A growing body of evidence supports that the community in which you live matters a great deal. First, where you grow up matters to your lifetime economic success, according to a new study by two economists at Harvard University, Ray Chetty and Nathaniel Hendren. The researchers looked at children’s opportunities for upward economic mobility that are affected by the neighborhoods in which they grow up.

Combining millions of individual earning records with experiments over a 30-year period, the study shows that the community in which a child grows up has significant causal effects on her prospects for upward mobility and her future economic outcomes. Children who move to a better socioeconomic environment at earlier ages are less likely to become single parents, more likely to go to college and more likely to earn more.

The following is a summary of the findings for the local area from the project’s online database.

**Intergenerational Mobility**

Overall, children growing up in the Coastal Bend area fare well economically later in life relative to their parents, compared with a childhood spent in the typical American community. The area is about average for socioeconomic mobility for children in poor or rich families. In Nueces County, children born to a poor family—the bottom 25th percentile of the national income distribution—would earn $380 more on average as young adults relative to their family’s current income, making them within the 44th percentile of the income distribution when they are 26 years old. Most of the income gains, however, go to boys, who would earn $1,540 more, while their female counterparts would in fact earn $1,060 less.

There is also substantial variation in social mobility across local communities. If you are poor
and live in the Coastal Bend, it is best to grow up in Duval or Live Oak County, where you are likely to gain as much as $3,000 in future income. And the younger you are when you move to either county, the better you will do on average.

Within the Corpus Christi metro area, the gains for all children as a whole are higher for poor families in San Patricio and Aransas than in Nueces County. This is consistent with the nationwide finding that upward income mobility is lower in areas with larger Hispanic or African-American populations. The Harvard researchers found statistical evidence that communities with larger minority populations tend to be more segregated by income or race/ethnicity, which is negatively correlated with upward mobility for both white and minority low-income individuals.

**Childhood Exposure Effects**

Every year spent in a “better” environment during childhood increases a child’s earnings in adulthood, implying that the gains from moving to a better area are larger for children who are younger at the time of the move. Also, every extra year of childhood spent in a rich neighborhood appears to be beneficial.

The researchers identified five factors associated with strong upward mobility: less segregation by income and race, lower levels of income inequality, better schools, lower rates of violent crime, and a larger share of two-parent families. In general, the effects of a neighborhood are stronger for boys than for girls, and for children in poor families than rich families. In fact, the chances that well-off children grow up to be well off are largely similar across the Land of Opportunity.

**Community Development Policy**

The findings concerning the effects of exposure to better neighborhoods on children bear implications for public policy toward community development. The authors of the study concluded that socioeconomic mobility should be tackled at a local level by improving childhood environments.

Offering low income families assistance to move into neighborhoods of lower poverty benefits the families themselves as well as the community as a whole. Efforts to integrate economically disadvantaged families into mixed-income communities are also likely to reduce the persistence of poverty across generations.

**The Rich Live Longer Everywhere**

While children of a poor family in the Coastal Bend have a decent chance of moving up the economic ladder in comparison with their parents, the poor’s life expectancy doesn’t compare well with the rich locally or the poor in the rest of the nation.

According to a new study reported in the New York Times, the rich tend to live longer everywhere. But for the poor, geography matters enormously. That study, conducted by economists at top universities such as Stanford, MIT, and Harvard, compared income data from 1.4 billion U.S. tax records of individuals against their death records.
life expectancy between the rich and the poor locally is about two years more than the corresponding gap for the nation as a whole.

**Location Matters?**
Location matters mostly for the poor. But if you are rich, it doesn’t matter much where you live. For the poorest Americans, the average life expectancy is six years longer in New York than in Detroit. For the richest Americans, then the difference reduces to less than one year.

In Corpus Christi, residents earning at least $150,000 a year have an average life span longer than 85 years, compared to less than 75 years for those earning less than $12,000. While the life expectancies of both the rich and poor are shorter than the national averages of their counterparts, the gaps are much smaller for the higher income groups than for the lower income groups.

The longevity gap is more than three years for the poorest residents with an annual income no more than $12,000, and this gap for the poor is among the widest across all communities in the United States.

**Longevity Secrets**
Naturally, the next question is: Why is life expectancy so low for the poor in Corpus Christi? Although the study offers no definitive answer, the researchers point to some characteristics that correlate more with life expectancy in comparison with those with less correlation.

While it is widely known that rich people tend to live longer, the causes for this relationship between income and longevity remain poorly understood.

Much of the variation in life expectancy across cities can be explained by differences in lifestyles and habits, such as smoking and exercise. The study shows that differences in life span among the poor are not strongly associated with differences in access to health care or the levels of income inequality.

Instead people live the longest in cities that typically have a highly educated population and a high level of local government expenditure, such as New York and San Francisco. Replicating the particular successes of those cities may require targeted local efforts to improve a healthy living lifestyle especially among low-income people.

The study also highlights the role that the local government plays in the well-being of individual residents. Since Corpus Christi compares poorly in outdoor activities and an active lifestyle (Economic Pulse, 2016, No. 7), more public spending on parks and outdoor recreational facilities may extend the life expectancy of local residents, rich or poor.

**References:**

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**Money Matters**
According to that study, the richest American men live 15 years longer than the poorest men, and the richest American women live 10 years longer than the poorest women. Those longevity gaps between the rich and the poor have also been growing rapidly over time.

In the five years leading to 2014, the richest Americans gained almost three years in longevity, while the poorest Americans experienced no gain. Rich people can escape unfavorable living environments more easily than poor people.

In Corpus Christi, the average life expectancy for a poor 40-year-old is 76.6 years, about 9 years shorter than the life expectancy for the rich—those earning more than $100,000 a year. This gap in life expectancy for the rich and the poor locally is about two years more than the corresponding gap for the nation as a whole.

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**Strongest correlations**

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<th>CHARACTERISTIC</th>
<th>NUECES COUNTY</th>
<th>U.S. AVERAGE</th>
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<tbody>
<tr>
<td>Pct. of poor who smoke</td>
<td>25.1%</td>
<td>20.0%</td>
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<tr>
<td>Pct. immigrants</td>
<td>6.5%</td>
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<tr>
<td>Median home value</td>
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<td>Local government spending per capita</td>
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**Weaker correlations**

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<tr>
<td>Pct. of poor who are obese</td>
<td>37.4%</td>
<td>28.0%</td>
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<td>Pct. college graduates</td>
<td>18.8%</td>
<td>25.0%</td>
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<tr>
<td>Pct. of poor who exercised in past month</td>
<td>62.5%</td>
<td>62.0%</td>
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**No correlation**

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<tr>
<td>Medicare spending per person</td>
<td>$12,000</td>
<td>$9,700</td>
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<tr>
<td>Pct. uninsured</td>
<td>23.9%</td>
<td>17.5%</td>
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2016, No. 10: How Distressed is Our Community?
2016, No. 9: Disparities in Local Business
2016, No. 8: Understanding Local Unemployment
2016, No. 7: Corpus Christi by the Rankings
2016, No. 6: Local Divergence after the Fall
2016, No. 5: Advanced Manufacturing Drives Local Economy
2016, No. 4: Survival of the Fittest in Texas Oil
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Economic Pulse

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