

Persistent Poverty and Upward Mobility Project Proposal

Spatial Mismatch and Persistent Poverty

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I propose research to investigate the role of spatial mismatch and job accessibility in driving local labor market dynamics and contributing to poverty concentration and persistence. A vast literature documents problems of mismatch, or imbalances, in the labor market with regard to the geographic location of workers with specific characteristics and that of the employers that demand those characteristics. While there is abundant evidence that such segregation between jobs and workers exists, the role of spatial mismatch in shaping observed patterns in income and employment outcomes across regions is less clear. The effects of sorting among individuals across the urban-rural continuum based on observable and unobservable characteristics are also not well understood. These issues are of particular importance for low-income households, which are located disproportionately in central cities and rural areas and for which transportation options and thus access to suburban centers of job growth may be limited.

Along with differential access to education, health care, and other amenities, differential access to suitable jobs represents a significant potential barrier to upward mobility for those in poverty. This project aims to uncover the drivers behind poverty concentration and persistence, with a particular emphasis on how public transportation and other government programs and policies affect the sorting of workers across locations and influence job and income mobility patterns among low-income individuals. To study these relationships empirically, this research will take advantage of a combination of survey and administrative data sources that will allow for a close examination of changes over time in the composition of neighborhoods as well as variation across locations in job and income mobility patterns. This research is not only of broad academic interest, but also has wide-ranging practical and policy implications, as it will shed light on the nature and sources of poverty concentration and persistence, the ramifications of spatial mismatch for the search and matching process of workers and firms, and potential remedies to alleviate associated frictions and inefficiencies in the labor market.

The proposed project will result in at least two significant research papers that explore the role of spatial mismatch and job accessibility in driving local labor market dynamics and contributing to poverty concentration and persistence. The first stage of the proposed research will use publicly available data to document how job and income dynamics vary across geography, and how labor market outcomes for low-income households specifically are affected by spatial mismatch. This stage of the research will progress as I seek approval for the use of confidential micro-data from the Census Bureau to carry out the second stage of the study. This latter stage will consist of a careful empirical analysis tracking variation over time and over geography in poverty concentration and persistence in the context of changes in job accessibility and other policies and programs that bear on low-income households.