The Foreclosure Crisis in Three Cities: Children, Schools, and Neighborhoods

Project Team

• Baltimore Neighborhood Indicators Alliance - Jacob France Institute, University of Baltimore

• Furman Center for Real Estate and Urban Policy and Institute for Education and Social Policy at New York University

• NeighborhoodInfo DC at the Urban Institute

Funders: Open Society Foundations, follow-up by Annie E. Casey Foundation
Mobility’s Potential Negative Impact on Children

- Moving residences
  - Grade retention, hinder school completion, and a lack of interpersonal skills
  - More concern about reactive moves
- Switching schools
  - Decreased academic performance, especially for young children
  - Social, behavioral, and interpersonal problems
  - Schools with large student mobility tend to perform worse as well
Mobility’s Potential Negative Impact on Children

- Moving residences
  - Grade retention, hinder school completion, and a lack of interpersonal skills
  - More concern about reactive moves
- Switching schools
  - Decreased academic performance, especially for young children
  - Social, behavioral, and interpersonal problems
  - Schools with large student mobility tend to perform worse as well
Research Questions

• Description and trends of students affected by foreclosure

• Determine whether foreclosure impacts:
  • Residential mobility and school switching
  • Difference in quality between origin and destination neighborhoods and schools
  • Individual students’ test scores (Baltimore only)
Methodology

• Study identified children living in households that receive foreclosure notice or lis pendens
  – Very beginning of the foreclosure process

• Data
  • Public schools (student- & school- level)
  • Neighborhood-level data
  • Foreclosure data
  • Property sales and characteristics data
Rising Share of Students Affected by Foreclosure in All Three Cities

- **Baltimore**: 2.7 (2003-04), 2.2 (2006-07), 1.8 (2008-09)
- **DC**: 0.5 (2003-04), 2.2 (2006-07), 1.0 (2008-09)
- **NYC**: 0.5 (2003-04), 1.0 (2006-07), 0.5 (2008-09)
African-American Students Disproportionately Affected by Foreclosures in NYC

![Bar chart showing the share of all students and the share of foreclosed students in Baltimore, DC, and NYC for the years 2006-07 and 2008-09. The chart highlights the disproportionate impact on African-American students.](chart.png)
Share of Renter Students in Foreclosure Households Is Increasing

![Graph showing the increase in the share of renter students in foreclosed households over years from 2003-04 to 2008-09. The graph compares Baltimore and DC, with Baltimore showing a steady increase and DC showing a slight decrease followed by an increase.](chart.png)
Concentration of NYC Students Affected by Foreclosure, 2006–07

Share of Students Living in Properties Going Through Foreclosure

- 0 Percent of Students
- 0 - 2.5 Percent of Students
- 2.5 - 5.0 Percent of Students
- 5.0 - 10.0 Percent of Students
- 10.0 - 14.5 Percent of Students
- Un-zoned area

Source: NYC Real Property Assessment Database, PDC Lis Pendens, and NYC Department of Education

Note: Geographies are Elementary and Middle School Boundaries
# Exit Rates from the Public School System

<table>
<thead>
<tr>
<th>Grades 1-7</th>
<th>Baltimore</th>
<th>Washington, D.C.</th>
<th>New York City</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007-08 to 2008-09</td>
<td>2006-07 to 2007-08</td>
<td></td>
</tr>
<tr>
<td>All students</td>
<td>9%</td>
<td>16%</td>
<td>7%</td>
</tr>
<tr>
<td>Students in foreclosed homes</td>
<td>15%</td>
<td>20%</td>
<td>3%</td>
</tr>
<tr>
<td>Difference</td>
<td>+6%</td>
<td>+4%</td>
<td>-4%</td>
</tr>
</tbody>
</table>

*URBAN INSTITUTE*
# Residential Mobility Rates

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All students</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>Students in foreclosed homes</td>
<td>21%</td>
<td>29%</td>
</tr>
<tr>
<td>Difference</td>
<td>+7%</td>
<td>+12%</td>
</tr>
</tbody>
</table>
Number of Children Changing Residences

Map 2: Number of All Students Changing Residences

Map 3: Number of Students Affected by Foreclosure Changing Residences

Source: BNA-JFI analysis of Baltimore Public School System data
## School Switching Rates

<table>
<thead>
<tr>
<th></th>
<th>Baltimore</th>
<th>Washington, D.C.</th>
<th>New York City</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007-08 to 2008-09</td>
<td>2006-07 to 2007-08</td>
<td></td>
</tr>
<tr>
<td>Grades 1-7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All students</td>
<td>21%</td>
<td>38%</td>
<td>19%</td>
</tr>
<tr>
<td>Students in foreclosed homes</td>
<td>24%</td>
<td>48%</td>
<td>22%</td>
</tr>
<tr>
<td>Difference</td>
<td>+3%</td>
<td>+10%</td>
<td>+3%</td>
</tr>
</tbody>
</table>
Summary of Findings

• Foreclosure harms public school children...
  • Through increased school and housing mobility rates
  • Through moving to worse quality schools (NYC) and having slightly lowered test scores (Baltimore) – similar to all kids who switch schools
  • Through experiencing a greater drop in school quality than other switchers (DC)
• Change in neighborhood quality similar in Baltimore and DC
Summary of Findings

- Foreclosure harms public school children…
  - Through increased school and housing mobility rates
  - Through moving to worse quality schools (NYC) and having slightly lowered test scores (Baltimore) – similar to all kids who switch schools
  - Through experiencing a greater drop in school quality than other switchers (DC)
- Change in neighborhood quality similar in Baltimore and DC
Other Insights

- Results affected by state foreclosure process and local school contexts
- Foreclosure should be viewed in context of all residential & school instability – small piece of the whole picture.
- Not capturing all effects – parental stress, economic hardship
Other Insights

• Results affected by state foreclosure process and local school contexts
• Foreclosure should be viewed in context of all residential & school instability – small piece of the whole picture.
• Not capturing all effects – parental stress, economic hardship
Local Action

- Ensure children who move out-of-boundary mid-year can stay in their school
- Identify children who become homeless/doubled-up and qualify for McKinney-Vento benefits
- Inform families in foreclosure about school policies, support services, and the potential negative effects of school instability
- Do housing counseling outreach through schools
Local Action

- Ensure children who move out-of-boundary mid-year can stay in their school
- Identify children who become homeless/doubled-up and qualify for McKinney-Vento benefits
- Inform families in foreclosure about school policies, support services, and the potential negative effects of school instability
- Do housing counseling outreach through schools
Getting practitioners’ input

- Held two roundtables with housing counselors, school homeless liaisons, and school practitioners
- Strengths of institutions and collaborations varied by site
- Enthusiasm for improving communication among sectors
- Writing up summary of findings in the next month or so
Presenters

**Urban Institute**
Jennifer Comey
jcomey@urban.org
Kathy Pettit
kpettit@urban.org

**New York University**
Ingrid Gould Ellen
ige2@nyu.edu

**BNIA-Jacob France Institute**
Matthew Kachura
mkachura@ubalt.edu

Individual research reports at: