

# The Social Cost of Concentrated Poverty: Externalities to Neighboring Households and Property Owners and the Dynamics of Decline

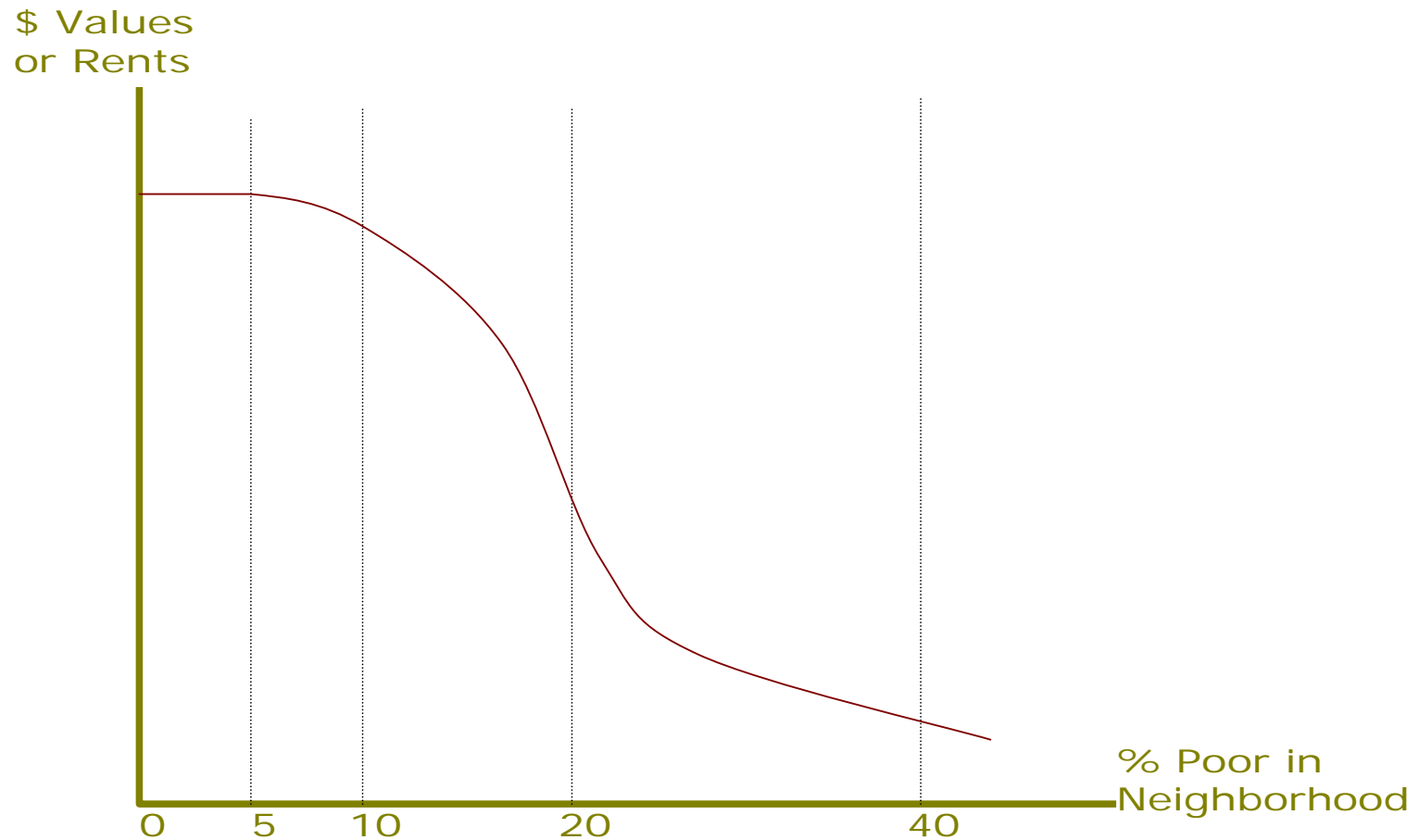
Presented by:

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# Neighborhood-Level Circular Causal Relationships between Concentrated Poverty, Dwelling upkeep, and Social Problems



# Empirical Results: Cleveland Home Sales Model & Census Tract Median Values, Rents in 100 MSAs Model



# Estimating the Aggregate Costs of Concentrated Poverty

- *IF* population were redistributed such that:
  - (1) all census tracts in 1990 exceeding 20% poverty had their rate reduced to 20% by 2000;
  - (2) only lowest-poverty tracts allocated additional poor, with each increasing its poverty rate by maximum 5 percentage points...then over the 1990s:

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- Aggregate value of owner-occ. rises ***\$421 billion (13%)***
- Aggregate annual rents rise ***\$400 million (4%)...***  
aggregate value of rental stock rises ***\$20 billion***