Place Matters: Revitalizing Neighborhoods to Break the Cycle of Poverty

Thursday, June 18, 15
Poverty continues to undermine the American Dream

48.8 million Americans live in poverty\(^1\)

48.8 million > the entire populations of Canada, Denmark, and Ireland combined

That is more than 1 in 10 Americans

42% of children born to parents in the bottom fifth of the economic distribution remain in the bottom as adults\(^2\)

23% rise only to the second fifth\(^2\)

\(^1\) U.S. Census Bureau, American Community Survey Briefs: Household income – 2012, \(^2\) National Center for Children in Poverty “Child Poverty and Intergenerational Mobility”
Children experience poverty at even higher rates

16.1 million children live in poverty

That is 1 in 4 American children

50%

Of poor children live in concentrated poverty

Concentrated poverty: >30% lives below the poverty line

Living in concentrated poverty often has dire implications for children

86% of 3rd graders living in concentrated poverty read below grade level

That is more than 6 out of 7 children

- 2x as many adults living in areas of concentrated poverty lack a high school diploma
- Residents of areas of concentrated poverty can experience 12 times higher homicide rates.
The human and economic costs of childhood poverty affect everyone.

It is estimated that childhood poverty...

- Raises health expenditures by \$150 billion
- Raises the cost of crime by \$160 billion
- Reduces productivity and economic output by \$160 billion

The total costs to the United States associated with childhood poverty equals \$500 billion per year.

Sources: Center for American Progress (2007)
Contributions to Premature Death

Environment and behavior account for 60% of premature death.
Health ≠ Health Care

Health = Education
Health = Income
Health = Neighborhood
In climbing the income ladder, place matters

The chance a child raised in the bottom fifth rose to the top fifth

- 35%
- 20%
- 15%
- 10%
- 4%

The top fifth is equal to family income of more than $70,000 for the child by age 30, or more than $100,000 by age 48.

In areas like Atlanta, upward mobility appears to be substantially lower than in any other rich country.
Life expectancy varies greatly depending on where you live.

3 miles apart

25 year difference in life expectancy
Purpose Built Communities is working to break the cycle of poverty.

Our holistic approach uses East Lake as a basis for a model that has proven results.

Neighborhood Transformation that is both place based and people centered.
East Lake Meadows - 1995
East Lake Meadows - 1995

**Safety**
- 18x national crime rate
- 90% of families victims of a felony each year
- $35 million a year drug trade

**Housing**
- 100% public housing
- 1400 residents in 650 apartments
- 40% of units unlivable

**Employment**
- 13% employment
- 59% of adults on welfare
- Median income of ~$4,500

**Education**
- One of lowest performing schools in Georgia
- 5% of 5th graders meet state math standards
- 30% graduation rate
Villages of East Lake - Present

**Safety**
- 73% reduction in crime
- 90% lower violent crime

**Housing**
- High-quality, privately managed housing
- Mixed-income (50% public housing, 50% market rate)
- 1400 residents in 542 apartments

**Employment**
- 75% employment in public housing, remainder in job training, elderly or disabled
- Median income of $20k in working public housing households

**Education**
- ~1700 in Pre-K through 11th
- 98% meet or exceed state standards
- A top performing school in Atlanta and the state
The East Lake transformation gave rise to a replicable model

A Defined Neighborhood

Mixed Income Housing

Cradle-to-College Education Pipeline

Community Wellness

A Strong Community Quarterback
Replace concentrated low-income housing with mixed-income housing

Mixed-income housing:
• Ensures high standards in design, development, and operation
• Attracts additional public and private investment to the neighborhood
• Destigmatizes the neighborhood
Implement a cradle-to-college education pipeline

To ensure an effective pipeline:
- Direct control of school
- A neighborhood focus
- Emphasis on high-quality Early Childhood Education
- Seamless coordination between each aspect of the pipeline
Drew students have shown tremendous improvement.

Percentage of Drew 4th graders who meet or exceed standards (2013)

Drew moved from being the 69th ranked school (last place in 2000-01) in the APS system to one of the state’s top ranked schools.

Source: GA Department of Education (CRCT scores – 2013);
Drew students perform on par with the highest achieving schools in Atlanta.

% Meets or Exceeds on the CRCT
Elementary school (grades 3-5), all subjects 2012-3

<table>
<thead>
<tr>
<th>School</th>
<th>2012-3 Percentage</th>
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<tbody>
<tr>
<td>Drew</td>
<td>98.2</td>
</tr>
<tr>
<td>Brandon</td>
<td>98.6</td>
</tr>
<tr>
<td>Jackson</td>
<td>98.2</td>
</tr>
<tr>
<td>Morning-side</td>
<td>98.5</td>
</tr>
<tr>
<td>Springdale Park</td>
<td>97.5</td>
</tr>
<tr>
<td>Sarah Smith</td>
<td>94.1</td>
</tr>
<tr>
<td>Mary Lin</td>
<td>95.6</td>
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</tbody>
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FRL %  
61.7 10.8 7.3 7.8 15.0 19.1 12.5

Average List Price
268K 1.8 M 1.8 M 457K 649K 1.2 M 484K

Source: GA Department of Education CRCT data, Governor’s Office of Student Achievement, enrollment data, 2012-3
http://www.trulia.com/real_estate/Atlanta-Georgia/09/18/2014
Drew’s FRL students outperform APS and the state’s non-FRL students, effectively eliminating the achievement gap

% Meets or Exceeds on the CRCT
Elementary School (grades 3-5) all subjects, 2012-3

<table>
<thead>
<tr>
<th>District</th>
<th>State</th>
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</thead>
<tbody>
<tr>
<td>Drew FRL students</td>
<td>97.4</td>
</tr>
<tr>
<td>APS Non-FRL students</td>
<td>95.9</td>
</tr>
<tr>
<td>Drew FRL students</td>
<td>97.4</td>
</tr>
<tr>
<td>Georgia Non-FRL students</td>
<td>95.2</td>
</tr>
</tbody>
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Drew is one of only 67 schools of the 1712 schools in Georgia with available CRCT data for which FRL students outperformed the state non-FRL average

Note: 1712 schools with CRCT data includes elementary and middle schools, CRCT assesses students in grades 3 – 8)
Source: GA Department of Education CRCT data, Governor’s Office of Student Achievement, 2012-3
Drew Charter School Junior and Senior Academy at the Yates Campus
Infuse community wellness with top quality amenities and support services
Develop a strong Community Quarterback

• Newly formed non-profit with a single focus
• Ensures that all programs are connected, coordinated and seamless
• Ensures high quality programming
• Ensures people in the target neighborhood are the ones served
• Braids a sustainable funding stream
• Serves as a single point of accountability

This is the Purpose Built difference
Define a specific neighborhood

Atlanta, GA

Target Area (Orange): Est. Population of ~1400
Area of Impact (East Lake and Kirkwood neighborhoods):
Est. Population of ~12,300
Area of Impact: Racial Demographics 58% African-American, 38% White

Note: Population estimated based on 2010 Landscan data from USAID
Source: Population estimate from “population explorer” (http://www.populationexplorer.com/#)
The impact will spread into the surrounding community

East Lake and the surrounding community saw some $200M in new private investments in the first 10 years

- Residential and commercial investments:
  - New grocery stores
  - New bank branches
  - New and more varied housing options
  - Neighborhood retail and restaurants

The % gain in existing home prices enjoyed by East Lake residents was 4x larger than that realized by the typical Atlanta home owner

Source: Selig Center for Economic Growth; Internal Analysis
St. Bernard Public Housing
2005
Columbia Parc at the Bayou District

Columbia Parc in the Bayou District has a three-tier model of multi-family mixed-income housing. Senior housing is also under construction.
Columbia Parc at the Bayou District
Columbia Parc at the Bayou District
Columbia Parc at the Bayou District-Heritage Senior Building
Educare New Orleans
Purpose Built is working to transform neighborhoods across the country.

Network Members
Conversations Underway

- New Orleans, LA
- Birmingham, AL
- Rome, GA
- Atlanta, GA
- Indianapolis, IN
- Omaha, NE
- Charlotte, NC
- Columbus, OH
- Fort Worth, TX
- Oakland, CA
- Houston, TX
- Spartanburg, SC
- Miami, FL
- Orlando, FL
- Athens, GA
- Salisbury, NC
- Wilmington, DE
- Philadelphia, PA
- Newark, NJ
- Memphis, TN
- Cleveland, OH
- Detroit, MI
- Austin, TX
- Dallas, TX
- Tulsa, OK
- Kansas City, MO
- Salt Lake County, UT
- Sacramento, CA
- Honolulu, HI

Representative Sample of Conversations Underway