



The State of
South LA



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THE STATE OF SOUTH LA

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Youngsters on swings at graffiti covered park in South-Central Los Angeles, Calif., 1988. Los Angeles Times Photographic Archive, ca. 1918-. (Collection 1429). Department of Special Collections, Charles E. Young Research Library, UCLA.

Baldwin Hills Crenshaw Plaza. Dr. Darnell Hunt.

Against the background of the Watts Towers, art instructor Judson Powell with two students 1965. Los Angeles Times Photographic Archive, ca. 1918-. (Collection 1429). Department of Special Collections, Charles E. Young Research Library, UCLA.

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Authors are solely responsible for the content and interpretations in this report.

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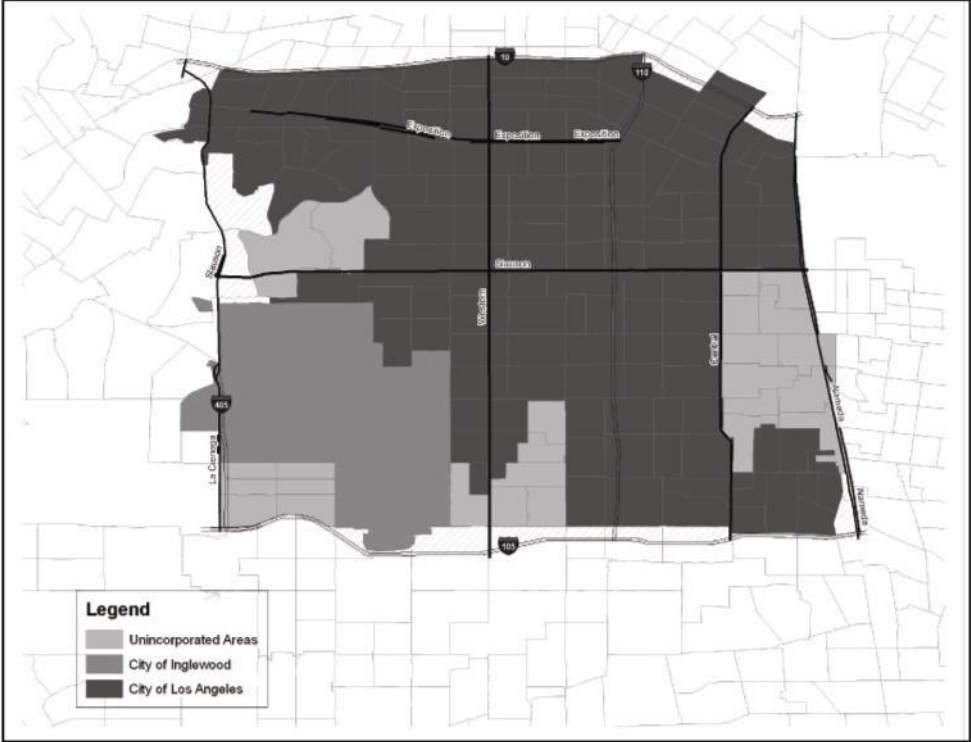
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INTRODUCTION

This report examines the current state of South Los Angeles (South LA) in five key areas: demographics, public safety, education, housing, and employment. The last major effort to assess the state of South LA was in 1993 (see *South Central LA* 1993). Published in the wake of the 1992 Los Angeles Rebellion (Los Angeles Riots), this effort documented the depth of economic marginalization, poor housing, and limited educational opportunities. In particular, the report illuminated: high levels of unemployment, falling incomes, and skills deficit; inadequate shelter, overcrowding, exorbitant rents, and limited access to mortgage finance; and underfunded and overcrowded classrooms with high levels of crime around the school grounds. Together, these conditions create a zone of economic deprivation and social marginalization that in part instigated the Los Angeles Rebellion and other persistently reoccurring urban crises. A decade and a half later, conditions have changed in South LA but many problems remain.

South LA is an imprecise term. Historically, the area refers to South-Central Los Angeles, but also to specific, communities such as Watts. In this report, South LA refers to the area roughly bounded by the I-10, La Cienega Boulevard, I-105 (Century Freeway), and Alameda Street. This area covers approximately 60 square miles (8 miles from east to west and 7 miles from north to south) and includes parts of the City of Los Angeles, Inglewood, and unincorporated areas served by Los Angeles County (see Figure 1). For analytical purposes, the geographic boundaries vary according to the data sources used in this report, which include: Bureau of the Census tracts and zip codes; city and County police reporting districts; County Service Planning Areas (SPAs); and public school districts. Altogether, South LA accounts for nearly 10% of the total population (nearly 885,000 persons) living in Los Angeles County. With such a large population, South LA would rank as the fourth largest city in California – over twice as large as Oakland.

Figure 1. Geographic Areas in South LA



Source: ESRI 2000

In the popular media, South LA is characterized as predominately Black and is associated with poverty, crime, unemployment, welfare dependency, and overall urban decline. However, this characterization belies the heterogeneity and complexity of the area, which is composed of numerous neighborhoods that range from solid middle class to underclass. In the hopes of lessening negative portrayals, the City of Los Angeles changed the name from South Central to South LA in 2003. However, this name change may have had an unintended consequence, the loss of a historical identity as a place (Leovy, 2008). At best, South LA is an area with an emerging identity, but its popular image remains ambiguous. This report attempts to bring some clarity through analyses and presentation of statistical information.

In analyzing the current state of South LA, this report takes two approaches. First, this report compares South LA to Los Angeles County and second, examines internal diversity within South LA. For these two analyses, the development of detailed demographic and socioeconomic neighborhood profiles faces a number of challenges ranging from defining neighborhood boundaries to acquiring the most recent and detailed data. This report takes advantage of widely used sources (the Decennial Census), newer data (such as the American Community Survey, Longitudinal Employer-Household Dynamics file, DataQuick, and FBI Uniform Crime Reports), and agency specific data (such as crime data from the City of Los Angeles Police Department).

Using these data sources, this report examines the current state of South LA in five major areas. Due to limited resources, it is impossible to cover all the important aspects of the region. Ideally, the report would have included information on health status, political and civic engagement, public finance and the “third sector” comprised of non-profits and community-based organizations. Despite these limitations, the report does cover four important topics: demographics, employment, housing foreclosures, public safety, and charter schools. The following briefly describes the major findings in each area.

- South LA contains less than 10% of the County population; however, the area contains a higher concentration of minorities, persons below 18 years of age, and individuals and children living below the poverty line than the County at large. South LA also has lower homeownership rates than Los Angeles County, although South LA shows significant heterogeneity across neighborhoods.
- The observed lower socioeconomic status of South LA residents is related, in part, to the community’s economic disadvantage in the labor market. Because of low educational attainment, a large percent of those living in South LA lack the skills necessary to acquire and hold economically rewarding employment. Many are unemployed, and a high percent of workers earn less than \$10,000 annually. Both of these outcomes likely are related to the lower number of job opportunities within South LA.
- Homeownership rates vary widely within South LA, although the community has an overall rate lower than the County. Home prices and price increases are more consistent. Homes in South LA generally sold for less than the County median in the first quarter of 2008. Between 2000 and 2007, however, values rose faster there than in other areas in the County, a trend that if not sustained could lead new homeowners to build negative equity and put them at risk for foreclosure. Currently South LA has a higher default and foreclosure rate than the typical community in the County, a trend that may warrant intervention by Inglewood and Los Angeles city and County policymakers.
- Overall property crime rate in South LA closely mirrored the County rate; whereas, violent crimes per 1,000 persons in South LA are twice as high with significant variation within the community. The characteristics of crime victims vary by crime type. Younger Black and Hispanic males were more affected by violent crimes than other groups in 2006. On the other hand, property crime victims were more likely to be older, although equally likely to be male or female.
- Sixteen of the 51 charter elementary schools in LA County are in South LA. Despite a large proportion of the population, Hispanic/Latino elementary children in South LA are much less likely to be enrolled in charter schools than African American children. Average API scores also suggest that charter elementary schools in South LA are outperforming their traditional counterparts.

The following sections provide further detail in each of the aforementioned areas: demographics, employment, housing foreclosures, public safety, and education.

DEMOGRAPHICS AND SOCIOECONOMIC CHARACTERISTICS

South LA defines a unique community that differs on numerous dimensions from Los Angeles County as a whole. As typical of an inner-city neighborhood, South LA largely consists of minority persons who are among the poorest in the County. Research suggests that many live in some of the worst housing conditions in the County (see Leavitt and Heskin 1993). South LA also is a community in transition, changing from a majority White population in the early 20th century to a largely Black population in the mid-20th century to a majority Hispanic population by the close of the century. These changes have created significant racial tensions alongside increased economic distress.

This section briefly examines the demographic composition of South LA using data from the 2000 Decennial Census and 2006 American Community Survey. GIS (geographic information system) analysis of information, from the above two sources, reveals neighborhood variation in: the distribution of dependent persons (those less than 18 years old and those 65 years and older), race/ethnicity, nativity, poverty, and housing tenure. An understanding of these characteristics provides insight into crime patterns, educational outcomes, and labor and housing market results, as detailed in later sections of this report.

Population

As of 2006, approximately 884,000 persons (10% of the County population) live in South LA. During 2000 to 2006, South LA grew more rapidly than Los Angeles County as a whole (9% versus 5%), posting nearly double the County population growth rate.

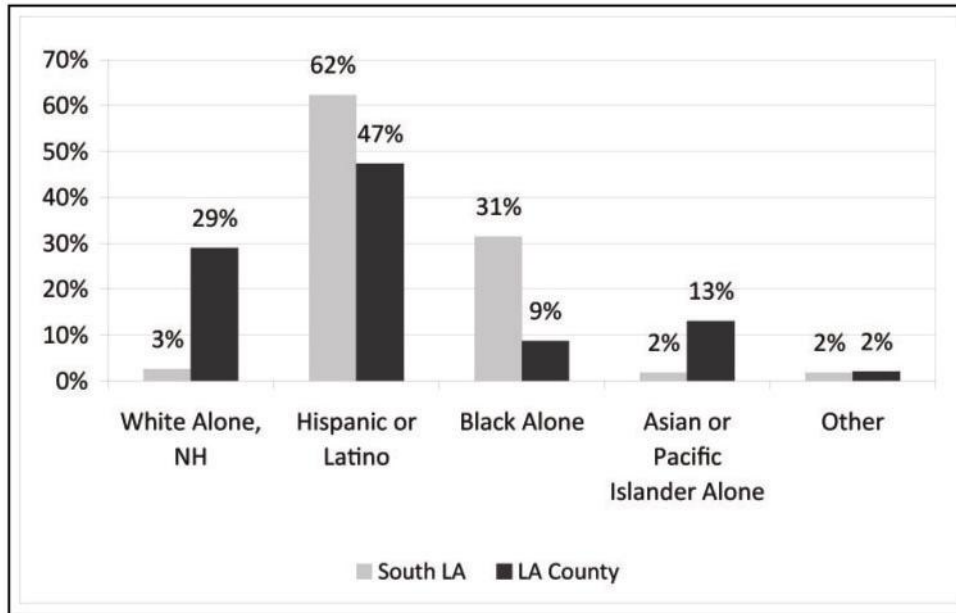
Relative to the County, South LA has a slightly larger dependent population (39% versus 37% countywide in 2006), although the percent of dependent persons declined more than in the overall County during 2000 and 2006 (3% decline versus 1% decline countywide). The dependent population living in South LA largely consists of those under the age of 18, and those under 18 comprise a much higher percent of the dependent population than in Los Angeles County (32% versus 27% across the County). Those 65 and older account for 7% of the population in South LA and 10% of the County population. Spatial analysis reveals a high concentration of persons under 18 in the eastern portion of South LA and a clustering of persons 65 and over in the western portion of South LA, although the latter cluster is not as pronounced as the former.

Race/Ethnicity

Over the past century, the racial/ethnic mix of South LA has changed from predominately White to Black to Hispanic/Latino. Since the late 20th century, minorities have made up a majority of the South LA population. In contrast, no racial/ethnic group comprises a majority of the Los Angeles County population, although Hispanics/Latinos come close, accounting for 47% of the total County population.

In 2006, the racial/ethnic mix of South LA relative to the County was: 62% Hispanic/Latino (versus 47% countywide); 31% Black (versus 9% countywide); 3% White (versus 29% countywide); 2% Asian/Pacific Islander (versus 13% countywide); and 2% other (versus 2% countywide) (see Figure 2). While Blacks do not account for the largest share of the population living in South LA, Blacks are the mostly highly overrepresented racial/ethnic group with about three times more Blacks living in South LA than in the County overall.

Figure 2. Race/Ethnicity, South LA and LA County 2006

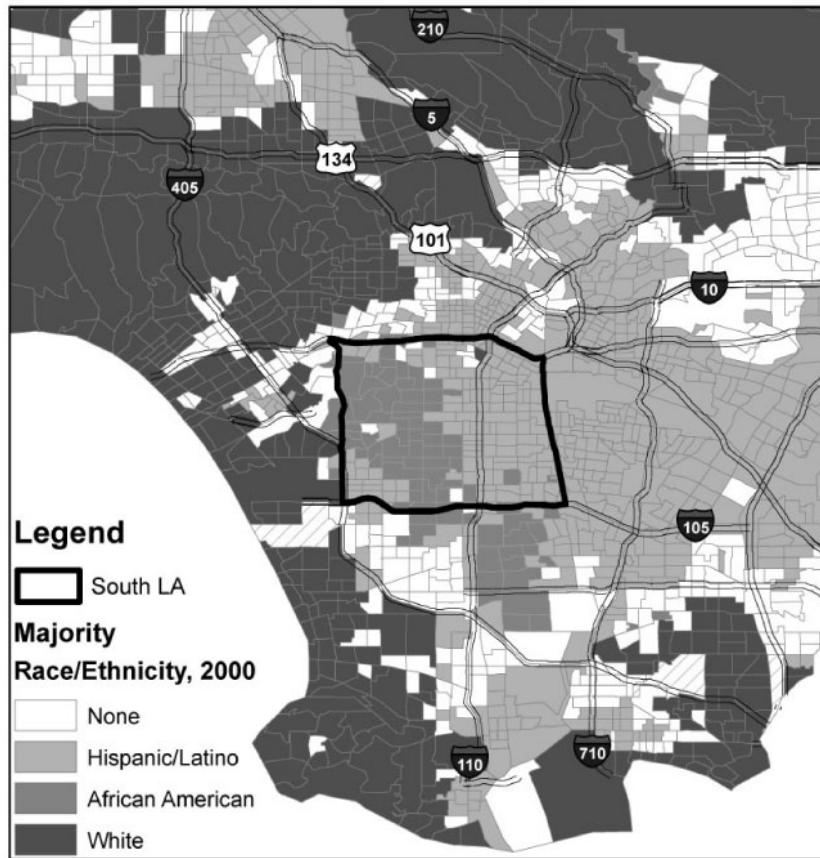


Source: American Community Survey 2006

Across the County and within South LA, the share of Hispanics/Latinos grew the most between 2000 and 2006, increasing by three percentage points across the County and five percentage points within South LA. In contrast, the share of Blacks declined the most within South LA (falling by six percentage points), and the share of Whites fell the most within the County as a whole (declining by two percentage points).

Although detailed spatial analysis cannot be performed for 2006, analysis of 2000 data reveals a unique spatial distribution of racial/ethnic groups across LA County and within South LA. As shown in Figure 3, Whites form a majority in most of the coastal neighborhoods and in the relatively wealthier inland communities, such as Beverly Hills, and in the San Fernando Valley. Hispanics/Latinos comprise a majority in the eastern portion of South LA, in and east of downtown Los Angeles, and near Van Nuys in the north. Blacks form a majority in the western portion of South LA (near and in Inglewood) and just south of South LA (near and in Compton). Asians/Pacific Islanders do not comprise a majority in any of the observed neighborhoods in 2000.

Figure 3. Racial/Ethnic Majority Population by Census Tracts, 2000



Source: Census 2000

Nativity

As in Los Angeles County as a whole, almost 40% of persons living in South LA are foreign born. The percent of non-native persons did not change significantly between 2000 and 2006. Both of these findings suggest that the minorities living in South LA largely are not immigrants. This is somewhat surprising given that a higher percent of Hispanics/Latinos live in South LA than in the County as a whole.

Poverty

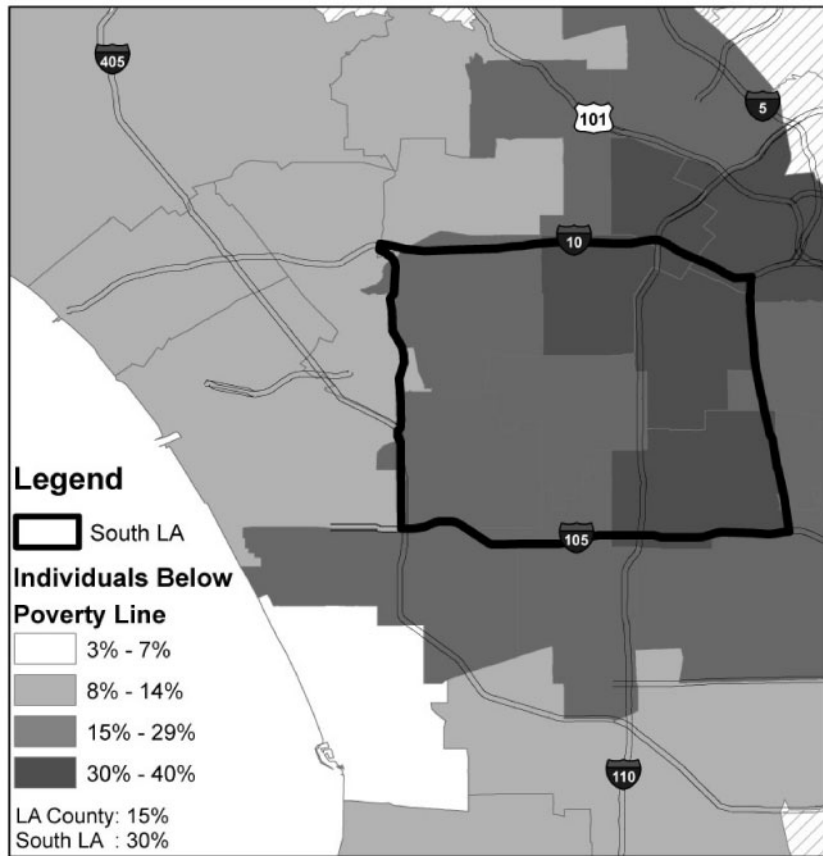
The poverty rate in South LA is two times the poverty rate for Los Angeles County as a whole (30% versus 15% in 2006). Both within South LA and across the County, poverty rates declined by an equal percent during 2000 and 2006 (from 33% in South LA and 18% countywide in 2000).

Children (those under 18) in South LA also are more likely to live in poverty than children in the overall County (32% versus 27% countywide in 2006). While the percent of children living below the poverty

line in South LA fell (from 41% in 2000) during 2000 and 2006, the percent of children living in poverty countywide rose (from 24% in 2000).¹

Spatial analysis of overall poverty rates reveals a high concentration of persons living below the poverty line in the eastern portion of South LA, with rates ranging from 30% to 40% (see Figure 4). These same neighborhoods show a high concentration of persons under 18 and of Hispanics/Latinos, which suggests that these two populations may be most adversely affected by the observed concentration of poverty.

Figure 4. Poverty Rates by Service Planning Areas, South LA 2006



Source: American Community Survey 2006

¹ For 2000, South LA and LA County poverty rates are based on the population for whom poverty status is determined (all people except institutionalized people, people in military group quarters, people in college dormitories, and unrelated individuals under 15 years old). For 2006, South LA and LA County poverty rates are calculated based on the total population and child poverty rates are calculated based on the total number of persons below 18 years of age (since the number of persons for whom poverty status is calculated is not available). This biases poverty rates downward. Thus, it is unclear whether poverty actually declined between 2000 and 2006.

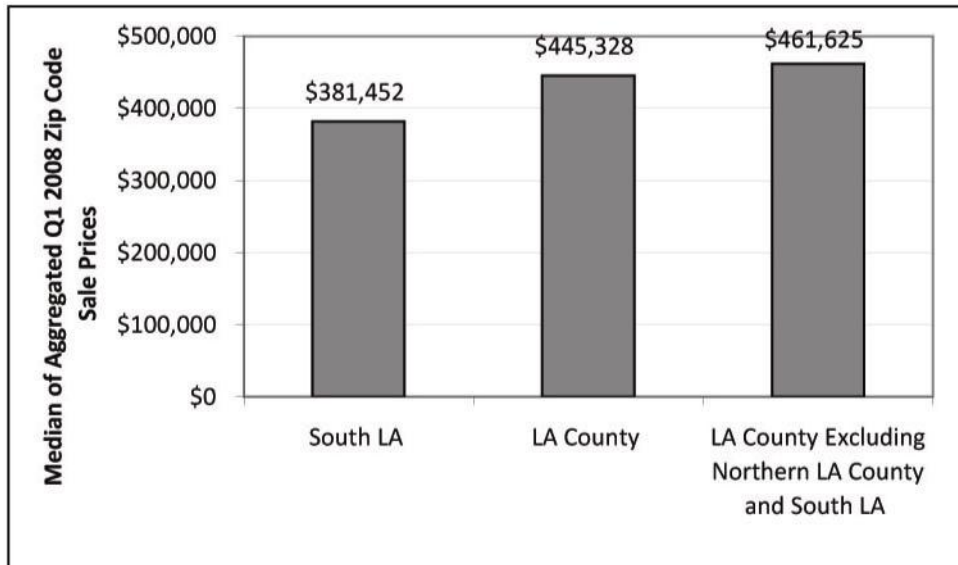
Housing Tenure and Cost

South LA has a low homeownership rate compared to the County overall. A little over one-third of households were homeowners in 2000, as opposed to about 48% in Los Angeles County. The difference between South LA and the northern part of the County, which includes desert cities such as Palmdale and Lancaster, is particularly striking. Whereas about 36% of households in South LA owned their homes, about 68% of those in northern Los Angeles County did. Homeownership rates in 2000 ranged from a low of about 3% in MacArthur Park and Hollywood to a high of 91% in San Marino. Since 2000, homeownership rates have remained stable in South LA; while across the County, homeownership rates have increased marginally (from 48% in 2000 to 49% in 2006).

Spatial analysis reveals wide variation in homeownership rates in South LA. In general, homeownership rates are the lowest (less than 15%) in the eastern portion of South LA where poverty rates are the highest; while rates are highest (higher than the South LA average rate) in a few centrally located neighborhoods. However, these patterns are not consistent as homeownership rates are equally low (less than 15%) in and around Inglewood (the southwestern part of the community).

South LA had a lower estimated sale price in the first quarter of 2008 than other communities in the County, but a higher sale price than northern Los Angeles County (see Figure 5). The estimated sale price in the community was \$381,452, compared to \$445,328 in the County and \$243,719 in northern Los Angeles County (see appendix for calculation methodologies).

Figure 5. Median Sale Prices, South LA and LA County 2008 (Qtr 1)



Sources: DataQuick 2008 (Qtr 1) and Census 2000

Zip code 90302 in Inglewood between the 405 and 10 interstates had the lowest median housing price (\$329,000) in the first quarter of 2008, followed by 90001, 90002, and 90003 in South Central and Watts (\$341,376, \$348,198, and \$349,206 respectively). Zip code 90008 encompassing Baldwin Hills, Crenshaw, and Leimert Park had the highest median housing price (close to \$500,000). In addition to 90007 near USC, it was the only zip code in South LA with a median price higher than the County median

Summary

While South LA contains only about 10% of the County population, the area contains a higher concentration of minorities, persons below 18 years of age, and individuals and children living below the poverty line. All of these characteristics set the stage for understanding labor and housing market results, crime patterns, and educational outcomes, detailed in the following sections of this report.

EMPLOYMENT

Research reveals that the inner-city is economically disadvantaged in terms of labor market outcomes due to: (1) poorer skills related to lower educational achievement, (2) fewer employment opportunities, and (3) discrimination. This section explores the extent to which low educational attainment and the lack of nearby job opportunities preclude full and meaningful employment in South LA. Discrimination, while not examined extensively in this section, likely acts as an additional barrier given the history of tense racial relations in South LA (as evidenced by the 1965 Watts Riot and 1992 LA Riots) and national research on discrimination and its effects. This research suggests that racial residential segregation is responsible for the creation and perpetuation of an urban underclass – a concept referring to poor urban minorities mired in an endless cycle of unemployment, poverty, and welfare dependency and characterized by unwed childbearing, illiteracy, and often criminal behavior (see Massey and Denton 1993). Discrimination often feeds into class related arguments that suggest persistent urban poverty stems from urban economic restructuring (see Wilson 1987). Specifically, the decline of manufacturing, the suburbanization of employment, and the rise of the low-wage service sector reduced the number of gainful employment opportunities in the central city. These changes increased joblessness and hence economic hardship among those without adequate transportation or skills to acquire economically rewarding employment in the rapidly decentralizing economy. Other research reveals that minorities often suffer from: a spatial mismatch between jobs and place of residence (living a great distance from employment opportunities), which is compounded by a transportation mismatch (not having access to affordable and efficient transportation to overcome distance) (see Ong and Miller 2004).²

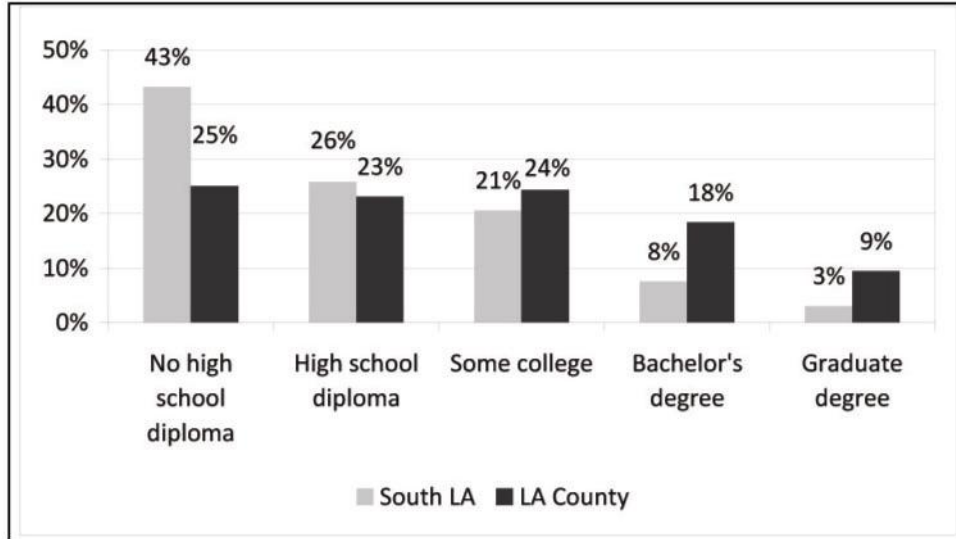
This section examines aspects of the spatial and transportation mismatch using data from the 2004 Longitudinal Employment and Household Dynamic (LEHD) dataset published by the U.S. Census Bureau. The LEHD combines federal and state employment records to provide information on workers and jobs by place of residence and employment. In addition, this report looks at educational achievement and measures of employment status using data from the 2000 Decennial Census and from the 2006 American Community Survey. GIS analysis of information, from the above three sources, reveals neighborhood variations in: educational attainment, labor force participation, unemployment, relative job-richness (the ratio of jobs to worker), commute distances and patterns, and earnings within South LA. An understanding of this spatial variation plays an important role in community economic development strategies that seek to reduce unemployment and improve the economic status of residents in South LA.

² There is also a skills mismatch between workers' skills and those required for available job positions.

Educational Attainment

Less human capital, measured through lower educational attainment, is the first of the three major causes of poor labor market outcomes in inner-city neighborhoods.

Figure 6. Educational Attainment, South LA and LA County 2006



Source: American Community Survey 2006

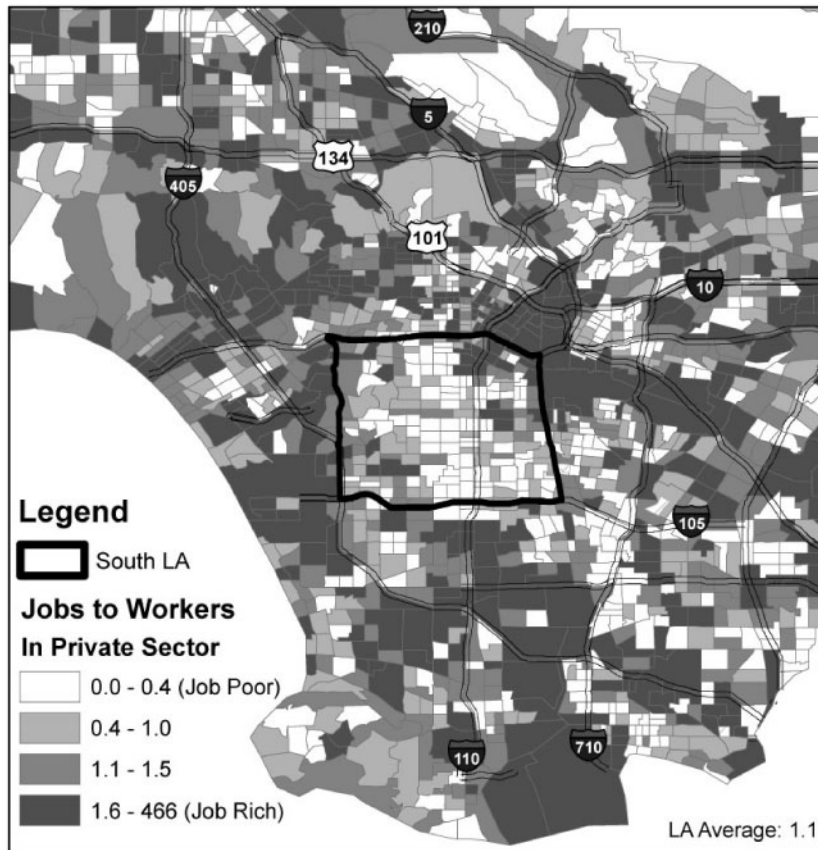
Figure 6 depicts the educational achievements of persons 25 years or older who live in South LA. Relative to Los Angeles County, South LA shows lower education attainment, with twice as many residents lacking a high school diploma (43%) and less than half possessing a college degree (11% with bachelor's degree or more). On the other hand, a slightly higher percent possess a high school diploma and a nearly equal, although somewhat lower, percent attended college for a few years³. These results suggest that South LA residents face two significant barriers: first in achieving basic education and second, in obtaining a higher education beyond high school.

Employment Opportunities

The lack of job access is the second of the three major causes of poor labor market outcomes in inner-city neighborhoods. The following examines job access by considering the ratio of jobs to worker (a measure of the relative number of employment opportunities per worker) in South LA and LA County as a whole.

³ Some college includes those with an associate's degree and those who attended college for one or more years but did not receive a degree.

Figure 7. Jobs to Workers in Private Sector by Census Tract, LA County 2004



Source: Longitudinal Employment and Household Dynamic 2004

Figure 7 shows the ratio of jobs to workers by Census tract. The figure shows that South LA is highly job-poor, with only about 0.5 jobs per worker compared to 1.1 jobs per worker in the overall County. Significant variation, however, exists both within South LA and in Los Angeles County. For instance, jobs-to-worker ratios are higher in tracts neighboring the Crenshaw Mall in the northwest and in the northeast next to the University of Southern California (USC), as would be expected given the larger number of job opportunities in these tracts. Surprisingly, no clear visual relationship appears between areas with fewer job opportunities and higher unemployment rates, which implies that most workers do not live and work in their neighborhood of residence.

A low jobs-to-worker ratio for a single neighborhood is not problematic by nature, as it often results from zoning that physically separates places of residence from industrial, commercial, and employment centers. However, low jobs-to-worker ratios are worrisome when they cover a large geographic area, because they are indicative of low employment opportunities in a reasonable commute shed. Hence, the significance of low employment opportunities also depends upon the transportation modes available to workers. In particular, workers with access to cars tend to have a greater opportunity set.

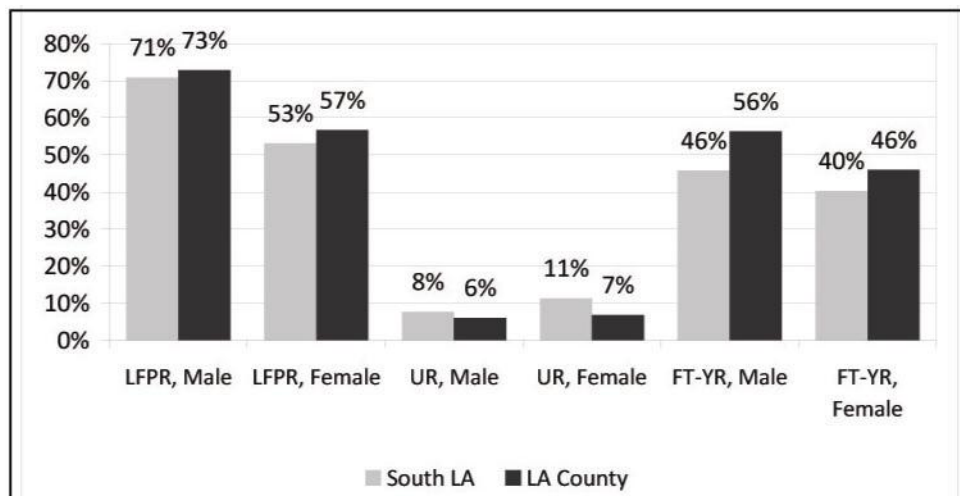
Discrimination

Discrimination defines the final major cause of poor labor market outcomes. Both national studies and Los Angeles metropolitan area specific studies reveal that African American males earn 9-11% less and are less likely to be employed than White males after accounting for age, education and skills, and African American females suffer from the same gender inequality as White females. The racial gap for Hispanic/Latino workers is lower and slightly less clear but nonetheless shows that Hispanic/Latino workers face some discrimination (see Ong and Miller 2004). Many are immigrants, who face additional employment barriers (lack of English language ability, non-transferability of skills acquired prior to immigration to the U.S. labor market, lack of legal status). These barriers often more negatively impact wages and joblessness than differences in personal characteristics or education for Hispanic/Latinos. Specifically, Hispanic/Latinos have a higher probability of experiencing one or more spells of unemployment but have smaller durations of unemployment, i.e. they are more likely to cycle in and out of low skill jobs (see Valenzuela 2006). Overall, many studies find that skin shade has an important effect on wages, with darker skin tones resulting in higher wage penalties after controlling for human capital and other demographic, workplace, and neighborhood characteristics (Goldsmith et al. 2006).

Labor Market Consequences of Low Education Attainment, Poor Job Opportunities, and Discrimination

Education cultivates the skills necessary to hold an economically rewarding job. Those with poorer skills often suffer from more and longer unemployment spells, and some, discouraged by employment prospects, drop out of the labor market altogether. The number and percent of discouraged workers cannot be measured directly from the available data. However, labor force participation rates (the number of those 16 years of age and older working or actively seeking work but are currently unemployed) reveal both the percent of those engaged in the labor market as well as those self-selectively choosing not to work and/or unable to find a job.

Figure 8. Labor Force Participation Rate (2006), Unemployment Rate (2006), and Full-time Year-round Status (2000) by Gender, South LA and LA County



Sources: American Community Survey 2006 and Census 2000

Labor force participation rates in South LA have risen significantly since 2000, from 53% to 62% in 2006. As of 2006, participation rates are only slightly lower than the overall County rate (65%) (see Figure 8). As in the County at large, labor force participation varies by sex, with nearly three-quarters of males but only about 50% of females participating in the job market. Labor force participation rates altogether suggest that South LA contains a nearly equal percent of persons self-selectively choosing not to work and/or discouraged by the current job market, whether measured in aggregate or by sex. The data does not reveal whether self-selection or discouragement plays a larger role in choosing not to participate in the labor market. Higher unemployment rates in South LA, discussed below, and lower employment opportunities, discussed in the following section, suggest that discouraged workers may account for a larger share of those not participating in the job market.

While labor force participation rates are somewhat lower in South LA, unemployment rates exceed those in the County as a whole. Spatial analysis reveals higher levels of unemployment (15% or more) and lower levels of labor force participation (50% or less) in the eastern half of South LA. These same tracts contain a high concentration (60% and upwards) of persons without a high school diploma, suggesting a strong correlation between educational attainment and the ability to gain and hold a job compatible with a worker’s skills. Overall unemployment rates in South LA have fallen, however, since 2000 from 13% to 9% in 2006. The available data does not reveal how this decline affected the interregional distribution of unemployed persons.

Unemployment rates also vary by sex, with females showing significantly higher unemployment rates (11%) than males (8%) in South LA. Higher unemployment rates among females likely are related to greater childrearing responsibilities, changing household structures (i.e., increasing single-mother households), and economic restructuring—all of which limit women’s employment opportunities.

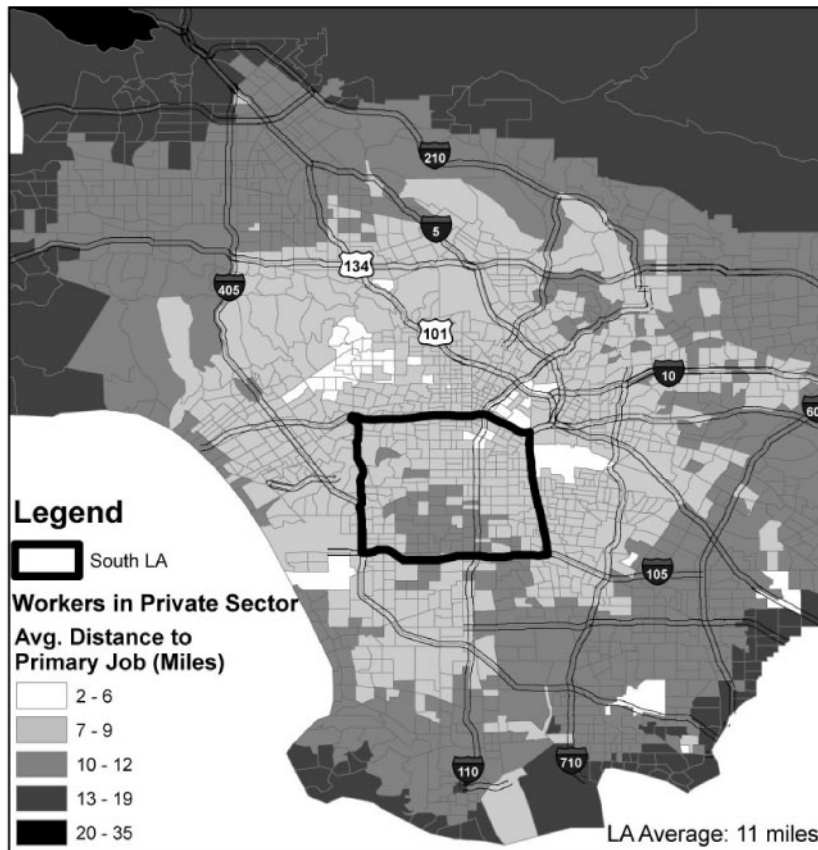
Higher unemployment rates among women translate into a lower percent of women working full-time, year-round (35 hours or more per week for 50 to 52 weeks per year) both in South LA and Los Angeles County. In 2000, 40% of females living in South LA worked full-time year-round compared to 46% of males. Overall, less than half (43%) of South LA residents worked full-time, year-round, compared to slightly more than half (52%) of Los Angeles County workers.

Commute Consequences

The impact of low employment opportunities depends upon accessibility to nearby jobs that are compatible with a worker's skill set. Due to data limitations, this report examines only commute distances of workers to their primary job in South LA compared to Los Angeles County. This analysis reveals whether South LA residents must travel farther distances to reach employment areas with jobs matching their skills.

In 2004, South LA private sector workers commuted on average 9 miles to their primary job – about 1 mile less than Los Angeles County private sector workers living in the urbanized area. The spatial distribution of commute distances (see Figure 9) reveals regional variation in average commute distance, with longer commute distances in the southern half of South LA (near the Century Freeway), where residents commute about 10-12 miles. These tracts, which show longer commute distances, largely correspond to the Census tracts with lower jobs-to-worker ratios in South LA but include a few relatively job-rich tracts. Longer commute distances in the job-rich tracts suggests a skills mismatch between workers' abilities and those required for the available jobs.

Figure 9. Average Distance to Primary Job by Census Tract, LA County 2004



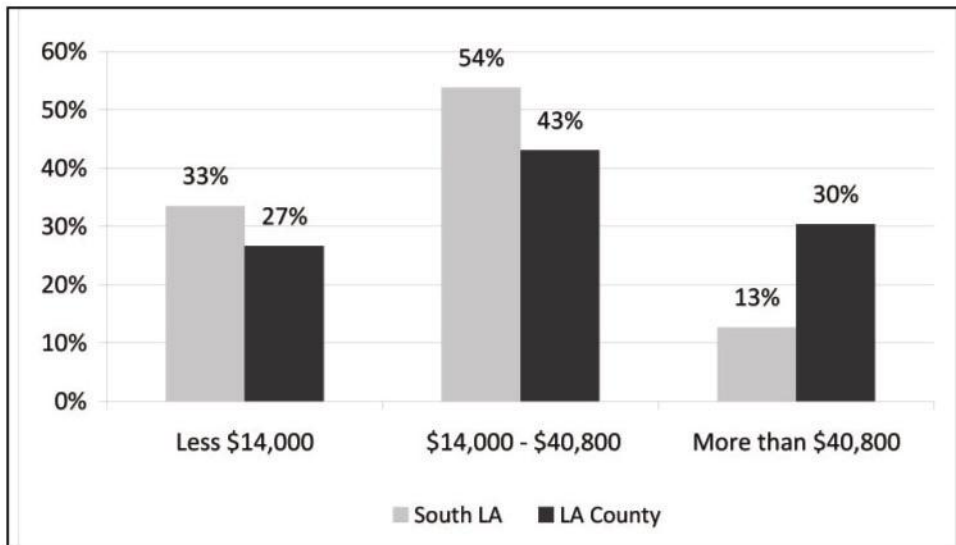
Source: Longitudinal Employment and Household Dynamic 2004

Earnings Consequences

Employment opportunities and commute distances both affect the likelihood of economic hardship faced by low-wage earners. Data from the 2000 Census and 2004 LEHD both show South LA workers earn less than workers in the overall County. In 1999, about 30% of workers living in South LA earned less than \$10,000 compared to 22% countywide. Workers with the lowest earnings are somewhat clustered in the eastern half of South LA, as expected given the lower levels of educational attainment and labor force participation in that area. Both in South LA and in the County, female workers typically earn the lowest wages. In 1999, 34% compared to 24% of male workers earned less than \$10,000 in South LA. Across all workers, nearly three-quarters earned less than \$25,000 in South LA. Only 3%, compared to 13% countywide, earned more than \$75,000 in 1999.

The 2004 LEHD data also reveals the predominance of low earnings. In 2004, 33% of private sector workers earned less than \$14,400 annually compared to 27% of those in Los Angeles County as a whole (see Figure 10). Relative to Los Angeles County, half as many South LA workers earned more than \$40,800 annually (13% versus 30%).

Figure 10. Private Sector Worker Earnings, South LA and LA County 2004



Source: Longitudinal Employment and Household Dynamic 2004

A comparison of Census tracts with a high percentage of low-wage workers (in both Census datasets) reveals that many of these same tracts also have low jobs-to-worker ratios.

Summary and Recommendations

The above examination reveals that low educational attainment and fewer job opportunities prevent full and meaningful employment in South LA. With many lacking a high school diploma, a large percent of those living in South LA lack the skills necessary to acquire and hold economically rewarding employment. Many are unemployed, and a high percent of workers earn less than \$10,000 annually. Both of these outcomes likely are related to the lower number of job opportunities within South LA. Although faced with a lower number of employment opportunities, South LA residents do not commute farther distances than other LA residents.

This report only preliminarily addresses the economic disadvantages South LA residents face. Further research is needed to determine the appropriate strategy to improve residents' economic outcomes. Typical strategies include: local economic development, transportation policy to increase job access, housing mobility to enable the poor to move to job rich neighborhoods, and employment training combined with employment intermediation that matches workers and employers.

HOUSING FORECLOSURES

This section provides an overview of housing in South LA and focuses on an emerging crisis. There is growing consensus that the U.S. is in the throes of a mortgage foreclosure crisis. In a May 2008 speech given at the Columbia Business School, Federal Reserve Board Chairman Ben Bernanke announced that by the end of 2007, about 2% of all mortgages nationwide were in or headed for foreclosure. This situation is coupled with a general economic turndown as households and neighboring property owners lose wealth and construction and related industries cut production and jobs (Bernanke 2008a, b; Joint Economic Committee 2007). California is one of the hotbeds of the crisis, with an estimated 3.0% to 7.8% of homeowners expected to foreclose on their properties between 2006 and 2009 (Isaac 2008). Of the state's counties, Los Angeles is projected to experience the greatest number of subprime foreclosures (Isaac 2008). Although job loss and unemployment spurred by the departure of the defense firms were primary causes of foreclosures in the mid-1990s, currently foreclosures are driven more by housing price fluctuations, subprime lending, and adjustable rate mortgages, among other risky financial products (Immergluck 2008; Reckard 2008).

Foreclosures impact communities in many ways namely by increasing vacancies and reducing property values. Given these negative impacts, it is important to examine foreclosure rates in already economically distressed areas such as South LA. This section of the report will examine housing price inflation—a condition associated with rising foreclosures rates—as well as provide information on recent rates of default and foreclosure. Using zip codes as the unit of analysis, we first compare variation in these conditions between South LA and Los Angeles County. Next, we will conduct a more detailed analysis of these factors among the 18 zip codes that encompass South LA (see appendix for map and methodology). We conclude by addressing recent legislation passed to address the foreclosure crisis, as well as the implications of the findings for local policymakers.

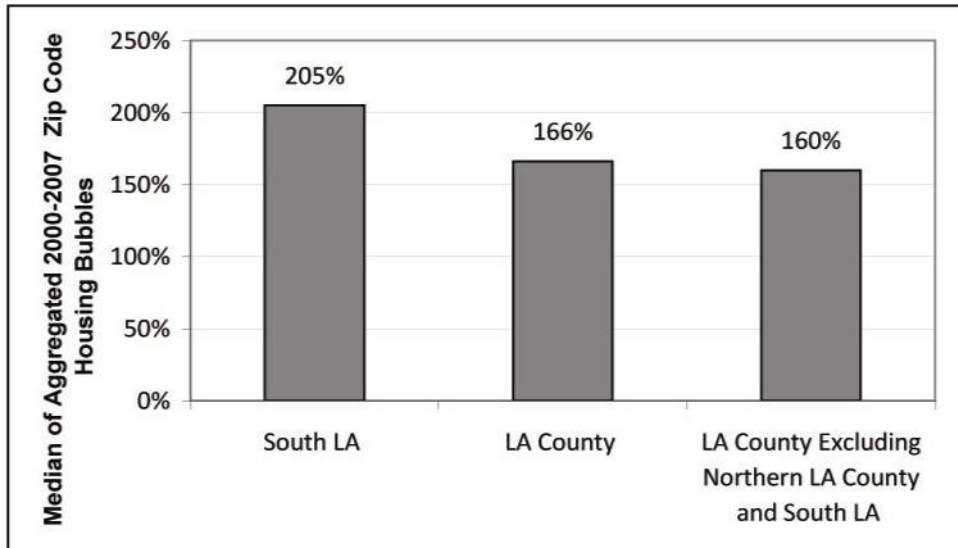
Housing Trends in South LA Compared to Los Angeles County

Poorer areas likely are at higher risk of foreclosure than wealthier areas, since lower income families' financial instability may limit their ability to make payments in a timely fashion, especially given rising interest rates. It is also well known that low-income households and minorities are more prone to subprime lending than more affluent households and Whites; thus, communities with a high proportion of low-income minorities may be more vulnerable to foreclosure than areas with more affluent White residents, although these same places may have ethnic banks and other institutions that reduce lending discrimination (Avery et al. 2006; Zonta 2004).

Given South LA's relatively higher incidence of poverty and minority persons compared to other communities in the County, one would expect South LA to experience more housing instability than wealthier communities with more White persons. Yet, foreclosures are not only driven by demographics but also by other conditions, such as homeownership, loan default rates, and housing speculation.

In general, South LA has experienced greater escalation in housing price than the County. To estimate the size of the housing bubble, we calculated the ratio of 2007 single-family home prices to 2000 median home values by zip code.⁴ Price increases ranged from a low of 33% in Koreatown to a high of 391% in Santa Monica. As a whole, zip codes in South LA had higher housing bubbles than those in other areas (see Figure 11). Whereas the estimated bubble size for South LA was about 205%, the estimated price increase for the County was 166%. The community also had a slightly higher but comparable housing bubble to northern Los Angeles County (203%).

Figure 11. Median Housing Bubbles, South LA and LA County, 2000-2007



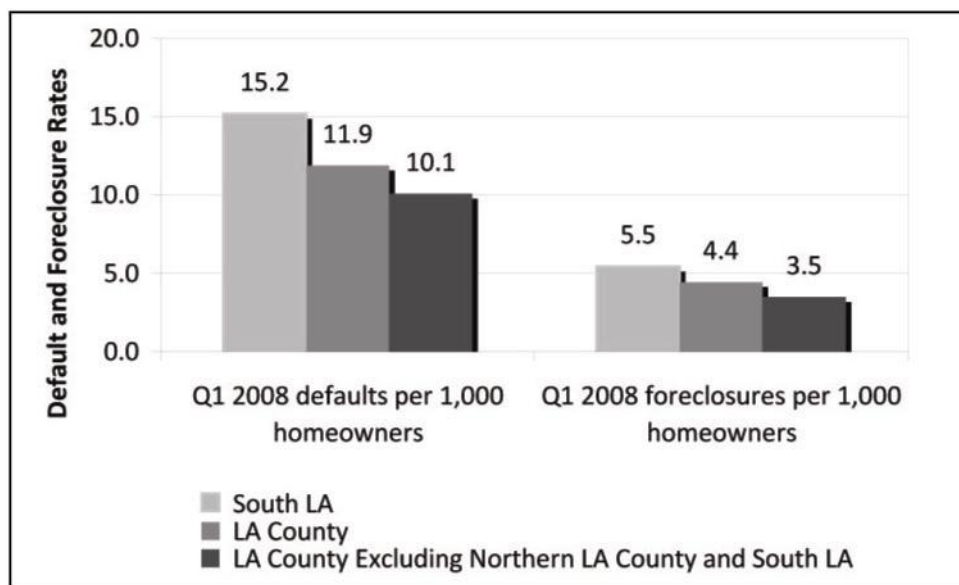
Sources: DataQuick 2007-2008 and Census 2000

The above housing market context leads to questions about the incidence of default and foreclosure in South LA compared to the County. In general, South LA had a higher default rate than other areas in the County, but a lower rate than northern Los Angeles County. There were about 15 notices of default per 1,000 homeowners in South LA in the first quarter of 2008 compared to about 12 defaults per 1,000 in the County. The rate of default in northern Los Angeles County was significantly higher—as of the first quarter of 2008 about 42 homeowners in 1,000 had received default notices. Default rates ranged from less than one homeowner per 1,000 in San Marino to 55 per 1,000 in Palmdale.

There is a close association between default and foreclosure rates, since the former can lead to the latter. Therefore, foreclosure patterns in Los Angeles County generally follow default patterns. As of the first quarter of 2008, about 5 homeowners in 1,000 had foreclosed on their properties in South LA compared to about 4 homeowners in 1,000 in Los Angeles County. As expected, northern Los Angeles County registered one of the highest rates in the region, with about 21 foreclosures per 1,000 homeowners. Foreclosure rates ranged from a low of zero in places such as Brentwood, Culver City, San Marino, Avalon, Santa Monica, Venice, and Topanga to a high of 25 per 1,000 homeowners in Palmdale.

⁴ The housing bubble is a raw ratio, it does not account for inflation. In general, between 2000-2007 housing prices in Los Angeles County rose faster than inflation.

Figure 12. Notice of Defaults and Foreclosures per 1,000 Homeowners, South LA and LA County 2008 (Qtr 1)



Sources: DataQuick 2008 (Qtr 1) and Census 2000

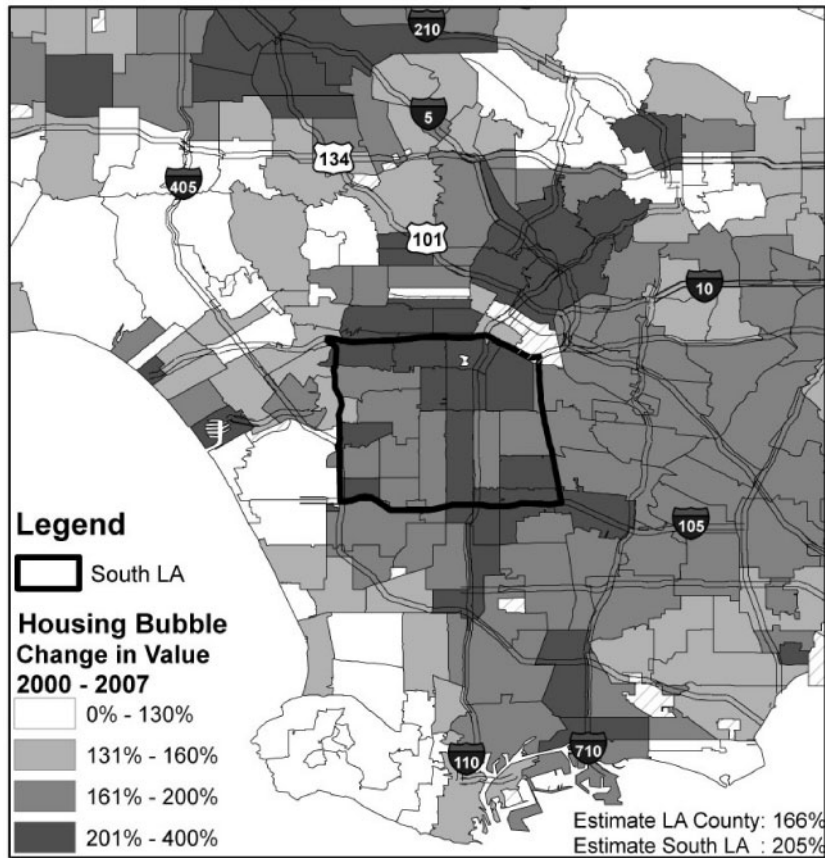
In sum, this section has shown how housing market conditions vary between South LA, the County as a whole, and northern Los Angeles County. In general, South LA had higher housing inflation, default and foreclosure rates than other communities in the County. Compared to South LA, northern Los Angeles County had a lower housing bubble and significantly higher default, and foreclosure rates, indicative of the instability of its real estate market. A key remaining question concerns the extent of variation in these conditions within South LA, an issue that we address next in further detail.

Housing Patterns in South LA

As described in previous sections, South LA is an umbrella term that encompasses a diverse set of smaller communities, from Baldwin Hills to Watts to Inglewood to unincorporated Athens and Lennox. Although all of these places have higher rates of poverty and minority persons than other Los Angeles County communities, there is some variation in these and other characteristics across the subareas. Thus, it is important to examine variation in housing market conditions across the district in order to best target remedial measures, particularly those pertaining to concentrations of foreclosures and defaults.

Although there was wide variation in homeownership rates in South LA, an issue addressed earlier, the community is defined by more consistent housing price fluctuations. In general, zip codes in the northern part of the community had higher housing bubbles than those in the southern part, although the variation is slight, with increases ranging from 167% in zip code 90008 encompassing Baldwin Hills, Crenshaw, and Leimert Park to 233% in zip code 90007 located near USC.

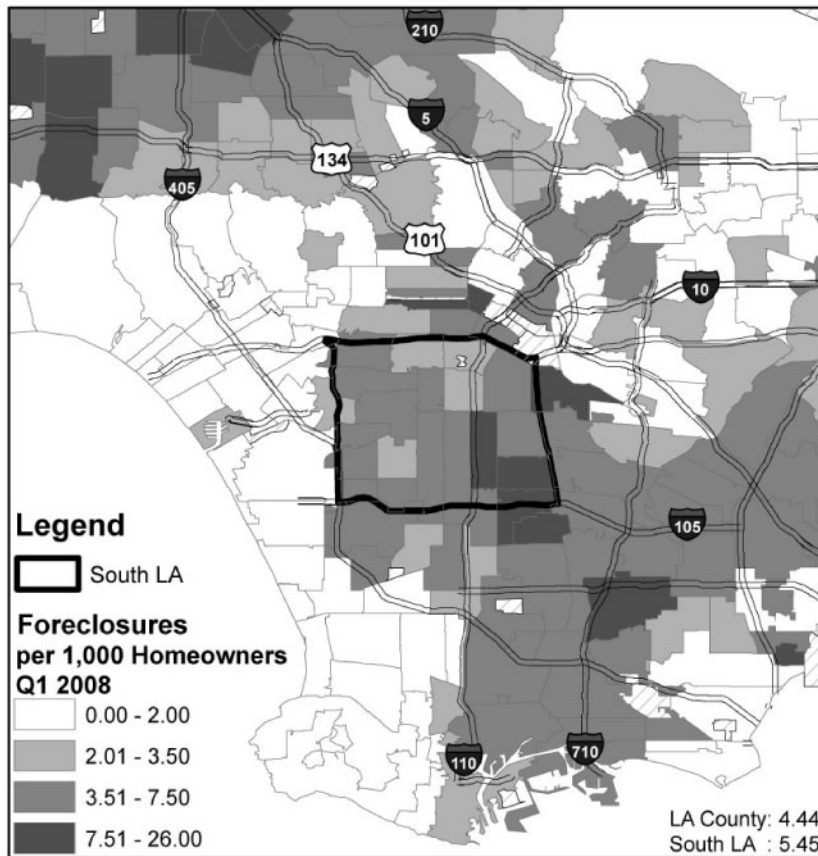
Figure 13. Housing Bubble by Zip Code, LA County 2000-2007



Sources: DataQuick 2000-2007 and Census 2000

Notices of default and foreclosure rates generally were related, with zip codes with higher default rates also having higher foreclosure rates. The highest concentration of both in the first quarter of 2008 occurred in southeastern zip codes 90002, 90003, and 90044, representing Watts, South Central, and unincorporated Athens. These areas had default and foreclosure rates of 20-25 homeowners per 1,000 and 7-10 homeowners per 1,000 respectively compared to a default and foreclosure rate of 15 and 5 per 1,000 for South LA. The lowest rates of default and foreclosure were in zip codes 90018 and 90007 in the north central part of the community, representing Jefferson Park and the community near USC, and 90304 in the far southwestern corner, comprising unincorporated Lennox near Inglewood. These zip codes had default and foreclosure rates of 8 homeowners per 1,000 and 3-4 homeowners per 1,000 respectively.

Figure 14. Foreclosures per 1,000 Homeowners by Zip Code, LA County 2008 (Qtr 1)



Sources: DataQuick 2008 (Qtr 1) and Census 2000

Of the zip codes that encompass South LA, 90007 near USC and 90002 in Watts are particularly divergent. The former has one of the lowest homeownership, default and foreclosure rates, yet one of the highest median sale prices and housing bubbles—characteristics signifying its relatively advantaged position. The latter, on the other hand, has one of the highest homeownership, default and foreclosure rates and a comparatively lower median sale price and housing bubble—trends that potentially warrant intervention, an issue discussed next in further detail.

Summary and Recommendations

The sections above show that South LA has a higher default and foreclosure rate than the typical community in the County. In addition, zip codes 90002, 90003, and 90044 in the southeastern quadrant of the community have markedly higher rates than the total rate for South LA.

As the *Los Angeles Times* and other media have documented, foreclosures have a detrimental effect on households and communities, leading to bankruptcy and boarded up houses, which may induce crime, property value decline, and losses in local and state revenues (Immergluck and Smith 2006a, b; Joint Economic Committee 2007). Efforts to ameliorate these outcomes are occurring at the federal, state, and local levels. Whereas bills have been proposed in the Senate and House that would provide

financial incentives for localities and individuals to purchase foreclosed properties, Congress has yet to pass a comprehensive mortgage reform bill. On the state level, legislation has focused on providing counseling, educating buyers on subprime, predatory, and other risky lending practices and increasing funds for affordable development. In addition, Governor Schwarzenegger has set aside about \$140 million in Proposition 1C and federal HOME⁵ funds for low-cost rental construction and low-interest loans and worked with lenders to streamline loan refinancing, among other activities (California State Assembly 2008; Office of the Governor 2008).

Localities, on the other hand, have responded by passing measures to control blight and stepping up law enforcement in affected areas. Cities such as Murrieta and Chula Vista now require that lenders holding foreclosed properties maintain them until they are sold. Local governments also have partnered with area nonprofits such as Los Angeles Neighborhood Housing Services and Operation Hope to offer counseling to households at risk of foreclosure. The City of Los Angeles, Los Angeles County, and Inglewood should consider not only developing similar programs but also more dramatic steps, such as setting up an emergency mortgage payment fund and providing financial and other incentives for households willing to buy foreclosed properties.

⁵ According to the U.S. Department of Housing and Urban Development, "HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households."

PUBLIC SAFETY

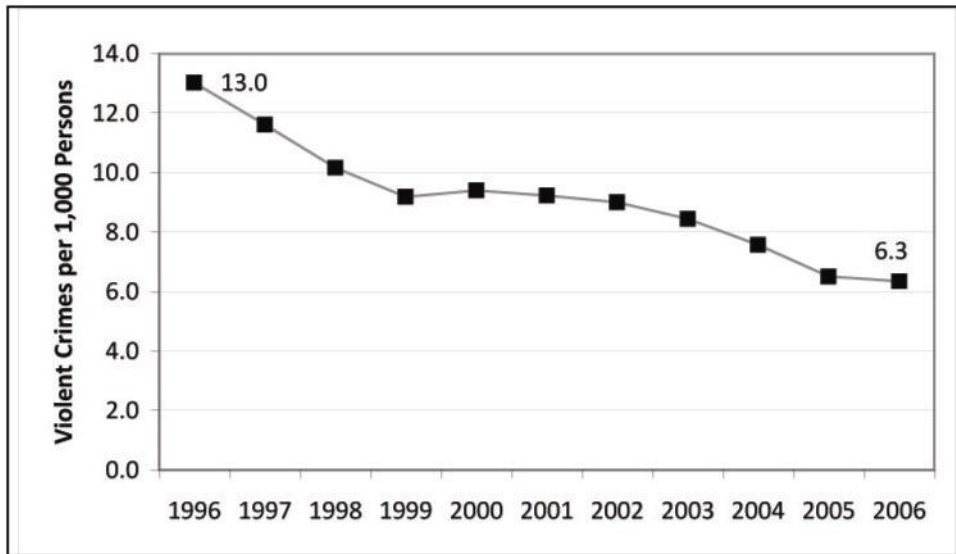
Higher crime rates negatively impact communities in a number of ways, some of which include increased stress and anxiety, lower housing values, weaker attachments to neighbors and the community, and depressed business development. Studies have cited an increasing crime gap between rich and poor neighborhoods (see Thacher 2004). Communities with more Black, Hispanic/Latino, and Asian immigrant residents also face disproportionate incidents of violent crime (see Peterson et al 2006). This section will present estimates and distributions of violent and property crimes in South LA. Using data from various sources, the section will first examine crime trends in Los Angeles County and compare South LA crime rates to County rates. A detailed analysis of Census tracts in South LA level will follow and uncover pockets of violent and property crime within the area.

South LA is enforced by a number of police departments. Part I (violent and property) crime estimates for Los Angeles County are from the Federal Bureau of Investigation 2006 Uniform Data Reports. Crime data for the City of Inglewood come from the City's Police Department. The portions of the City of Los Angeles in South LA are served by four Los Angeles Police Department (LAPD) divisions: Southwest, 77th Street, parts of Newton, and most of the Southeast division. Crime data in these areas are from the 2006 LAPD Statistical Digest. We adjust the crime estimates for Newton and Southeast divisions using 2006 reporting district level data. Finally, unincorporated areas in South LA contract with the Los Angeles County Sheriff's Department for police enforcement. Crime data in these reporting districts are extracted from the Sheriff's 2006 Crime and Arrest Statistical Summary (CAASS). Crime rates are calculated using 2006 California Department of Finance population estimates, data from the Los Angeles Department of City Planning, and 2000 Decennial Census data.

Part I Crime in Los Angeles County

Violent crime consists of four offenses: murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault. Figure 15 tracks violent crime rates in Los Angeles County from 1996-2006. Approximately 13.0 violent crimes per 1,000 persons were reported in 1996. Ten years later, the rate dropped to 6.3 violent crimes per 1,000 persons. This dramatic decrease, given the short passage of time, is noteworthy.

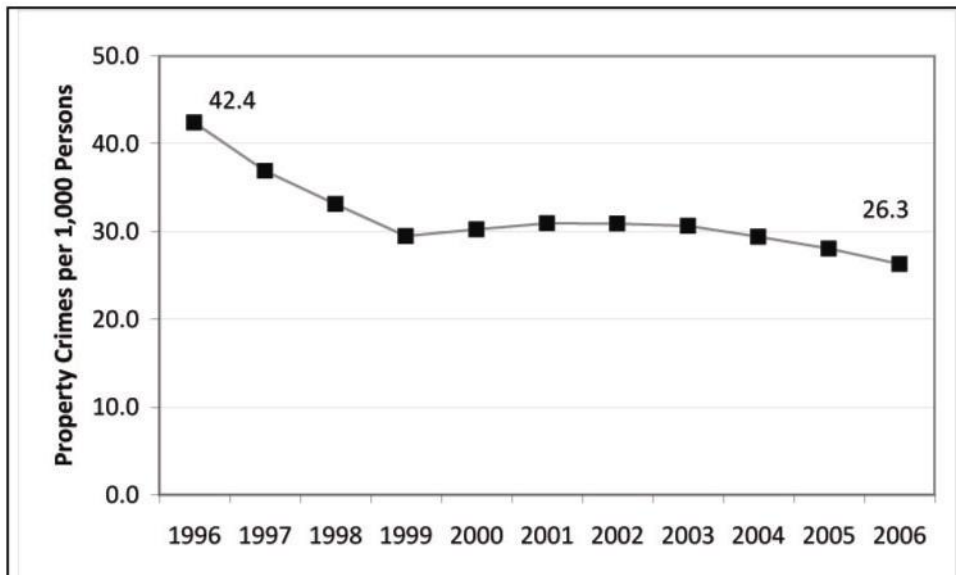
Figure 15. Violent Crimes per 1,000 Persons, LA County 1996-2006



Sources: FBI Uniform Data Reports 1996-2006 and CA Department of Finance 1996-2006

Property crimes include burglary, larceny-theft, motor vehicle theft, and arson.⁶ The estimated number of property offenses in 1996 was 42.4 crimes per 1,000 persons (see Figure 16). By 2006, the rate dropped to 26.3, approximately 269,000 known offenses.

Figure 16. Property Crimes per 1,000 Persons, LA County 1996-2006



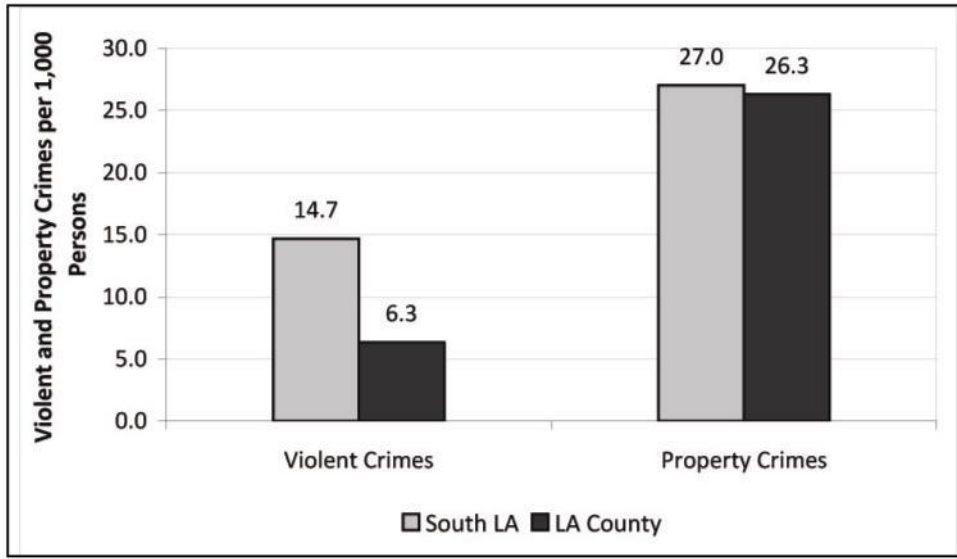
Sources: FBI Uniform Data Reports 1996-2006 and CA Department of Finance 1996-2006

⁶ Incidents of arson were reported inconsistently between the various reporting agencies.

Crime Rates in South LA Compared to Los Angeles County

The violent offense rate in South LA in 2006 was 14.7 per 1,000 persons - more than twice the County rate (see Figure 17). Within South LA, areas served by LAPD reported a total of 10,369 violent offenses (15.1 offenses per 1,000 persons). Inglewood and unincorporated areas had slightly lower rates at 13.5 and 13.4 (see Figure 18).

Figure 17. Violent and Property Crimes per 1,000 Persons, South LA and LA County 2006



Sources: Multiple sources (see Appendix)

The property crime rate in South LA closely mirrors the County rate. In 2006, South LA experienced 27.0 crimes per 1,000, compared to 26.3 countywide. Unincorporated areas had significantly lower property crime rates at 19.7 offenses per 1,000 persons in 2006.

Figure 18. Violent and Property Crimes per 1,000 Persons, South LA and LA County 2006

	Violent Crime Rates	Property Crimes Rates
Los Angeles County	6.3	26.3
South LA	14.7	27.0
Inglewood City	13.5	25.0
Unincorporated Areas	13.4	19.7
LA City Areas	15.1	28.7

Sources: Multiple sources (see Appendix)

Crime Rates in South LA

Crime rates in South LA vary by area and crime type. The map below (see Figure 19) illustrates violent crimes rates by Census tract. These tracts are served by the Los Angeles Police Department. Although most Census tracts had rates greater than the County rate, a few of tracts had lower crime rates, most of which are located in north and the northwest corner of South LA (near Baldwin Park). Census tracts with the highest violent crime rates are located near Watts and south of Exposition Park.

Figure 19. Violent Crimes per 1,000 Persons by Census Tract, South LA 2006



Sources: Los Angeles Police Department 2006 and LA City Planning Department 2006

Unlike violent crimes, property crime rates are more dispersed throughout South LA (see Figure 20). Roughly half of the Census tracts reported rates below the County average. Low property crime rates tend to be concentrated in northern and northwestern region of South LA, while areas east of Western Avenue are more likely to have high property crime rates. Although violent crime rates in these areas are low, a few bordering neighborhoods, such as Baldwin Park, have higher property crimes rates compared to the County. Concentrations of high property crime are located in areas surrounding the University of Southern California and between Westmont and Watts.

Figure 21. Characteristics of Victims by Crime Type, South LA 2006

	Violent Crimes	Property Crimes
Age Group	Percent	Percent
1-17	15.6	2.9
18-29	34.3	32.1
30-39	19.3	23.2
40-49	17.6	20.1
50-59	8.9	12.3
60+	4.6	9.32
Gender		
Female	32.7	47.5
Male	67.3	52.5
Race		
Black	44.7	38.5
Hispanic	48.5	42.4
White and Other	6.8	19.2

Source: Los Angeles Police Department 2006

Summary and Recommendations

The above investigation shows that while the overall property crime rate in South LA closely mirrored the County rate, violent crimes per 1,000 persons in South LA were twice as high. Census tract maps reveal the dispersion and help identify concentrations of violent and property crime rates in South LA. Neighborhoods near Baldwin Hills experienced fewer violent crimes but more property crimes compared to the County, while southeast neighborhoods faced higher violent and property crime rates. Although not inclusive of all South LA, these maps are useful in identifying problematic crime areas in need of policy intervention.

Finally, characteristics of crime victims in South LA vary by crime type. Younger Black and Hispanic males were more affected by violent crimes in 2006. On the other hand, property crime victims were more likely to be older, although equally likely to be male or female.

The state of crime in South LA is a major source of concern for residents, advocates, and policymakers. Recent efforts to address the include community partnerships with law enforcement and gang prevention and intervention programs (see McGreevy and Helfand 2007).

EDUCATION - CHARTER SCHOOLS

The failures of our urban public education system to provide quality education for all students have been extensively documented (Coleman, et. al., 1966; Jencks, et. al., 1972; Gardner, 1983; Oakes, 1985; Orfield, 1988; Kozol, 1992; Noguera, 2003; Noguera & Wing, 2006). Persistent school inequalities have lasting harmful implications in terms of employment, poverty, crime, health and other outcomes. The racial disparities in academic achievement are all too apparent in South LA, which has a proportionately larger population of Hispanic/Latino and African American residents as well as children under the age of 18, relative to the rest of the County.

In Los Angeles, efforts to improve and address racial inequalities in schools have been significantly influenced by the national charter school movement. The charter school movement has been largely driven by community, educator, and parental dissatisfaction with traditional public school bureaucracy (Contreras, 1995). Based on a neo-liberal market-driven philosophy, the charter school concept allows any group of individuals to submit an alternative educational plan and proposal to a sponsoring state agency such as a local school board for a charter and public resources, including funding and facilities, for basic educational activities. Although charter schools have more administrative autonomy than traditional schools, they are still accountable to the sponsoring agency to meet state requirements and standards within an allotted period of time. The sponsoring agency, based on regular assessments, may revoke school charters based on a school's poor performance.

Since the early 1990's, the charter school movement has spread across the nation. California was the second state, after Minnesota, to pass a charter school law in 1992 to provide state support and guidelines for the formation of such schools. Today, 40 states and the District of Columbia have charter school laws. Of these states, California has both the largest numbers of charter schools and students enrolled in charter schools.

Charter School Enrollment in South LA and LA County

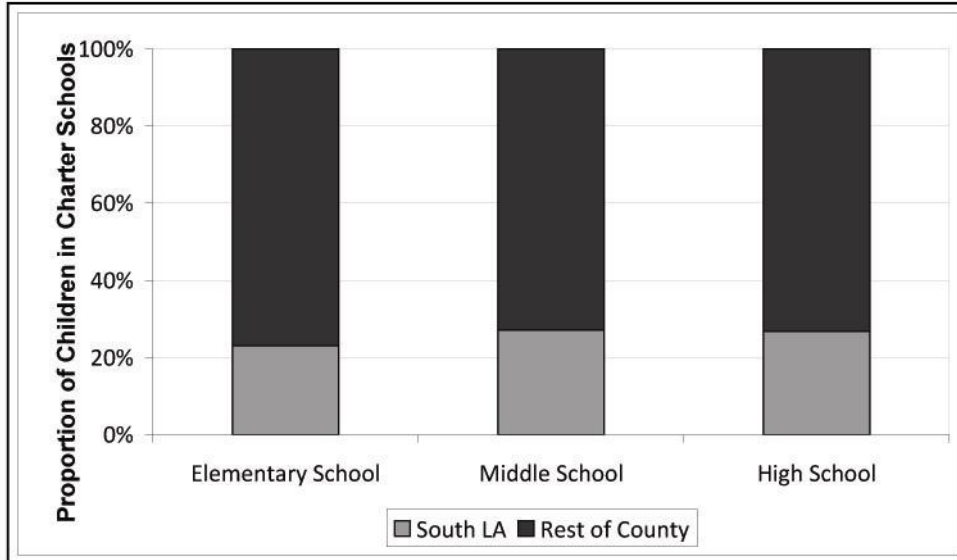
The charter school movement in California has particularly flourished in Los Angeles County, where South LA has a disproportionately large share of the County's charter schools and students. In the 2004-05 academic year, nearly 3% of California's K-12 students were enrolled in charter schools (National Center for Education Statistics). In the 2007-08 school year, about 3% of LA County's elementary students were enrolled in the County's 62⁷ charter elementary schools, compared to the nearly 7% of South LA elementary students enrolled in the 16⁸ charter elementary schools located in South LA. Almost one-third of the County's charter elementary schools are located in South LA. These 16 charter elementary schools have a 23% enrollment share of all charter school elementary students in LA County (see Figure 22). However, elementary school children enrolled in South LA schools make up less than

⁷ Some of these schools were not in operation in 2007-08. Analysis presented reflects data from existing schools as reported by the California Department of Education.

⁸ The California Department of Education only reported data for 16 of the 23 charter elementary schools in South LA in the 2007-08 year.

10% of the total County elementary school population. At the middle school and high school levels, South LA's share of the County's charter students is even higher. At the middle school level, 27% of the County's charter school students are in South LA. With respect to high schools, 27% of the County's charter school students are in South LA. When the controversial Green Dot Public Schools takes over Locke High School occurs in Fall 2008, South LA's share of the County's charter high school students will increase even more.

Figure 22. Proportion of LA County Charter School Enrollment in South LA, 2007 –2008

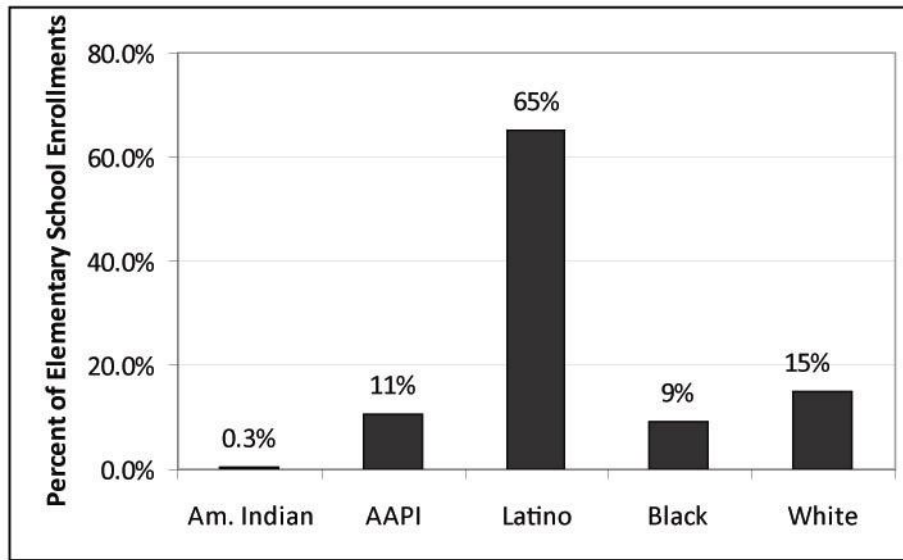


Source: CA Department of Education 2007-2008

Because of the early educational trajectory impact that elementary schools have on youth, the rest of this section focuses the impact of charter schools on school achievement in elementary schools. Research has shown that educational inequalities start as early as the preschool years, affecting readiness for elementary school and beyond (Lee & Burkam, 2002; Maguson, et. al., 2004). A child's achievement level in the elementary years then impact their experiences in middle school, which have been found to significantly affect a student's chances of graduating high school (Silver, Saunders, & Zarate, 2008). Consequently, what happens in elementary schools have long-term implications for the success or failure of students as they go through the school system.

The majority of elementary students in Los Angeles County are Hispanic/Latino (65%), 15% are White, 11% are Asian American or Pacific Islander (AAPI), and 9% identify as African American (see Figure 23).

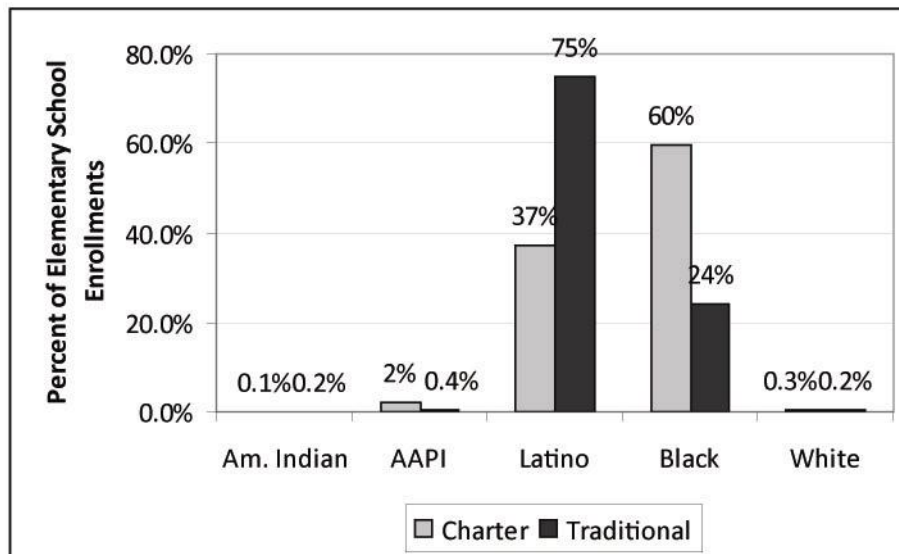
Figure 23. Racial Distribution of Elementary School Enrollments, LA County 2007-2008



Source: CA Department of Education 2007-2008

Within South LA, about 75% of the traditional elementary school students are Hispanic/Latino and 24% are African American. Within the South LA charter elementary schools, the racial demographics change considerably, with 37% Hispanic/Latino and 60% African American students (see Figure 24).

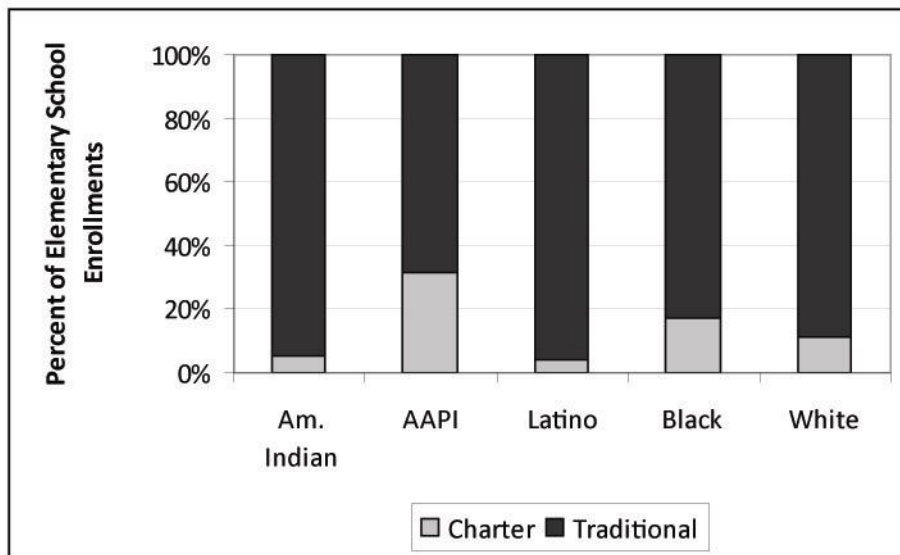
Figure 24. Racial Distribution of Elementary School Enrollments by School Type, South LA 2007-2008



Source: CA Department of Education 2007-2008

Of the elementary school youth in South LA, 18% of African American students are in charter elementary schools and only 4% of Hispanic/Latino elementary students are enrolled in charter schools. Interestingly, while AAPI's make up a very small number of elementary students in South LA, about a third of them attend charter elementary schools (see Figure 25).

Figure 25. Proportion of Elementary School Enrollments in Charter and Traditional Schools by Race, South LA 2007-2008



Source: CA Department of Education 2007-2008

Impacts on School Performance

The most recently available research indicates that charter schools appear to have a positive impact on narrowing the achievement gap. In a June 2008 report,⁹ the California Charter Schools Association argued that LAUSD charter schools were significantly outperforming traditional schools. The report findings claimed that African American and White students particularly benefited from attending charter schools. At the same time, the report acknowledged that Hispanic/Latino student API scores are higher in traditional schools than in charter schools. These findings may explain the significantly lower proportion of Hispanic/Latino youth and higher numbers of African American children enrolled in charter elementary schools.

The report also found that unlike charter middle and high schools, charter elementary schools throughout the Los Angeles Unified School District (LAUSD) are performing just slightly better than traditional schools. The findings from the analysis for this section are consistent with the Charter School Association's report findings at the county level. Throughout LA County charter elementary schools are

⁹ California Charter Schools Association (2008). *Charter school performance in Los Angeles Unified School District: A district and neighborhood matched comparison analysis*. <http://www.myschool.org/Pressroom1/AM/ContentManagerNet/ContentDisplay.aspx?Section=Pressroom1&ContentID=5696>

performing only marginally better than traditional elementary schools, with a weighted 2007 Academic Performance Index (API) base score of 763 compared to 761 (see Figure 26). However, charter elementary schools in South LA are significantly outperforming their traditional elementary school counterparts in the area with a weighted API base average score of 736 compared to 673. Still, API scores for all elementary schools in South LA are lower than for elementary schools throughout the County. This indicates that charter schools in South LA help to narrow some of the racial achievement gap, although it should be noted that the assessment does not control for other factors that may affect outcomes. Moreover, it may be too early to evaluate the long-term impacts.

Figure 26. Elementary Schools in South LA compared to Los Angeles County, 2007-2008

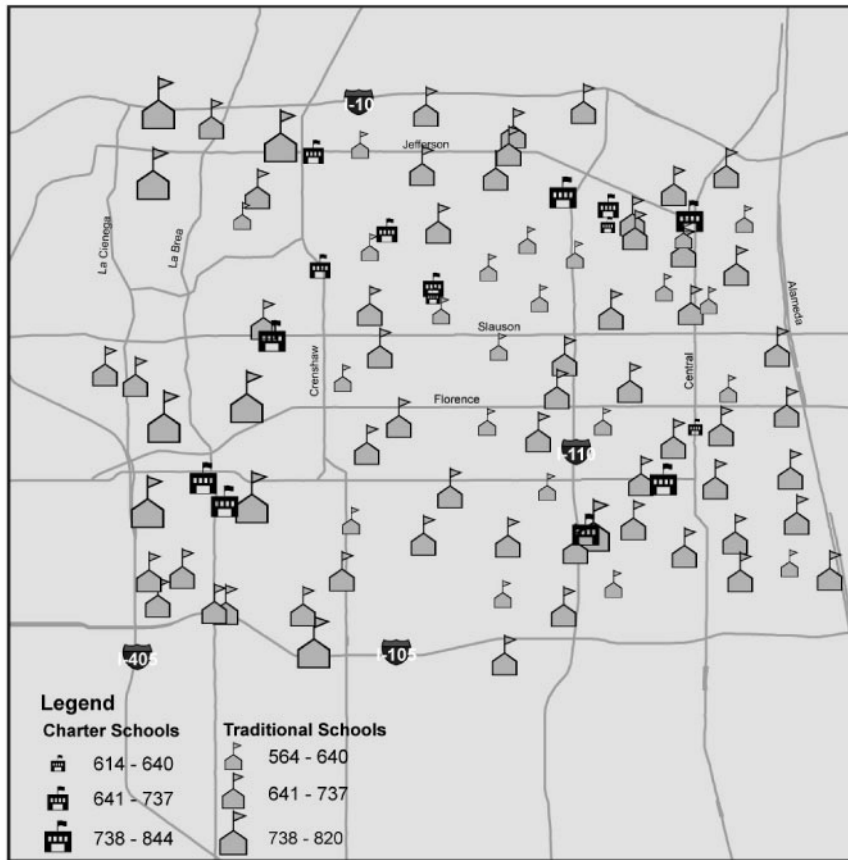
	Los Angeles County		South Los Angeles	
	Traditional (1,237)	Charter (62)	Traditional (95)	Charter (23)
Enrollment	493,543	14,156	45,753	3,266
% of area ES students	97.2%	2.8%	93.3%	6.7%
Weighted API average	761	763	673	736
% of LA County Elementary School students in South LA: 9.7%				

Source: CA Department of Education 2007-2008

The potential positive benefits of charter schools in South LA are somewhat limited by the relatively small proportion of elementary school students served by charter schools in the area. Although compared to the rest of the County South LA elementary children are more likely to attend charter schools, only a small number (7%) of students are enrolled in charter schools.

While traditional public elementary schools are dispersed throughout South LA, the sixteen charter elementary schools, for which the state provides data, are largely clustered north of Florence Avenue. Two of the charter schools, Crescendo Charter and Crescendo Conservatory, share the same school location. Therefore, only fifteen charter schools are visually represented in the map of South LA schools (see Figure 27).

Figure 27. Elementary School API Scores, South LA, 2007-2008



Sources: CA Department of Education; Los Angeles Unified School District; Inglewood Unified School District; Lennox School District

Summary and Recommendations

Given the relatively higher performance of charter elementary schools in South LA, education leaders may want to explore policies to support charter schools in this area. At the same time, as the charter school movement seems to be especially concentrated in South LA relative to the rest of the County, it is important to be aware of potential problems that can arise with charter schools. Some researchers (Wells, et al., 1998) warn against market-based school reform efforts, explaining that charter school successes are largely based on “creaming” the highest performing students with the least social disadvantages from the general student population. If the creaming theory holds true, students with the most socio-economic disadvantages may be concentrated within the traditional public schools, posing greater challenges to teachers and educational leaders in non-charter schools. Others have documented increased racial segregation as a result of charter schools, despite the state charter law stating that charter schools must work to reflect the racial and ethnic diversity of the surrounding communities (Frankenberg & Lee, 2003; Rickles, Ong, & Houston, 2004). Given the media’s

characterization of several fights in LAUSD schools as “race riots,”¹⁰ such increased racial segregation may diminish opportunities for cross-racial interaction and learning in LA schools.

While charter schools have seen some aggregate success in South LA, outperforming their traditional public school counterparts using innovative curricula and pedagogy, several questions remain. First, is it feasible to expand the proportion of students in charter schools? The successes at some charter schools depend on funding above and beyond that provided by the public school system. They rely on private funding as well, leading to additional questions of sustainability. Another question is how, if at all, charter schools in South LA are addressing long-standing issues of school segregation. As the demographics of South LA are increasingly Hispanic/Latino, charter school enrollment demographics remain largely African American, consistent with statistical trends throughout California and the nation (Frankenberg & Lee, 2003).

In the end, charter schools are providing innovative alternatives to traditional public schools for families in South LA, but community education leaders should intentionally address the educational needs of all students in the area.

¹⁰ <http://articles.latimes.com/2005/jul/06/local/me-jefferson6>

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APPENDIX

Demographics

Definitions

Dependent persons: All persons less than 18 years old or 65 years and older

Race/Ethnicity

- White: Not Hispanic or Latino - White alone
- Black: Not Hispanic or Latino - African American or Black alone
- Asian American or Pacific Islander: Not Hispanic or Latino - Asian, Native Hawaiian, or Other Pacific Islander alone
- Other: Not Hispanic or Latino - American Indian and Alaska Native alone, some other race alone, or two or more races alone
- Hispanic or Latino: Hispanic or Latino (one or more or some other race alone)

Nativity

Native: “The native population includes people born in the United States, Puerto Rico, or the U.S. Island Areas (such as Guam). People who were born in a foreign country but have at least one American (U.S. citizen) parent also are included in this category. The native population includes anyone who was a U.S. citizen at birth” (American FactFinder Census Data Information).

Foreign born: “The foreign-born population includes all people who were not U.S. citizens at birth. Foreign-born people are those who indicated they were either a U.S. citizen by naturalization or they were not a citizen of the United States” (American FactFinder Census Data Information).

Poverty

“The poverty status of families and unrelated individuals in 1999 was determined using 48 thresholds (income cutoffs) arranged in a two dimensional matrix. The matrix consists of family size (from 1 person to 9 or more people) cross-classified by presence and number of family members under 18 years old (from no children present to 8 or more children present). Unrelated individuals and 2-person families were further differentiated by the age of the reference person (RP) (under 65 years old and 65 years old and over).

To determine a person's poverty status, one compares the person's total family income with the poverty threshold appropriate for that person's family size and composition.¹¹ If the total income of that person's family is less than the threshold appropriate for that family, then the person is considered poor, together with every member of his or her family. If a person is not living with anyone related by birth, marriage, or adoption, then the person's own income is compared with his or her poverty threshold. [...]

[...] Poverty status was determined for all people except institutionalized people, people in military group quarters, people in college dormitories, and unrelated individuals under 15 years old. These

¹¹ For table of poverty thresholds, see <http://www.census.gov/hhes/www/poverty/threshld/thresh99.html>

groups also were excluded from the numerator and denominator when calculating poverty rates. They are considered neither "poor" nor "nonpoor" (American FactFinder Census Data Information).

Housing Tenure

Homeownership rate: Percent of owner-occupied housing units

Information on homeownership was collected from the 2000 U.S. Census Summary File 1. Although more recent data on homeownership is available through the 2006 American Community Survey, it is not disaggregated by zip code. Estimates from private and other sources also exist, but we relied on the U.S. Census values to ensure accuracy. Although the rates are eight years old, we expect tenure composition to remain fairly constant. Homeownership rates were calculated by zip code and from the bottom up for the South LA, northern Los Angeles County, and Los Angeles County excluding South LA and northern Los Angeles County subareas. The 2000 Los Angeles County homeownership rate was obtained directly from the U.S. Census.

Q1 2008 Median Sale Price

Information on first quarter 2008 median sale price by zip code was obtained from DataQuick. Median prices were derived from the sales of single-family homes and condominiums. Sale prices for larger areas were estimated by taking the median of the aggregated median zip code prices.

Data Sources

Variable	Source
Total Population and Population by Age	2000 Census; 2006 American Community
Race/Ethnicity	2000 Census; 2006 American Community
Nativity	2000 Census; 2006 American Community
Poverty	2000 Census; 2006 American Community
Housing Tenure	2000 Census; 2006 American Community
2000 Homeownership Rate	2000 Census
Q1 2008 Median Sale Price	DataQuick; 2000 Census

Measures from the 2000 Decennial Census were tabulated for the 187 Census Tracts with their centroid in the six Service Planning Area (SPA) sub-districts that comprise South LA (the area roughly bounded by I-10, La Cienega Boulevard, I-105 (Century Freeway), and Alameda Street). The six service planning sub-districts are: 45 through 49 and 61. Measures from the 2006 American Community Survey were tabulated for these six Service Planning Area (SPA) sub-districts.

Data Limitations

The latest available data, from the 2006 American Community Survey, lacks the geographic detail of the 2000 Decennial Census. The smallest unit of analysis for 2006 are the Service Planning Areas (SPAs), which are much larger than 2000 Census tracts. As a result, minute spatial analysis cannot be performed using the 2006 data to determine whether spatial patterns changed between 2000 and 2006. For instance, it is unclear whether Hispanics/Latinos formed a majority in more neighborhoods in South LA in 2006 than in 2000.

In addition to less refined geographic detail, the 2006 information does not include an estimate of the population for whom poverty status is calculated. The supplied data only gives the percent of individuals living below the poverty line in each SPA. This presentation of the data does not affect the map showing individual poverty rates; however, it does affect the poverty rates calculated for South LA and LA County. For 2006, South LA and LA County poverty rates are calculated based on the total population and child poverty rates are calculated using the total number of persons under 18 years of age (since the number of persons for whom poverty status is calculated is not available). This biases poverty rates somewhat downward. Thus, it is unclear whether poverty actually declined between 2000 and 2006.

There are several limitations to calculating the median sale price. First, estimating the subarea and county median sale prices by taking the median of the aggregated zip code medians is not ideal, but the best option given the lack of data for larger geographic areas. These estimates should be accepted with caution. More accurate values are reported for the zip codes in South LA. Finally, since some of the Los Angeles County zip codes were not included in the analysis due to missing data, the County rates represent an estimate of the sale price for only the 262 zip codes that comprise

Employment

Definitions

Educational Attainment

- No high school diploma includes those 25 years and older with no school and those with an educational attainment of 12th grade or less.
- High school diploma includes those 25 years and older completing, at most, high school or its equivalent.
- Some college includes those 25 years and older completing less than one year or one or more years but received no degree and those holding an associate's degree.
- Graduate degree includes those 25 years and older with a master's, professional school, or doctorate degree.

Employment Status

Labor force participation rate = Civilian population 16 years and older in the labor force / Total population 16 years and older

Unemployment rate = Unemployed civilian persons 16 years and older / Total population 16 years and older in the labor force

Full-time, year round work refers to persons 16 years and older who worked usually 35 hours or more per week for 50 to 52 weeks in 1999.

Commute Patterns

Commute patterns are calculated from the 2004 LEHD dataset for private sector workers to their primary job.

Average commute distance (by Census tract) = Total commute distance to private primary sector job / Total number of private primary jobs held by all workers in the same Census tract

Total commute distance to private primary sector job (by Census tract) = sum (of distance from workers' place of residence to place of work) * sum (of number of private primary jobs)

Earnings

The 2000 Decennial Census reports earnings as the “sum of wage or salary income and net income from self-employment. Earnings represent the amount of income received regularly for people 16 years old and over before deductions for personal income taxes, social security, bond purchases, union dues, Medicare deductions, etc.” (Census Bureau).

The 2004 LEHD reports earnings as the sum of wage or salary income from second quarter monthly employment earnings in 2004. Earnings are broken into three categories: (1) \$1200/month or less (low-wage workers) (2) \$1201-3400/month (mid-wage workers), and (3) more than \$3400/month (high-wage workers). Earnings reported in this section are for all workers in the private sector, by place of residence.

Data Sources

Variable	Source
Educational Attainment	2000 Census; 2006 American Community
Labor Force Participation Rate	2000 Census; 2006 American Community
Unemployment Rate	2000 Census; 2006 American Community
Full-time, Year-Round Employment Rate	2000 Census
Jobs to Workers Ratio	2004 LEHD
Commute Distance	2004 LEHD
Earnings	2000 Census; 2004 LEHD

Measures from the 2000 Decennial Census and 2004 LEHD were tabulated for the 187 Census Tracts with their centroid in the six Service Planning Area (SPA) sub-districts that comprise South LA (the area roughly bounded by I-10, La Cienega Boulevard, I-105 (Century Freeway), and Alameda Street). The six service planning sub-districts are: 45 through 49 and 61. Measures from the 2006 American Community Survey were tabulated for these six Service Planning Area (SPA) sub-districts.

Data Limitations

Employment status varies with the business cycle. In periods of economic decline, unemployment rises; while during economic booms, unemployment declines. This variation however cannot be captured within South LA with the available data. The most current data, the 2006 American Community Survey, does not provide detail below the service planning area. Consequently, the observed spatial variation in unemployment rates within South LA cannot be determined.

In addition, the data does not reveal the causal relationship between low education attainment and employment status, as it does not provide information on individual outcomes. Rather, the data only suggests a strong correlation between low educational attainment, higher unemployment, and lower wages, in that it shows a high concentration in all of these measures in the eastern portion of South LA.

Furthermore, the data does not capture the number of or the causes for discouraged workers. In particular, the observed commute patterns do not reveal the number of workers discouraged by long commute distances. Other research suggests that the lack of compensating benefits for long commute distances deters many low-wage workers from entering the labor market (Blumenberg and Ong 2001).

Finally, the data does not disclose whether the jobs held by workers match their skill sets.

Housing Foreclosures

Definitions

Notice of Default: This is given to the borrower when he or she has fallen behind on mortgage payments. If the borrower does not pay the amount owed within the time period given by the lender, the lender may decide to foreclose on the property.

Foreclosure: The repossession of a house by the mortgage lender when the buyer falls behind on payments.

Foreclosure data came from DataQuick and was reported in the *Los Angeles Times*. Loan default notices came directly from DataQuick and were tabulated by the authors. Data on homeownership rates and median home values came from the 2000 U.S. Census Summary Files 1 and 3.

Data Sources

Variable	Source
2000-2007 Housing Bubble	DataQuick; 2000 Census
Q1 2008 Notices of Default	
Q1 2008 Foreclosures	

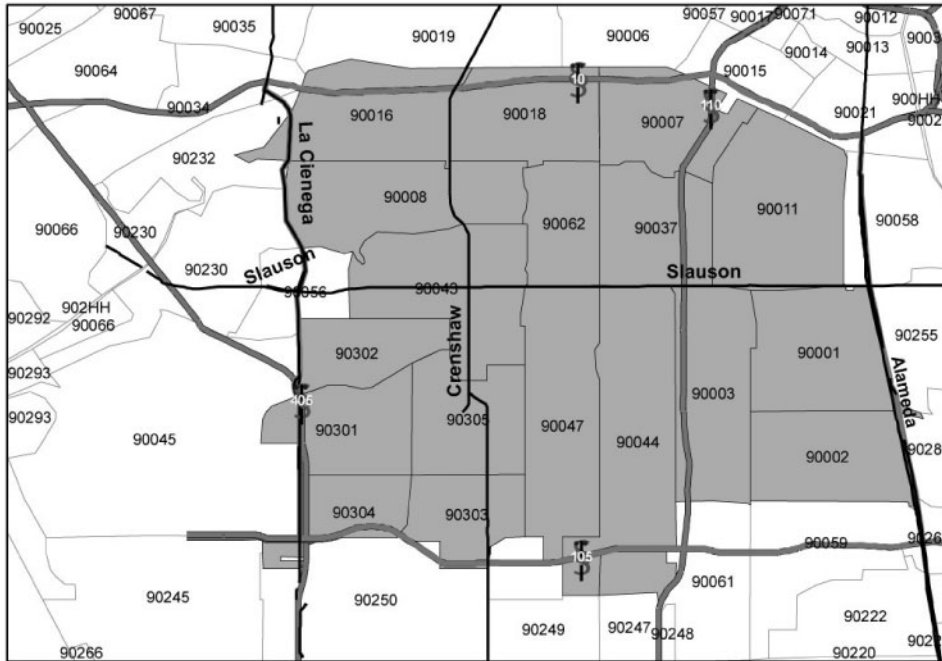
Data Calculations and Limitations

Zip codes were the units of analysis used to analyze housing conditions in South LA and Los Angeles County. Although there are over 270 zip codes in the County, only 262 contained data for most of the variables. Zip code 91301 in Agoura Hills was missing data on first quarter 2008 median sale price. Zip code 90704 in Avalon was missing data on first quarter 2008 notices of default.

For the first part of the analysis, the zip codes were divided into three mutually exclusive categories: location in northern Los Angeles County, location in South LA, and location in Los Angeles County excluding the northern Los Angeles County and South LA zip codes. There are a total of 10 zip codes in northern Los Angeles County. These include 93532, 93534, 93535, 93536, 93543, 93550, 93551,

93552, 93553, and 93591, which represent the communities of Lancaster, Palmdale, Pearlblossom, and Lake Hughes. A total of 18 zip codes had their centroids in South LA. These include zip codes 90001, 90002, 90003, 90007, 90008, 90011, 90016, 90018, 90037, 90043, 90044, 90047, 90062, 90301, 90302, 90303, 90304, and 90305. 90089 is also a part of South LA, but since it encompasses USC and contains no regular housing units, it was not included in the analysis. A total of 234 zip codes comprise Los Angeles County excluding the northern Los Angeles County and South LA zip codes.

Figure 28. Zip Codes in South LA



Source: ESRI 2000

There were three variables used in the analysis: the 2000-2007 housing bubble, the first quarter 2008 notice of default rate, and the first quarter 2008 foreclosure rate.

2000-2007 Housing Bubble

The housing bubble variable was a ratio of 2007 single-family sale price to 2000 median housing value. This amount was subtracted from one to arrive at the percent increase. The former measure was obtained from DataQuick (DQNews), the latter from the 2000 U.S. Census Summary File 3. Housing bubbles for larger areas were estimated by taking the median of the aggregated zip code price increases.

A main limitation to this approach is that, like the median price estimates, taking the median of the aggregated zip code housing bubbles provides only an estimate, rather than the actual value, of the 2000-2007 housing bubble for the subareas and the County. More accurate values are reported for the zip codes in South LA. Finally, since some of the Los Angeles County zip codes were not included in the analysis due to missing data, the County rates represent an aggregate of only the 262 zip codes that comprise the report.

Q1 2008 Default and Foreclosure Rates

DataQuick reported the foreclosure rates per 1,000 homeowners. To arrive at the foreclosure rate per 1,000 homeowners, the DataQuick ratio was inverted, multiplied by 1,000, and divided by the homeownership rate. The number of defaults data was divided by DataQuick’s estimated number of 2008 households, which was obtained from their households per foreclosure ratio. This was then multiplied by 1,000 and divided by the homeownership rate. Seven zip codes did not have any first quarter 2008 foreclosures but had at least one notice of default. These were zip codes 90049, 90232, 90290, 90291, 90401, 90704, and 91108. We substituted data on occupied households from the 2000 U.S. Census, since DataQuick’s estimated number of households was missing. The default and foreclosure rates per 1,000 homeowners for larger areas were calculated by aggregating the zip code default and foreclosure rates. Finally, since some of the Los Angeles County zip codes were not included in the analysis due to missing data, the County rates represent an aggregate of only the 262 zip codes that comprise the report.

Public Safety

Definitions

Part I Crimes = Violent + Property Crimes

Violent Crime: Violent crime includes four offenses: murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault.

Property Crime: Property crimes include burglary, larceny-theft, motor vehicle theft, and arson.

Data Sources and Limitations

Geographic Area	Crime Data Source	Population Data Source
Los Angeles County	FBI Uniform Data Reports	CA Dept of Finance
Los Angeles City	LAPD (Reporting Districts)	LA City Planning Dept (Census Tracts)
Inglewood City	Inglewood Police Dept	CA Dept of Finance
Unincorporated Areas	LA County Sheriff’s Dept	Census 2000

Note: Data are from 2006 unless noted otherwise

Both LAPD and Sheriff reporting districts roughly overlap Census tract boundaries. Crime estimates for these areas were calculated from reporting districts with their centroid in Census tracts that comprise South LA. Population data (2006) for LAPD Census tracts were obtained from the LA City Planning Department. Census 2000 population data were used for Census tracts in unincorporated areas. As a result, crime rate estimates in these areas may be slightly inflated.

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