due to moving within a county, and because of the hole in analysis, it is yet to be determined if migration patterns on a small scale match those of migration patterns nationwide. One of the major limitations of modern research on poverty migration is that it has failed to identify an attracting force, something desperately necessary if the migration is to be accounted for in statistical analysis of poverty concentration.

2. Metropolitan wide prosperity increase or decline

Berube (Erickson, 2008) questions whether the potential effects of the theory that localized poverty is determined by a larger regional effect, and the overall prosperity of the

surrounding metropolitan or regional area, or the prosperity of the country as a whole. Poor areas are located and growing in both prospering and declining areas, with a general change in localized poverty levels regularly matching the direction of change occurring in the broader economy, notably that between 1990 and 2000. However, there are notable increases in poverty during this period, with many communities having increasing poverty rates despite general prosperity, which taken together, show the limitation of the regional prosperity effect. While the use of growth in the national economy as a whole is beneficial, the use of a more local metric, such as region, state, or possibly most importantly, metropolitan area, should be looked at for inclusion in future models.

3. Racial, ethnic, and economic segregation and discrimination.

Poor neighborhoods are often selected for the establishment or construction of subsidized housing projects. (Erickson, 2008) This creates an area where housing for poor individuals is deliberately concentrated. If the establishment of public housing, which incentivizes poverty migration, is clustered into a given area, it is more likely for that area around the cluster to become increasingly poor, and when these clusters are themselves in already established areas that suffer from concentrated poverty, the area becomes integrated into a governmental structure that is difficult to change, this combined with the inequitable distribution of subsidized poverty, serves to perpetuate poverty concentration and actively work against any targeted plan to reduce poverty concentration. The problem this causes in attempting to incorporate this effect into a statistical model is that even if on a metropolitan

wide level the housing projects are concentrated in a location, the data will normally only show the number of projects within a given census tract, ignoring the effect of the cluster as a whole, especially if a tract is within, or near, a cluster but contains no projects. Instead, if a cluster can be identified, a method that might have an effect is to use the proximity a given block group is to the cluster's barycenter, the spatial center of density.

Economic discrimination, predominantly in the form of disinvestment, or the lack of investment, is a major factor in determining the health of a community. A neighborhood is often not seen as an attractive place to live by middle-class households if there is a distinct lack of amenities and/or jobs nearby.(Erickson, 2008) A lack of these amenities, such as banks and other financial institutions, clinics/hospitals, grocery stores, supermarkets, etc, limit the tax base to pay for poor residents, as the increased travel cost can price them out of the market. When these services are unavailable, negative effects can result. When grocery stores and supermarkets are unavailable, residents often turn to more expensive closer alternatives which likely lack healthy food choices, producing nutritional imbalances in such households, particularly in children.

Local clinics and hospitals, as well as other healthcare facilities, are beneficial for increased health outcomes.(Buchmueller, Jacobson, and Wold) If these are not present in an area, the residents might be disincentivized from taking regular checkups, or seeking medical attention, both of which decrease the likelihood of severe negative health outcomes, and lead to chronic lack of optimal wellbeing especially if they have limited transportation access. These together, increase the likelihood of negative health shocks, one of the largest reasons for bankruptcy in the country.(Himmelstein, et al).

The presence of banks and financial institutions would help mitigate the effects of such health shocks, as well as other negative financial outcomes such as car accidents, theft, unemployment, foreclosure, etc. due to the increased accessibility to saving options, an increased ability to purchase insurance, and other financial instruments, and greater competition for loans, producing lower interest rates. However, these outcomes are largely unavailable if there are no financial institutions being used due to inaccessibility. When financial institutions are not used or are unavailable, there is a greater difficulty in purchasing insurance, saving money, managing consumer debt, and maintaining good credit, which increase the interest rates of both traditional loans and non-traditional loans, such as pay day advances and predatory lending, and available to a population whose resources are already spread thin, while simultaneously making such loans more likely to be depended on in an emergency, both of which drastically increase debt burdens. The lack of capital available for residents for housing purchases and business ventures makes self betterment more difficult, which decreases the likelihood of being able to move out of poverty.

Therefore, not only does a lack of investment in a neighborhood both drive away and disincentivize middle-income residents from moving in, thus directly increasing poverty concentrations, it forms a dangerous mix of effects that increases the likelihood of increased poverty for its residents and their descendants. Therefore, a measure of local investment should be included in analysis, whether in the form of monetary investment in capitol, whether per year, current capital stock, or another form, or a more specific measure that values the presence of these amenities within a distance available determined by the neighborhood

residents' mobility scores. Such ambiguity with how to determine the variable that best matches the effect that this factor causes needs to be addressed in future research.

A popularly used variable has been investigated in a study by Levernier, William, Partridge, and Rickman(2000), the results of which can be seen in that, "after controlling for state fixed effects (which may account for current and residual effects of discrimination at the state level), there is no statistically significant association between the African-American population share and poverty rates, while there is a positive association between non-African-American minority share and the poverty rate." This runs in the face of many sociology theories about the nature of African-American communities, as the only effects of legacy effects within the African-American community(racism, intergenerational issues, etc) are completely explained by the structure of society on a state by state basis in general, other factors associated with poverty, or don't exist. This, unless flaws in their method can be discovered, eliminates the incorporation of African-Americans in variables.

Fortunately, some solutions to measuring segregation and isolation have been put forward by those looking at race and ethnicity studies. Massey and Denton (1988) have demonstrated 5 metrics that measure segregation between populations in a geographic area, and Grannis (1998) has put forward a metric to simultaneously measure segregation, but helps with organizing around the problems related to geographic isolation mentioned later. These metrics have been used to compare minority and majority racial populations, but the fact that the variable used in the original, and most subsequent constructions of the segregation metrics has been race is not important; these metrics can be used for a myriad of different variables, including poverty itself, and it would be beneficial to look into incorporating these

improvements into future analysis. Whether a version of one of these metrics should be used as the dependant variable is uncertain, especially Grannis'(1998) construct, as it is incompatible with raw census data, rather than a simple percentage under the poverty line within a census block group.

4. Neighborhood effects

Berube(Erickson, 2008) identifies that often poor areas tend to undergo large demographic shifts, the most disastrous of which are the rise in immigrant to non-immigrant ratios, and single-parent households. The effect of immigrant ratios increases economic isolation of the community due to frequent cultural and language differences that discourage and limit economic interaction, and, as immigrants tend to be poorer than natives, immigrant communities tend to be poorer than non immigrant neighborhoods. The rise of single parent households however, while sometimes seen as liberating to women by some political factions, actively makes the next generation poorer. This is due to the limitation of family income possibilities, the decreased attention from a parent available, particularly in schooling, the increased likelihood the children from a single parent household will themselves form single family households, and other effects. This means that single parenthood is a dangerous effect to a neighborhood, because poor areas attract poor individuals, which are more likely to be single parent households than the general population, and this concentration increases the likelihood of single parenthood in both the children of these households, and the neighborhood

in general through a change in social norms. However, these historical effects tend to persist over time, and thus it difficult to determine relationships in statistical analysis. Compounding this issue is the question whether community disruption plays a role in either effect, either a cause of these factors, or if the effect of these factors hides the effects of community disruption in the coefficients from statistical analysis.

The notion that female-headed families are positively associated with family poverty rates were found to be correct with a “one-percentage point rise in the share of female-headed families increases the poverty rate by over 0.5%”.(Levernier, William, Partridge, Rickman 2000) This indicates that the percent of female-headed households should remain, for the time being, a part of a comprehensive model of concentrated poverty, unless future studies can show its effects come from another factor.

Attitudes on work are formed on a community basis, and are important to include in contemporary analysis. These attitudes can be anywhere from expectations on how many years of schooling are required by the household, the minimum acceptable grade in school, or the age at which an individual stops school and joins the labor market. This last attitude is specific concern to areas with immigrant communities due to the ramifications for their economic futures as the pressure to drop out of school and get a job are particularly noticeable in these communities.(Erickson, 2008) These three, along with possibly many more, would have different effects on education outcomes. The first two might possibly increase the education outcome of an individual in an area where the cultural norm has the number higher, and decrease the education outcome when the expectation is low. Expectations regarding the age at which to leave school and get a job, largely determined by the belief on whether or not

children should work, would decrease educational attainment the higher the push to leave at a young age. These expectations can be found in some immigrant communities, which lose large numbers of students prior to graduation due to such expectations. (Erickson, 2008) This limits the human capital investment available because, regardless of school quality or skill program funding, the population itself is electing to remove itself from a capital increasing process.

Besides the community, the household expectations also have a role. These expectations, while not to be equated with community expectations, are related. For example methods of increasing human capital or other actions that would normally increase individual wealth do not always produce average affects in an individual, as they follow a distribution. If these individuals stay or become poor, then they can end up being the only outcomes of these activities' distributions an individual living in concentrated poverty becomes aware of. To these individuals, the average outcome would be unknown, and thus the activity would have less value to undertake due to the perceived lack of benefit.

One innovative and highly helpful thing that is being done in the contemporary study of concentrated poverty is the use of random controlled trials. One such trial has been the Moving To Opportunity (MTO) trial, where poor households were given housing vouchers to move to non-poor areas, and a control group was set up. Preliminary assessments of the MTO showed no discernible change in income or employment outcomes (Katz et al. 2000) ,nor did the MTO data show any statistically significant impacts on "economic outcomes four to Seven years out" (Ludwig et al. 2007), although they did have beneficial non-economic outcomes on the households. Clampet-Lundquist and Massey (2008) found that for every month of residence in a non-poor area, the individual receives a 1.1% chance of holding a job, and if that

neighborhood was integrated, an increase in weekly earnings as well, although because of the modeling undertaken, only correlation could be established. On the other hand, the MTO compliants saw drastic health changes, which included a reduction of obesity and diabetes by 40-50% for adults, and reports of mental health improvements. (Ludwig et al. 2013)

The most striking results of the aggregate effect of poor neighborhoods has come out of the MTO analysis as well. While the previously mentioned effects have been primarily those who moved as adults, Chetty, Hendren, and Katz (2015) found an aggregate developmental effect of concentrated poverty. The result is that children who moved before the age of 13 ended up earning 30.8% more upon entering the workforce compared to the control group mean. These children are also more likely to attend college, and thus have even higher incomes than the increased baseline, lower chances of becoming single parents themselves (the vast majority of the households involved in the initial MTO program were female headed single parent households), and were more likely to live in non-poor neighborhoods themselves. (Chetty, Hendren, Katz 2015). However, the existence of a negative effect on children who moved at an older age, coupled with other evidence, tells us that the effect is in fact developmental. The incorporation of this evidence, as it is very new, into models of the causes of poverty concentration, primarily through an intergenerational growth deficit has yet to be done. Additionally, identifying what exactly the cause is of this effect is unknown, another factor that needs to be addressed.

5. Geographic structure

Berube(Erickson, 2008) notes that in almost all cases of poor areas, there is a significant isolation effect, whether it is from cultural, linguistic, or racial differences, or physical and geographic isolation, such as highways preventing easy walking mobility and limiting automobile crossings, or rivers, rapid elevation changes, or undeveloped areas, which prevent efficient road network construction. Network theory can help with the analysis of how interconnected a local population is with neighboring populations and the rest of a metro area, a metric which is absent or rare in the current literature.

The structure of cities has helped to add to the separation of neighborhoods from surrounding areas, particularly in the form of isolating individuals from available jobs, as well as from businesses. This has occurred because of the changing nature of the city due to the widespread adoption of the automobile increasing the distance an individual can live from their job and local amenities. Unfortunately, this changed the underlying structure of the city, making access to jobs and amenities by car not only easier, but largely mandatory. Individuals that are in poverty can be hampered from leaving poverty by a lack of access to a motor vehicle because of this, primarily due to budgetary restraints. This mobility access has a large effect on whether an area's residents can acquire jobs. (Kawabata and Shen 2007) This factor, access to an automobile, leads to a poverty trap, poor people staying poor because they are poor, and complicates analysis. This means that access to a car functions on an individual level, however the alternative, public transportation access, functions of a neighborhood level. It is the availability of these poor individuals to move to where they need to go, whether it is a job, or an amenity, with the least amount of waste, if at all, through alternative transportation methods, which neighborhoods need in order to allow for the poor to come out of poverty.

Density has been found to be tied to where public transportation is located, with the denser the population is, the better the public transportation is, thus lowering transit times and increasing job access. (McKenzie 2013) Unfortunately, jobs in metropolitan areas are increasingly suburbanizing.(Tomer 2012) These suburban jobs, and the aforementioned dramatic increases in poverty migration to suburban areas pose a new problem. The very nature of suburban areas is that of low density, thus a low presence, if any, of public transportation. These areas are ironically, the most job and labor rich and yet they cannot access each other due to a lack of mobility. (Tomer 2012) While a poor suburban individual may have access to the local now relocated jobs, the total job access decreases, as their access to the other suburbanized jobs in their metro area are increasingly out of reach, thus creating distortions in labor markets. The traditional location of the urban poor, the inner city, while denser, and having greater access to transportation, still has these periphery areas out of reach due to the limitation or cessation of transit systems before these job rich areas are reached. Because of all of this, a typical job in a metro area across the country is available to only around 27 percent of its associated metropolitan's workforce in under 90 min or less.

McKenzie(2013) offers an innovative way of creating mobility data for census blocks, however, as the data is labor intensive, requiring mapping to every household, and because of technical characteristics, might not be useful in large scale analysis unless these can be overcome. The creation of these data are also highly case specific, and require analysis of each metro area's mobility individually, as the structure of these systems are highly diverse.(Tomer 2012) Density on the other hand, one of the major determinants of where transit is available, might be useless as a variable, because as the percent of poor in an area increases, the

population density of the area approaches the population density of poor in that area, creating autocorrelation that might render the statistic unusable.

Within metro areas, suburban counties have experienced greater economic growth, but they also suffered from more poverty and more structural change than urban counties. Suburban counties also have a “higher employment share in the goods producing sector, but lower shares in trade and services” than urban counties. Another difference between urban and suburban counties is that the “male and female labor-force participation rates are higher in suburban areas, while the share of adults with college degrees is higher in central city counties.” (Levernier, William, Partridge, Rickman 2000) This displays the need to determine why these phenomena happen in metropolitan areas. Additionally, as using urban-suburban-rural dummy variables in analyzing the structure of a metropolitan area is crude, with the county being much too large to get accurate and less aggregated results, a better method might be to use distance to the economic barycenter of the metropolitan area. With cities that have a largely decaying inner city, a local node of economic activity might be used instead, or both. However, the inexpensive property that incentivizes large factories toward new growth areas also plays an effect in the urban-suburban discrepancy, and thus breaking up the barycenter distance into classes to be used as dummy variables might be useful as well, especially if multiple effects are at play.

Housing quality, not only property value, helps to determine where poverty gets concentrated. Poor housing quality exposes occupants to the elements, and increases their environmental exposure to mold.(Erickson, 2008) Often the housing stock in poor areas is

overcrowded and lacks functionality and access to utilities. (Erickson, 2008) Unfortunately, these compromised structures are often the only houses within the price range of the poor, and besides serving to attract the poor through the housing market, it actively to decreases an individual's productivity and increases negative health outcomes. If the quality of the housing stock dips below a certain point, which frequently happens due to a lack of poor individuals being able to pay upkeep costs, property degrades to such a degree that it either becomes condemned, or fails to attract a buyer at any price. These degraded properties, both abandoned and occupied, seem to attract criminal activities and decrease surrounding property values, all of which discourage private investment. (Erickson, 2008) Previously, this effect has been neglected, and analysis of poverty localization may benefit from the incorporation of a housing quality indicator in the future. Unfortunately, finding the closest variable whose expression matches the nature of this problem, or happens to be expressed in every degraded house, is likely to be problematic. The variable would likely be in percentage of properties, but the indicator being measured is unknown, whether it is the presence of toxic mold, exposure to the elements through wall degradation, density of occupants per single family home, the presence of running water, etc, or a combination of all or some of these.

Even if the housing stock in an area can be dramatically improved, often because of government intervention, the previous residents will be unable to purchase these improved houses due to the value added by increased quality, and the housing that would be bought by them would be in other areas: while this serves to decrease localized poverty, it does not change poverty rates by itself. Even without improvement, the populations of poor communities have been known to suffer from housing affordability problems with individuals

paying in excess of a third of their disposable income on housing costs. (Erickson, 2008) This limits their ability to spend money on goods and services that could better their living conditions, such as higher education, healthcare, or even food, not only for themselves, but their children. Measuring this problem is tricky, as the poor living in poor areas are not the only ones that suffer from this. The poor living in non-poor areas may suffer from this even more than those in poor areas, as they are possibly paying for more expensive housing, which would require even more of their income than if they had selected more affordable housing, possibly in poor areas. There is also the problem with measuring the percent of income spent on housing itself, as rich individuals can afford to spend more of their income on expensive housing, yet not feel the same effects that the poor would with the same percentage. This would eliminate the effectiveness of the measure, as it would not select for the correct effect. Conversely, this effect is a long term one, as the chronic effects of limited income is what is at play more than any intrinsic effect of relatively expensive housing, which is what might be measured.

Most of the current analysis of concentrated poverty falls short, as it uses county data, or census tract data, however, these scales are largely too large to understand the causes and effects of concentrated poverty effectively, as the larger the geographic area of study is, the less homogeneous the population becomes, this lack of homogeneity means that specific effects are lost, especially ones that are caused in small scales, such as neighborhood effects.

6. Local labor market

The United States has had a continued shift in the structure of the labor market over the last 70 years, and this structural shift may have an effect on concentrated poverty occurrence. Education in the modern US economy is complicated when looking at the aggregate affects of the entire population, as “the influence of high school/some college is still (very) negatively related to poverty rates” in spite of the transitioning toward a more specialized economy, and structural changes in the labor market, while “reducing the high school dropout share of the population by one percentage point while increasing the share of high school graduates by one percentage point implies a 0.4 percentage point reduction in the poverty rate.” (Levernier, William, Partridge, Rickman 2000) This indicates the dramatic importance that graduating from high school has on a neighborhood. Therefore, local public school quality should be incorporated into future models, with teacher quality, and whatever factors an institution has that effect completion rates also being included. These factors need to be identified and an index for measurement should be identified and included. Graduation rates should not be incorporated because societal and parental factors also play a role. These factors, might also be caused by concentrated poverty, or be otherwise associated, and thus might play a role in other research as well.

Levernier, William, Partridge, Rickman (2000) confirmed theory about male and female labor-force participation rates being negatively related to poverty, which is logical as the more people working, the higher the average income; however, they found that the female labor force coefficient was three times higher than the male one, which suggests high gains if government interventions can lower labor market barriers for women. This difference underlines the preference aspects of labor force participation, and should serve as a starting

point for future inquiry into labor force participation rates differing, and how these factors relate to poverty concentration.

7. Institutional

The institutional quality of an area- the ability for an area to have rights upheld, consumers protected, efficacy of public institutions, or the total efficiency, skills, and overall ability to complete a self designated task a firm, government agency, or non-governmental organization has- that a neighborhood possesses, is essential to implementing anti-poverty measures. Many poor neighborhoods suffer from this problem, and it takes many forms. It is primarily a human capital deficit, with many forms of human capital deficiencies negatively affecting the development of areas suffering from concentrated poverty.

In the private sector, large banks often lack experience working with local municipal governments to help with financing development projects, and in general, the private sector suffers from human-capital loss, particularly that of leadership skills, brought about by the outmigration of large employers from de-industrializing or otherwise declining areas, causing a lack of local business competitiveness.(Erickson, 2008) Non-profit organizations often lack competency to work in complicated areas for development due to a lack of skills, experience, and connections with important parties needed to design and implement development plans. Even local governments suffer from poor quality, whether due to corruption, a lack of accountability toward campaign promises, a lack of political engagement, or general inefficiency in accomplishing their mission. In general, there is an ineptitude in a large variety of institutions involved in plans to reduce poverty or poverty concentration in the areas of organizational capacity, and their general ability to undertake the issue of plans to decrease

poverty whether because of a lack of professional skills, fragmented leadership structures, absence of political will, or otherwise.

Often this produces outcomes that are undesirable for reducing poverty or poverty concentration, such as regularly misallocating resources to programs that do not serve to decrease poverty, or are less effective at doing so than available alternatives, not being able to attract outside funding, such as philanthropic or government grants, and a lack of coordination between government and non government agencies, or even between government agencies, especially in the planning and implementation of development projects. (Erickson, 2008)

Large landholders within the area, whether it is government agencies, such as reservation land, city, county, state, or federally owned land, corporate owned whether real-estate firms or otherwise, or absent landholders not improving real-estate, whether or not they are known, let alone able to be contacted all hamper market forces that would allow for the neighborhood to improve, unless either strong cooperation is undertaken or neighborhood is the direct goal of said parties and they have the capacity to work on their own. (Erickson, 2008) Both of these need to be addressed in future research, to establish how large landholders act as barriers to a properly functioning property market creating inefficiencies, and if so, when and why there are exceptions.

The networks of relationships within a community seem to be very important to the establishment of economic opportunities both in opening up employment opportunities and in establishing business ties. (Erickson, 2008) Isolation due to stigmas that outside populations

have about areas with concentrated poverty can lead to a lack of cooperation or engagement in both strategies for increasing neighborhood efficacy, whether it is a refusal to offer resources such as expertise or funding, or a lack of economic engagement where individuals deliberately avoid said areas, negatively affecting the economic efficacy of local businesses. Conversely, similar stigmas about outside populations that occur within areas of concentrated poverty can have negative effects on engagement with and travel within the structures within the larger geographic area, specifically political engagement with local governing bodies. (Erickson, 2008)

On an individual level, community ties and informal relationships often act as a catalyst to open up employment opportunities and business ties. (Erickson, 2008) This can be positive, in allowing access to jobs when an individual is not aware of job opportunities, but can also be negative, leading to an overrepresentation of poor, particularly immigrants and other minorities, in specific low paying fields such as landscaping, or back-of-house hotel service.(Erickson, 2008) When these are absent due to a disruption in community cohesion, there may be a lower employment rate in these areas than otherwise would be expected. These informal ties should be addressed and incorporated into modern analysis, as there is ample evidence of these ties being a form of human capital and playing a part in the establishing of economic opportunities.

Conclusion

Although there are many holes in the contemporary research surrounding the analysis of concentrated poverty, progress is being made. There are multiple advancements in techniques, and metric creation, as well as in the identification of which specific factors do and

do not have an effect on poverty concentration. However, there is still work that needs to be done in being able to quantify factors that are as of now, still qualitative in nature. Greater integration and interdisciplinary collaboration, particularly between economics, geography, sociology, and psychology is needed, specifically in dealing with isolation and cognitive factors, both as causes and effects of concentrated poverty.

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