

The one thing rich parents do for their kids that makes all the difference

By **Emily Badger** May 10

Wealthy parents are famously pouring more and more into their children, widening the gap in who has access to piano lessons and math tutors and French language camp. The biggest investment the rich can make in their kids, though — one with equally profound consequences for the poor — has less to do with "enrichment" than real estate.

They can buy their children pricey homes in nice neighborhoods with good school districts.

"Forty to fifty years of social-science research tells us what an important context neighborhoods are, so buying a neighborhood is probably one of the most important things you can do for your kid," says Ann Owens, a sociologist at the University of Southern California. "There's mixed evidence on whether buying all this other stuff matters, too. But buying a neighborhood basically provides huge advantages."

Owens's latest research, published in the *American Sociological Review*, suggests that wealthy parents snapping up such homes have driven the rise of income segregation in America since 1990. The rich and non-rich are less and less likely to share the same neighborhoods in the United States, a trend

shaped more by the behavior of the wealthy than the poor or middle class. Owens's work, though, adds another twist: The recent rise of income segregation, she finds, is almost entirely caused by what's happening among families with children.

Since 1990, income segregation hasn't actually changed much among households without kids. That's two-thirds of the population.

"Yes income segregation is rising," Owens says, "but this is really a story about kids."

Children aren't evenly distributed across communities. You're more likely to find them in, say, the suburbs of Fairfax County than in Chinatown in the District. So the environments they and their families occupy don't necessarily reflect the experience of the typical American household. Along a number of divides, whether by race or poverty levels, children tend to live with more segregation than the population at large.

In her study, Owens looked at income segregation patterns across neighborhoods in the 100 largest metros in the United States. From 1990 to 2010, income segregation among families with children rose by about 20 percent. By 2010, income segregation was twice as high among families with children younger than 18 living at home as among households without them. That means that a typical childless household lives among more diverse neighbors from across the economic spectrum than does the typical family with children.

The nationwide phenomenon of rising income segregation is in effect the aggregate outcome of parents who can afford to jockeying for position for their kids. And as income inequality has widened over this same time, the rich have more and more money to spend on the real estate arms race to get into wealthy neighborhoods, where everyone else is wealthy, too (and the same can be said of the local classrooms).

Owens's research suggests that rising income inequality hasn't translated into the same residential sorting effect for households without children. That's perhaps because the childless rich — including so-called DINKs — are spending their greater wealth on other luxuries, such as expensive restaurants, travel and entertainment. Given that school quality is embedded in the high cost of housing in many communities (think Northwest Washington), it's also logical that households without children would decline to pay a premium for an amenity they don't plan to use.

Owens additionally argues that as wealthy parents are spending their added resources on housing, they're choosing that housing with schools particularly in mind. In her data, there's wider income segregation among families with children in "fragmented" metropolitan areas that have more school districts for parents to choose from, allowing greater sorting between low-quality and coveted districts.

It's highly likely this same pattern exists *within* school districts, as wealthy parents compete for housing within the attendance zones of the best schools (again, think Northwest Washington). But Owens doesn't yet have the data to show this at the smaller local level.

It's also true that as income inequality is widening, the kind of information you'd need to wield your wealth to buy into the best neighborhood is proliferating, too. Most real estate sites such as Redfin list grades for local schools right on the bottom of each property listing. So it's never been easier to make sure you're buying not only the best home, but also the public schools with the best standardized test scores.

Owens's work has a fascinating policy implication. Advocates of integrated schools — which researchers believe provide greater benefits for poorer and minority students — often argue that we should use housing policy to address deeply entrenched educational inequalities. Build more affordable housing in good school districts, or simply break down exclusionary housing policies there, and we'd create more integrated schools.

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Owens is suggesting that the opposite might work, too.


"We always think, well, we're never going to have integrated schools as long as we have such highly segregated neighborhoods," she says. "I want to point out maybe we'll never have integrated neighborhoods if we have segregated schools."

If we found ways to integrate schools — as former District Mayor Vincent C. Gray (D) controversially proposed two years ago — that might take some of the exclusivity out of certain neighborhoods. School quality is capitalized into housing prices, making those neighborhoods unaffordable to many families. Imagine, for instance, if all the public schools in the District or the Washington region were integrated and of comparable quality. Families might pay more to live in Northwest to be near Rock Creek Park. But you'd see fewer home-bidding wars there just to access scarce school quality. More to the point, homes families already paid handsomely to buy might lose some of their value.

Politically, the two topics that most enrage voters are threats to property values and local schools. So either of these ideas — wielding housing policy to affect schools, or school policy to affect housing — would be tough sells. Especially to anyone who has secured both the desirable address and a seat in the best kindergarten in town. Parents in Upper Northwest, for instance, deeply opposed the idea of ending neighborhood schools in Washington. And Gray's

proposal never came to pass.

But, Owens says, "I feel more hopeful in studying these issues today than I did five years ago." At least, she says, we are all now talking more about inequality and segregation.

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