

The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment[†]

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The Moving to Opportunity (MTO) experiment offered randomly selected families housing vouchers to move from high-poverty housing projects to lower-poverty neighborhoods. We analyze MTO's impacts on children's long-term outcomes using tax data. We find that moving to a lower-poverty neighborhood when young (before age 13) increases college attendance and earnings and reduces single parenthood rates. Moving as an adolescent has slightly negative impacts, perhaps because of disruption effects. The decline in the gains from moving with the age when children move suggests that the duration of exposure to better environments during childhood is an important determinant of children's long-term outcomes. (JEL I31, I38, J13, R23, R38)

Individuals who live in high-poverty areas fare worse than those who live in lower-poverty neighborhoods on a wide range of economic, health, and educational outcomes.¹ Motivated by such disparities in outcomes across neighborhoods, the Moving to Opportunity (MTO) experiment of the US Department of Housing and Urban Development offered a randomly selected subset of families

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¹See, for example, Jencks and Mayer (1990); Brooks-Gunn et al. (1993); Cutler and Glaeser (1997); Leventhal and Brooks-Gunn (2000); and Sampson, Morenoff, and Gannon-Rowley (2002).