CHARTER SCHOOLS AND NEIGHBORHOOD REVITALIZATION IN INDIANAPOLIS (2000-2010)

Janea L. Marking

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Master's Thesis Committee

____________________________________
Margaret R. Ferguson, Ph.D., Chair

____________________________
Aaron P. Dusso, Ph.D.

___________________________
Amanda J. Friesen, Ph.D
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This research is a true expression of excellent teamwork.
Charter schools are a major movement in American education and increasingly used as a city strategy for neighborhood rehabilitation. Indianapolis is one of a growing number of urban areas to promote charter schools as catalysts for neighborhood revitalization. Previous studies find mixed results about the causes of neighborhood change or how residents make mobility decisions. The present study seeks to create an empirical model that discovers the impact of charter schools as a neighborhood amenity. This is based on two measures of well-being: change in percentage poverty and change in percentage school-aged residents. Data indicate a negative relationship between charter schools in a census tract and the school-aged resident population. However, statistical analysis did not support a significant relationship between either measure and charter schools in the ten year time frame.
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Introduction

Indianapolis, Indiana is one of many cities that has a multi-faceted neighborhood revitalization plan. Modern strategies began during the Hudnut Administration (1976-1992), but it was in The Peterson Plan (1999) that charter schools were promoted as an intentional policy focus. In 2001 and throughout his first term, Bart Peterson became the first U.S. mayor to receive charter school sponsorship authority (CEEP, 2008). Mayor Peterson explained, “[he was] aggressively pursuing these alternatives to traditional public schools because they can play a role in neighborhood and economic revitalization” (Hooper, 2004). St. Louis, Chicago, Philadelphia, Washington DC, and Philadelphia are just a few examples of other cities that have named similar strategies and by 2009, almost 5,000 charter schools operated in 40 states and the District of Columbia (Center for Education Reform, n.d.). However, almost no research attention has been paid to charters’ ability to influence the economic health and general well-being of the immediate neighborhood in which they are located. This will be the focus of this paper.

Cities make two dominant claims about how charter schools are supposed to improve neighborhoods. First, charter schools operate with autonomy balanced by rigorous accountability standards (Weil, 2000). This accountability allegedly leads to superior institutions that provide an excellent education. By locating these

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1 In partnership with Senator Theresa Lubbers
2 STL Today (2013)
4 Cucciara (2008)
5 DeLuca
6 Moore (2000)
superior schools in low-income communities, students living in poverty are (in theory) afforded the academic opportunities they require to break the cycle of poverty prevalent in their neighborhoods. Given such a noble set of goals, policies that promise to bring good schools to declining areas have become increasingly popular (Finn, Manno and Vanourek, 2000; Chung, 2002; Indianapolis Star, 2003), but it will require generations to realize the effects (assuming they ever materialize). Second, the shorter-term benefit of charter schools is their attractiveness as a neighborhood amenity. Families choose neighborhoods for certain schools, whether for academic excellence or otherwise (Black, 1999; Hannaway, 2003; Rothstein, 2006), and cities are inclined to utilize this opportunity to offer popular schools as a catalyst for strengthening a community by drawing more affluent residents. Thus, theoretically, charter schools could generate a positive cycle of rehabilitation, creating an upward trajectory of well-being for the entire city.

Current research indicates charter schools are not a silver bullet solution for education's ills. A first of its kind independent study conducted by Stanford University (2009) looks at charter school performance across 16 states. The findings reveal:

That a decent fraction of charter schools, (only) 17 percent, provide superior education opportunities... Nearly half of the charter schools nationwide have results that are no different from the local public school options and over a third, 37 percent, deliver learning results that are significantly worse than their students would have realized had they remained in traditional public schools. (CREDO, 2009, p. 1)

Though the model for my study does not incorporate a variable for the academic performance of a school, the Stanford findings suggest a conflict for cities like
Indianapolis. If charter schools are not uniformly providing an excellent education, it is hard to support their generalized ability to influence the well-being of declining neighborhoods as a revitalization strategy. Evidence also indicates mixed results if charter schools even predominantly serve their target audience of low-income students (Carnoy, Jacobsen, Mishel and Rothstein, 2005).

The literature has established that our perceptions of neighborhood characteristics often inform residential decisions (Walden, 1990; Lee, et al., 1994; Rothstein, 2006), and residential mobility can lead to social mobility (Rosenbaum and Popkin, 1991). However, though well considered, the “science” of neighborhood rehabilitation, including local policies promising neighborhood change, is not grounded in a breadth of data. There is little consensus as to which amenities and features actually attract residents (Lee, Oropesa and Kanan, 1994). Despite the prevalence of claims that good schools help build good neighborhoods, research specifically on charter schools as an amenity is scarce and mostly only available as qualitative case studies. Davis and Oakley (2013) had limited and mixed empirical results as to whether charter schools can effectually attract more affluent residents. Yet, invested supporters continue to promote the belief that a popular charter school can incentivize growth in flailing neighborhoods.

The purpose of this research is not to study charter schools, but rather this is an evaluation of neighborhood change. I theorize that promoting charters as a city development plan is theoretically popular but realistically ineffectual. Politicians, such as Mayor Peterson, seem to be further complicating the already complex charter school policy debate by attaching politically charged benefits to charters’
promised outcomes. This study focuses on Indianapolis, Indiana for the years 2000 – 2010 because it is an ideal example of a city executive with direct intention, influential interest and oversight of both local neighborhood policy and charter schools. I examine 212 census tracts and 20 charter schools within Marion County. By reviewing census data from both 2000 and 2010, I am able to establish a quasi-experiment with pre-data over an entire decade. Mayor Peterson argued charter schools were not intended to detract from traditional public schools and that he supported all of the institutions pursuing great results in Marion County, Indiana.

My empirical framework is based on the model created by Davis and Oakley (2013). They ask: will a gentrifying community build a charter school, or does a charter school rebuild a neighborhood?. To do this, Davis and Oakley examined limited census data from Atlanta, Philadelphia and Chicago, and the findings reveal mixed results. They show little support for the idea that a growing community will build a school. However, there is evidence that, “charter school emergence is a tool of urban revitalization efforts” (p. 99), but they do not determine if it is an effective tool for this purpose. Davis and Oakley also fail the charter school conversation by utilizing measures, such as ethnicity, that are known to be limited and ineffective. While my model is based on theirs, I restructured it to include contextual demographic and neighborhood characteristic variables the research highlights as most valuable. These include age groups, parental status and scholastic achievement. I also focus my attempt to specifically evaluate charter schools as a revitalization tool. Seemingly a minor change, it is one that has great potential impact for a large shift in the field of determining neighborhood health; particularly
where schools are concerned. This is what the conversation requires if it is to move forward in a productive direction for informing policy implications.
Literature Review

To examine how a charter school might help improve a neighborhood as an amenity is to first ask what exactly creates a good neighborhood. Research on community development has yet to agree upon a definition of a healthy community (Hunter, 1974; Haney and Knowles, 1978; Datcher, 1982; Lee, et al., 1994; Black, 1999) because these localities are organic, non-static and often lack specific boundaries. However, neighborhood perceptions, and the characteristics that inform them, are a powerful thing (Finn, et al., 2000). People make residential choices of great economic impact based on their individual definitions of what a healthy community is. These perceptions are often based on others' perceptions of predominantly aesthetic notions. Scientists in demography, anthropology, sociology, education, political science and economics all attempt to address this question. Each has a different, but related approach to assessing neighborhoods, and it is unlikely any one theory working in isolation is best. A combination of these schools of thought draws the most complete picture.

Urban sociology and anthropology offer the “broken windows” theory of decline: meaning that a downward spiral of decay begins with minor offenses and leads to serious crimes (Wilson and Kelling, 1982; Kelling and Coles, 1996). This domino effect is cued by visual indicators of disrepair in neighborhoods – broken windows – that go unattended and are thought to attract offenders (Sampson and 

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7 Hunter (1974) found that variations of residents define neighborhoods differently. Perceptions can be created by the length of time the neighborhood has existed, the length of time someone has lived there and even ethnic background (i.e. Blacks are more likely to define their neighborhoods with more confined boundaries, while Whites will redraw boundaries to exclude an increasing Black population.)
Raudenbush, 2004). Criminals assume residents who do not care to repair their residences will most likely be indifferent to what goes on in their neighborhood, creating a negative slippery slope. Policy entrepreneurs often charge that we should be able to assume that careful upkeep of neighborhoods may help to deter crime (Sampson and Raudenbush, 2004).

A healthy neighborhood is not only one that looks good in the moment, but also one that is flexible and evolving so as to meet the needs of and attract new residents. Current literature suggests a weak link in claims that charter schools can attract more affluent families to low-income areas because we do not yet fully understand residential mobility decisions (Lee, et al., 1994). Coulton, Theodos and Turner (2009) strongly suggest neighborhood change occurs through residents who move in or out (movers) and those that remain for longer periods of time (stayers). Their report, Family Mobility and Neighborhood Change, is aimed at understanding the complex nature of neighborhood evolution. Coulton, et al., rely on survey information from 10 U.S. Cities\(^8\) and find:

The realities of residential mobility and neighborhood change make evaluating community-change initiatives difficult. Interventions may improve services..., but needy families might not remain in the same neighborhood long enough to benefit...and larger structural forces in the surrounding housing market or economy may cause more affluent families to move into a neighborhood, improving its profile without producing any gains in the well being of low-income residents (Coulton, et al., 2009, p. xii).

For a neighborhood to experience positive change through mobility, two things must ultimately happen. First, movers must be replaced with stayers of increased social status. Then, stayers must improve their own social status and the amenities

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\(^8\) Including Indianapolis
in the neighborhood because short-term improvements for stayers are generally small (Coulton, et al., 2009).

South and Deane (1993) found that there is little difference in the levels and determinants of residential mobility among Blacks and Non-Blacks. However, they did find further evidence for the influence of socio-demographic characteristics, such as age, sex and tenure, on likeliness of moving (South and Dean, 1993). Analyzing similar data from the American Housing Survey, Rhode and Strumpf (2003) questioned whether policies are the dominant motive for residential choice. They found that, “[A]mong the AHS households who moved in the previous year, only 5 percent cited public services (including schooling) as their primary reason for moving” (2003, p. 1649). Rhode and Strumpf’s conclusion supports the importance of continued study. The challenge for future local economics research is to determine, “which alternative motives empirically explain long-run residential choices and then incorporate them into theoretical models” (Rhode and Strumpf, 2003, p. 1672).

In Tiebout’s (1956) “A Pure Theory of Local Expenditures” he explains that consumer/voters will have individual preference positions that, “influence their choice of municipality” (p. 418). It is an earlier piece, but one that provides support for the possibility that charter schools could successfully attract families to a neighborhood. Tiebout assumes local government budgets are fairly static, and consumer/voters will move to find the community that best suits them. In the last point of a seven-part model, Tiebout offers:

Clearly, communities below the optimum size, through chambers of commerce or other agencies, seek to attract new residents... Every
resident who moves to the suburbs to find better schools, more parks, and so forth, is reacting, in part, against the pattern the city has to offer. (1956, p. 420)

Tiebout concedes that consumer/voters are flawed, and the model may be an imperfect solution to understand the motivations people rely on to choose a community, but “this does not invalidate its importance” (1956, p. 424).

Richard Florida (2000) is also known for defining strong communities as those that make strategic investments and pursue specific plans that prioritize resident preferred amenities. For instance, he argued that intentionally building for the Creative Class (that is drawn to cities that offer a diversity of arts and cultural affairs) would drive urban growth. Florida insists that policy makers should invest heavily in creating these amenities so that once settled, this population will make money and bring money to their communities and cities at large (2008). Many Midwestern cities have responded by abandoning plans for industry and, instead, building neighborhoods around such arts and cultural amenities. However, Zimmerman (2008), critically examines an embodiment of this strategy in a case study of Milwaukee, WI. Zimmerman found that Florida’s ideas did generate resurgence in downtown, “but it did nothing to forestall the economic disintegration of the remainder of the city” (Zimmerman, 2008, p. 241).

On a wider scale, Hackworth (2007) reviewed the relationship between U.S. city strategy and residential mobility over an extended history. He shows that cities, and the neighborhoods within them, transform in accordance with higher-level investment priorities that influence movers’ choices. Hackworth suggests that, whether these neighborhood transformations are positive or negative, our
landscapes are engineered and all residents can do is respond. For example, the Great Depression consisted of massive government outlays for defense, freeway construction and suburban real estate. In the process, the inner city was left to decay for several decades (Hackworth, 2007). Later, by changing the focus from industrial infrastructure to downtown commercial real estate, positive residential shifts occurred by means of strategic capital planning. City governments became increasingly involved, facilitating zoning regulations and selective real estate development projects and these changes brought people back to the cities (Hackworth, 2007).

Black (1999) examines residential decision-making as it relates to higher test scores and property values. Her findings indicate charter proponents cannot assume scholastic excellence as the primary motivation for all parents choosing schools. Black’s results suggest that, yes, academically fit schools benefit multiple stakeholders, “a one-point increase in Massachusetts standardized test scores (less than one standard deviation) could lead to an increase in house values of close to $70 million in the state” (1999, p.578). However, she also finds parents care about other forms of quality beyond academic performance (Black, 1999). Rothstien (2006) follows up and he finds market principles at work. The school administrators responded to demand; for instance some parents seek out school environments that are host to specific peer groups. In this instance the market does not prioritize rewarding academics (Rothstein, 2006). His research indicates that, “the most desired schools [for residential location decisions] are the most effective ones only if parents attach great importance to effectiveness” (p. 1134).
Khadduri, Turnham, Chase and Schwartz (2003) prepared a report of “Case Studies Exploring the Potential Relationship Between Schools and Neighborhood Revitalization for the Office of Public Housing Investments” for the U.S. Department of Housing and Urban Development. By performing case studies of distressed neighborhoods in Atlanta, St. Louis and Philadelphia, the researchers found that cities should not rely on schools as a stand-alone amenity and expect growth to follow. Similar across the three cities, the cases firmly showed that the development of both mixed-income housing and school reform together has a better chance of improving a neighborhood than focusing on only one or the other (Khadduri, Turnham, Chase and Schwartz, 2003).

Warren (2005) describes urban reform efforts focused on parents and resources as a means for driving community development. His analysis is evidence of the very positive impact a school can have on its community and his findings are highly supportive of linking schools and policies for increased neighborhood well-being. Specifically, Warren’s findings regarding the Camino Nuevo Charter Academy in Los Angeles indicate that, “the fates of urban schools and communities are linked” and sustainable growth requires partnership (Warren, 2005, p. 133).

INDIANAPOLIS, a case study

Given the direct focus the Indianapolis Mayor’s office has placed on charter schools for more than a decade, Indianapolis is an excellent case for understanding if charters can be a successful community development strategy. In The Peterson Plan (1999) and during his campaign, Mayor Peterson promised a strategy of individual neighborhood revitalization in order to rebuild Indianapolis. Hailed as
‘The Peyton Manning of Charter Schools’, Mayor Peterson won a lot of press for his passion for education innovation and he earned the Innovations in American Government Award from the Ash Institute of Harvard University.

For example, a number of attempts were made to bring in new business and revive the Meadows, a low-income neighborhood in Indianapolis. However, none of these attempts had any real success. In 2003, Mayor Bart Peterson launched an initiative to open a charter school as a new means of rehabilitation. Some community leaders lauded the initiative. For example, Jim Davies, head of the United Methodist Community Development Corporation agreed, “the charter school will add a tremendous amount of stability to the area” (Indianapolis Star, 2003). Others were hesitant. Critics worried that the predominance of charter schools set up in urban areas actually subject many low-income and at-risk students to being victims of experimentation (Clark, 2002).

In 2007, the Indiana General Assembly contacted the Center for Evaluation and Education Policy, CEEP, at Indiana University to perform an evaluation of the state charter school system (CEEP, 2008, 1). To conduct their investigation, the Indiana General Assembly provided a specific list of questions for the researchers to answer based on the provisions of House Enrolled Act 1001-2007 as well as Indiana Code 20-24-2-1, Purposes of Charter Schools, and Indiana Code 20-24-2-2, Discrimination Prohibition. Together this legislation outlines policies concerning charter school enrollment, funding, accountability and academic performance as well as the role of sponsor support. The section of the assessment that evaluates enrollment patterns provides important indicators of the demand for charter...
schools (CEEP, 2008). The analysis indicated enrollment was increasing, there was a high demand for urban elementary charter schools and that parents are highly satisfied with the charters their students attended. Yet the findings also indicate, “in areas with significantly mobile populations, charter schools are afflicted with the same high mobility issues as traditional public schools” demonstrating that the charter schools, though popular, are not entirely successful at decreasing family mobility (CEEP, 2008, p. 8). Appendix A shows a selection of the related economic development questions and the corresponding answers that were given.

Newspaper articles from the Indianapolis Star ⁹ during the Peterson Administration (2000-2007) illustrate that charters were touted as having great promise for neighborhood revitalization. Such articles included few, if any, examples of actual success in this regard. When Mayor Peterson lost his reelection bid, many wondered what approach his successor would take. In a brief email to the Indianapolis Star, Mayor-elect Ballard said, “that charter schools [were] a key part of his transition efforts and that he hope[d] to expand upon the foundation of charter schools already in place” (Gammill, 2007). Headlines and highlighted quotes are organized in Appendix B.

Every year, for many different reasons, people will move between neighborhoods and from the city to the suburbs or vice versa (Brookings, 2010). As the literature review noted, for urban areas like Indianapolis, the health of neighborhoods depends at least in part, on the local governments’ ability, to attract and retain affluent residents. Though there is little evidence a city can draw new

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⁹ The Indianapolis Star is the major newspaper for the city with a combined online and print readership of nearly 1.1 million people (Indianapolis Star website).
residents based on the education system alone, it is nevertheless plausible that charter schools can play a positive role in metropolitan planning policy.
Data Analysis and Findings

As noted above, leaders in Indianapolis asserted both that charter schools will perform well academically AND that they will help to bolster the economic health of the neighborhoods in which they are sited. Research does provide some support for the notion that improved amenities help to attract higher socioeconomic status residents to a community. Further, parents DO seem to consider the quality of schools when moving into a neighborhood. So, in this section we turn to an examination of whether placement of charter schools has in fact had a positive impact upon communities in Indianapolis.

Dependent Variables:

Reinforced by the literature, my model reflects a healthy community as one that can improve its poverty levels and one that can attract a growing population of families. Two different dependent variables were used in order to best assess this definition of well-being. The first dependent variable is the change in percentage of population in poverty (CHGPOVERTY) between 2010 and 2000. The second is change in the percentage school-aged residents (CHGMINORS) also between 2010 and 2000. The independent variable of greatest interest is the dichotomous measure indicating the presence of a charter school in a census tract at any time during the 2000-2010 period\textsuperscript{10}.

Independent Variable:

In order to determine if charter schools actually help to revitalize neighborhoods, I established a dichotomous independent variable that reflected the

\textsuperscript{10} I did try an alternate variable, number of years a charter school had operated in a tract by 2010, but it did not prove to be a beneficial measure in the equation.
location of each charter school by census tract (coded as 1 for having a charter). Because charter schools are public schools without attendance boundaries and enrollment limitations, census tracts were used to establish the neighborhood boundaries necessary for evaluation. There were 212 census tracts in Marion County at the time of the 2000 Census. To determine the charter schools in Marion County, a document review was conducted of the annual reports available at the Indiana Department of Education website. A list of schools founded between 2001 – 2010 was created and addresses for each school were mapped using a tool provided by the U.S. Census website. To obtain census data for both 2000 and 2010, I used the SAVI Interactive website which is a robust source and offers customized reports from myriad data resources of information on Indiana communities.\(^{11}\)

Control Variables:

Control variables reflecting demographic and contextual neighborhood characteristics were included in order to form a more robust model. In addition to routine census measures, a dichotomous control variable was created to identify census tracts receiving investments from The Indianapolis Urban Main Street Program/FOCUS Initiative. In Indianapolis, this is a separate, but complimentary program of the municipal government invested in turning around deteriorating neighborhoods with strategic dollars (T.P. Miller and Assoc., 2008). This program was established in the late 1990’s, but their reporting indicates that during 2001-2008 nearly $9 million was invested in specific low-income neighborhoods across Marion County. To determine perimeters of these areas and the census tracts

\(^{11}\)SAVI is additionally a convenient tool as it allows you to create consistent geography for both years.
affected, the City of Indianapolis website offers information on these initiatives through the Metropolitan Planning pages. I cross-referenced a map of census tracts to a map disclosing the FOCUS neighborhoods to generate a list of affected tracts. If a boundary of a FOCUS neighborhood bisected a tract in any way, it was coded as 1.

These variables reflect both demographic and contextual neighborhood characteristics because an adequate model, “requires going beyond characteristics of the individual to incorporate properties of the neighborhood and metropolitan context that constrain or facilitate residential change” (South and Deane, 1993, 164). However, one additional step was critical before any analysis could begin. By subtracting each variable I accounted for the necessary element of change over time. Table 1 summarizes the list of variables described above and calculated by subtracting the 2010 data from the 2000 numbers: change in percentage living below poverty level, change in percentage age 5-18, change in percentage non-Hispanic Black, change in percentage over 65, change in percentage female head of house, change in percentage bachelor degrees, as well as a dummy variable for FOCUS initiative investment. This list expands on the variables the Davis and Oakley (2013) model used and these measures were selected based on their significance in other similar models (Walden, 1990; Lee et al., 1994; Black, 1999; Noonan, 2007).
Table 1

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty</td>
<td>Change in percent living below poverty level</td>
</tr>
<tr>
<td>Minor</td>
<td>Change in percent age 5-18</td>
</tr>
<tr>
<td>Black</td>
<td>Change in percent non-Hispanic Black</td>
</tr>
<tr>
<td>Senior</td>
<td>Change in percent age 65+</td>
</tr>
<tr>
<td>Female</td>
<td>Change in percent female head of house</td>
</tr>
<tr>
<td>Bachelors</td>
<td>Change in percent bachelor degrees</td>
</tr>
<tr>
<td>Owners</td>
<td>Change in percent homeowner</td>
</tr>
<tr>
<td>Charter</td>
<td>Charter present (dichotomous)</td>
</tr>
<tr>
<td>Investment</td>
<td>LISC FOCUS Initiative (dichotomous)</td>
</tr>
</tbody>
</table>

I begin with descriptive analyses of average racial and socioeconomic tract characteristics between 2000 and 2010. Table 2 lists the charter school sites and the corresponding 2000 census data showing the percent poverty of the neighborhood. However, this is not necessarily a measure for predicting charter schools’ locations as, most often, the location of the school is selected by the operator and not the sponsor (Indianapolis Office of Education Innovation, n.d.). Though many of the schools are placed in declining neighborhoods, this is most likely due to the fact that affordable property is readily available and not largely influenced by the populations that are being served. These neighborhood statistics reflect that, for the most part, these are neighborhoods in which a city would seek change.
Table 2
Charter School Research Sites

<table>
<thead>
<tr>
<th>Name</th>
<th>2000 Population in Poverty (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew J. Brown Academy</td>
<td>8.01</td>
</tr>
<tr>
<td>Challenge Foundation Academy</td>
<td>34.1</td>
</tr>
<tr>
<td>Charles A. Tindley Accelerated School</td>
<td>34.1</td>
</tr>
<tr>
<td>Christel House Academy</td>
<td>12.4</td>
</tr>
<tr>
<td>Fall Creek Academy</td>
<td>31.0</td>
</tr>
<tr>
<td>Flanner House Elementary School</td>
<td>--</td>
</tr>
<tr>
<td>Fountain Square Academy</td>
<td>22.5</td>
</tr>
<tr>
<td>Herron High School</td>
<td>26.6</td>
</tr>
<tr>
<td>Hoosier Academy</td>
<td>5.66</td>
</tr>
<tr>
<td>Hope Academy</td>
<td>9.49</td>
</tr>
<tr>
<td>Imagine Indiana Life Sciences East</td>
<td>11.0</td>
</tr>
<tr>
<td>Imagine Life Sciences West</td>
<td>9.89</td>
</tr>
<tr>
<td>Indiana Math and Science Academy</td>
<td>1.85</td>
</tr>
<tr>
<td>Indianapolis Lighthouse Charter School</td>
<td>25.6</td>
</tr>
<tr>
<td>School</td>
<td>25.9</td>
</tr>
<tr>
<td>Indianapolis Metropolitan High School</td>
<td>7.08</td>
</tr>
<tr>
<td>School</td>
<td>41.3</td>
</tr>
<tr>
<td>Irvington Community School</td>
<td>--</td>
</tr>
<tr>
<td>KIPP Indianapolis College Preparatory</td>
<td>20.8</td>
</tr>
<tr>
<td>Lawrence Early College High School</td>
<td>23.4</td>
</tr>
<tr>
<td>Monument Lighthouse Charter School</td>
<td>22.5</td>
</tr>
<tr>
<td>Padua Academy</td>
<td></td>
</tr>
<tr>
<td>Paramount School</td>
<td></td>
</tr>
<tr>
<td>Southeast Neighborhood School of Excel</td>
<td></td>
</tr>
</tbody>
</table>

Flanner House and Lawrence Early College (Stonegate) were not included because of their closure.

Table 3 illustrates the average characteristics for both the city and charter census tracts for the 2000 and 2010 data collection periods. My analysis was similar to Davis and Oakley in that we both found, “in many cases, citywide trends go in the same direction as charter census tracts, but are far less dramatic” (92). The interesting case that does stick out is POPULATION. City census tracts averaged positive growth while charter tracts lost residents overall, which is also reflected in
negative SENIOR and MINOR differences. Across Atlanta, Chicago and Philadelphia, Davis and Oakley's (2013) results suggested there is a relationship between charter emergence and urban revitalization, as well as efforts to use charter schools for serving low-socioeconomic students. Evidence in Indianapolis indicates a similar relationship for schools and their neighborhoods.

Table 3
Average Census Tract Characteristics: City-Wide and Charters, 2000 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010</th>
<th>Change 2000-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City</td>
<td>Charter</td>
<td>City</td>
</tr>
<tr>
<td>Percent Black</td>
<td>27.3</td>
<td>32.3</td>
<td>28.4</td>
</tr>
<tr>
<td>Percent Owners</td>
<td>58.1</td>
<td>47.3</td>
<td>56.8</td>
</tr>
<tr>
<td>Percent Seniors</td>
<td>11.6</td>
<td>11.1</td>
<td>11.4</td>
</tr>
<tr>
<td>Percent</td>
<td>23.3</td>
<td>15.6</td>
<td>25.5</td>
</tr>
<tr>
<td>Bachelors</td>
<td>9.7</td>
<td>12.9</td>
<td>12.4</td>
</tr>
<tr>
<td>Percent Female</td>
<td>11.2</td>
<td>14.9</td>
<td>15.9</td>
</tr>
<tr>
<td>Percent Poverty</td>
<td>25.1</td>
<td>26.5</td>
<td>25.0</td>
</tr>
<tr>
<td>Percent Minor</td>
<td>3873.0</td>
<td>3839.3</td>
<td>3942.5</td>
</tr>
<tr>
<td>Total Population</td>
<td>3873.0</td>
<td>3839.3</td>
<td>3942.5</td>
</tr>
</tbody>
</table>

Multivariate Analyses

Next, I turned to a set of multivariate analyses: two separate Ordinary Least Squares regression models. This methodology introduces the necessary temporal dimension by modeling the effect of change over the years 2000-2010. When designing these equations, I considered the need to balance both subjective and objective context; a second, substantive dimension recognizing social milieu and physical quality; and last a temporal dimension, reflecting the importance of time and its effect on change (Lee et al., 2004).
It is important to note that this is only a partial replication of the Davis and Oakley (2013) model. In their study, Davis and Oakley found that the presence of a charter school led to a marginal increase in white residents and overall decreases in poverty (2013). By using CHGPOVERTY, and CHGMINORS instead, I attempt to create the most direct calculation of economic health and general neighborhood well-being available with census data. I hoped to increase the predictability and significance of the model by redefining the measures of neighborhood well-being in this way, presented in the following equations:

\[
\text{Change in } \% \text{ Poverty} = \beta_0 + \beta_1 (\text{Charter}) + \beta_2 (\text{Characteristics}) + \beta_4 (\text{Investment}) + \epsilon \]

\[
\text{Change in } \% \text{ Minor} = \beta_0 + \beta_1 (\text{Charter}) + \beta_2 (\text{Characteristics}) + \beta_4 (\text{Investment}) + \epsilon
\]

Therefore if charter schools can contribute to neighborhood revitalization, I expected changes in the percentage of CHGPOVERTY to be negatively associated with charter presence. Second, I expected increases in the percentage of CHGMINOR residents to be positively associated with charter schools.

H1: In a comparison of census tracts, those with charter schools will have decreased percentage of poverty over time.

H2: In a comparison of census tracts, those with charter schools will have increased percentage of minors over time.

Findings

Table 4 outlines the results of the OLS regression examining the impact of the presence of charter schools in two separate models. The first dependent variable is the change in percentage of population in poverty (CHGPOVERTY) and the second is change in the percentage school-aged residents (CHGMINORS); both for census data observed in the 2000-2010 time period. Based on the descriptive analyses, I
expected to see a relationship between these characteristics and the presence of a charter school. However, the regression did not demonstrate evidence of a significant relationship between charter schools and either dependent variable.

In the first model, the results suggest neighborhood and demographic characteristics could not predict a significant portion of the variation of change in poverty data well ($R^2 = 0.09$). As expected, percentage of HOMEOWNERS predicts a significant average decrease in poor residents, $b=-0.275$, $t_{(211)}=-3.788$, $p<.001$, and is the only substantial relationship that appears in this model. Other research on poverty has similarly revealed a lack of relationship between change in socioeconomics and characteristic factors. Harrigan and Nice (2010) point to biases generated within the redevelopment process that create polarization among income groups. Davis and Oakley (2013) had similar findings in their regression for change in percent poverty, but also found a significant relationship between poor and Black residents where I did not. Though, the presence of charter schools did not suggest a dominant impact on census tract poverty rates in this model I am not able to reject the null hypothesis. Charter schools did not significantly reduce the level of poverty in their neighborhoods.

The second model is more striking. Column 2 of table 4 suggests that the presence of a charter school was negatively associated with the change in percent minors between 2010 and 2000. Public rhetoric leads one to believe that placing a charter school in a poor neighborhood will lead to numerous benefits. However, the results here not only fail to find support for this claim, but actually may suggest that these areas are worse off after getting a new charter school. I found that the tracts
with charter schools were actually averaging a loss of kids over the ten-year time frame. Though not significant above p<.10, this outcome is enough to create pause given that, at minimum, a positive relationship was expected.

Reviewing the additional control variables, this second model highlighted BLACK families, $b=0.098$, $t_{(204)}=3.032$, $p<.01$, and single-parent moms (FEMALE), $b=0.285$, $t_{(204)}=-5.497$, $p<.001$ were both more likely to average an increase in children. SENIORS were also significant, $b=-0.461$, $t_{(204)}=-6.002$, $p<.001$, but negative – residents 65 and older detracted from the school-aged population in a census tract. The complementary city strategy, the presence of a LISC investment, succeeded better at drawing families with kids, $b=2.156$, $t_{(204)}=2.531$, $p<.05$. However, similar to the first model, I am still not able to reject the null hypothesis. Charter schools do not draw families with young children into their neighborhoods. This deserves further research, as it would have important public policy implications.
Table 4
Regression Results for Impact of Charter Presence on Neighborhood Characteristics in Indianapolis; 2000-2010
Reporting Unstandardized Coefficients and (Standard Errors)

<table>
<thead>
<tr>
<th></th>
<th>Change in % Poverty 2000-2010</th>
<th>Change in % Minors 2000-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter School in Tract</td>
<td>2.438</td>
<td>-1.689*</td>
</tr>
<tr>
<td></td>
<td>(1.796)</td>
<td>(0.910)</td>
</tr>
<tr>
<td>Controls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>change in percent Black</td>
<td>-0.120*</td>
<td>0.098**</td>
</tr>
<tr>
<td></td>
<td>(0.064)</td>
<td>(0.032)</td>
</tr>
<tr>
<td>change in percent Owners</td>
<td>-0.275***</td>
<td>0.068*</td>
</tr>
<tr>
<td></td>
<td>(0.073)</td>
<td>(0.037)</td>
</tr>
<tr>
<td>change in percent Seniors</td>
<td>-0.040</td>
<td>-0.461***</td>
</tr>
<tr>
<td></td>
<td>(0.152)</td>
<td>(0.077)</td>
</tr>
<tr>
<td>change in percent Bachelors</td>
<td>0.041</td>
<td>-0.013</td>
</tr>
<tr>
<td></td>
<td>(0.082)</td>
<td>(0.041)</td>
</tr>
<tr>
<td>change in percent Female</td>
<td>0.185*</td>
<td>0.285***</td>
</tr>
<tr>
<td></td>
<td>(0.102)</td>
<td>(0.052)</td>
</tr>
<tr>
<td>LISC Tract</td>
<td>-2.065</td>
<td>2.156*</td>
</tr>
<tr>
<td></td>
<td>(1.682)</td>
<td>(0.852)</td>
</tr>
<tr>
<td>Intercept</td>
<td>3.774</td>
<td>-1.090</td>
</tr>
<tr>
<td>Number of tracts</td>
<td>211</td>
<td>211</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.08</td>
<td>0.35</td>
</tr>
</tbody>
</table>

Standard errors are reported in parentheses.
*p<.10, *p<.05, **p<.01, ***p<.001 (one tailed test)

In comparison to Davis and Oakley (2013) my results are mixed. They found marginal support p=.10 for charter schools’ ability to draw White residents between 2000-2010 in Philadelphia as well as influencing a change in poverty p=.05 in Chicago during the same time period. Though I found similar trends, my models did not result in any significant support for the claims that charter schools can affect neighborhood well-being in terms of decreases in poverty (CHGPOVERTY) or increases in the number of school aged children (CHGMINORS). However, Davis and Oakley had 4 additional models that did not indicate a significant relationship
existed either (2013). Clearly care should be taken in interpreting the results in Table 4 to demonstrate that charters do not impact the neighborhood well-being in any way.

In total, the results are not surprising. There is room for improvement in the models and, of course, unobserved or unmeasured characteristics persist. Hunter (1974) found with his work in Chicago, “the different dimensions of community raise different questions and concerns and require different data, methods, and research strategies” (p. 190). I suggest this research would be best carried forward with a lengthy mixed-methods approach that includes survey data of individual perceptions. The IUPUI Polis Center conducted a Central Indiana Household Survey in 2000. Questions specifically addressed moves related to schools. At the time, less than 10 percent reported moving for these amenities specifically (2000). It would have been an ideal measure if there had been a study repeated closer to 2010. However, they did not do such a study; and there is little evidence of any plan to host this survey again.

Like other scholars, I found it difficult to identify an appropriate measure of well-being. As indicated in the literature review, most existing studies have measured neighborhood well-being in monetary or demographic terms. This research’s use of new measures of well being made a sound improvement to the model and conversation compared to other scholars who measured it simply as property value or median income or even as ethnicity. In using dependent variable measures of socioeconomics and age, my model is predicting growth in a way not captured in prices alone. Rossi (1995) concludes that, “families moving up the
'occupational ladder' are particularly sensitive to location and use residential mobility to bring their residences into line with their prestige needs” (pp. 1226-27). Different families clearly respond differently to public policies.
Conclusion

Neighborhoods reflect the buildings and people that comprise them. So, it is expected that school characteristics and neighborhood characteristics tend to match. Yet, it is hard to know which way the causality occurs (Deluca, 2007). Numerous studies have tried to understand our communities, how amenities affect them, and why individuals make the residential decisions that they do. There is an incredible amount of power to be had with this knowledge, but, just as voter behavior can be extremely difficult to predict, so are mobility choices.

Because charter schools are independent institutions, they are both poised for greatness and vulnerable to exploitation. State and local executives, and legislators, feel accountable for school performance and economic growth. Perhaps not surprisingly, lawmakers are increasingly linking the two and, now, charter schools are becoming a cornerstone amenity in some city plans. Indianapolis’s recent prioritization of charter schools in their own metropolitan development strategy presents a case study of how cities might be succeeding at attaining revitalization through schools. Reflected in a model based on Davis and Oakley (2013), my findings suggest that these policies have been unsuccessful at increasing economic health or general neighborhood well-being. In fact, it appears that tracts with charter schools averaged a loss of school-aged children over the past decade.

Further, the kids attending a charter school can come from anywhere. Without attendance boundaries, it is hard to not consider that good schools can draw heavily resourced people from wherever they live, not necessarily changing the mobility rates (and consequently economic status) of the neighborhood in which
the school is located. When legislating school policies, too many assume that all parents approach opportunity the same way. However,

An individual may select a level of symbolic community that best satisfies the needs and interest associated with his particular social statuses, and that what is defined as the community may vary between individuals and for the same individual in different settings and at different times (author's emphasis, Hunter, 1974, p. 179)

Thus, sustainable local strategies should try to change economic realities rather than simply trying to remedy social problems.

My findings highlight a question we should all be asking, is it the responsibility of schools to promote economic development in communities in addition to preparing the next generation of educated and conscientious citizens? I provide preliminary evidence that, even with intention, this does not appear to be happening. However, continued work on the relationship between charter schools and neighborhood health is warranted.
### APPENDIX A

<table>
<thead>
<tr>
<th>Question</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the charter school enrollment trends and projections compared to school corporations?</td>
<td>Charter school enrollments are increasing at a relatively constant rate compared to their local school corporations and the state of Indiana as a whole.</td>
</tr>
<tr>
<td>Who are the students attending charter schools with respect to grade levels, minority status, socioeconomic status, and gender compared to school corporations in the same community?</td>
<td>Indiana charter schools appear to serve, for the most part, a similar or higher percentage of minority and low-income students compared to the school corporations.</td>
</tr>
<tr>
<td>What is the demand for charter schools? Are there waiting lists?</td>
<td>There appears to be a relatively high demand for charter schools, particularly in the urban areas at the elementary level.</td>
</tr>
<tr>
<td>Are students leaving charter schools after the start of the school year? How long are students attending charter schools?</td>
<td>Children who attend charter schools, for the most part, attend for at least two or more years and for a significant amount of time that they are eligible to attend a particular charter school given their age and the grade levels served by the school. However, in areas with significantly mobile populations, charter schools are afflicted with the same high mobility issues as traditional public schools.</td>
</tr>
<tr>
<td>What is the level of parental satisfaction with charter schools?</td>
<td>Parents report that they are highly satisfied with the charter schools their children attend.</td>
</tr>
</tbody>
</table>
## APPENDIX B

<table>
<thead>
<tr>
<th>Date</th>
<th>Title</th>
<th>Excerpts</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 July 2009</td>
<td>Education innovation starts here</td>
<td>With no mountains or oceans, Indianapolis needs other ways to attract national attention. But the city also is gaining attention, although admittedly in a quieter manner, as a leader in education reform.</td>
</tr>
<tr>
<td>10 July 2009</td>
<td>They got it right on these issues</td>
<td>Charter schools are vital for the future of public education in Indianapolis. For years IPS had a monopoly on low-income families in the district.</td>
</tr>
<tr>
<td>8 July 2009</td>
<td>Is IPS ready to shake things up?</td>
<td>Sullivan simply believes, public charter schools and traditional public schools can complement each other and lead to a better education portfolio in cities such as Indianapolis.</td>
</tr>
<tr>
<td>20 May 2009</td>
<td>Lets celebrate charter success</td>
<td>It’s a position based on a misguided view that charters somehow weaken traditional public schools. Without such alternatives, young families will continue to flee in large numbers to the suburbs.</td>
</tr>
<tr>
<td>28 June 2009</td>
<td>Charter vs. Traditional: We can support both</td>
<td>For example, in Indiana and Maine, state legislatures must act in the best interest of students and open doors to education entrepreneurs, like those running charter schools.</td>
</tr>
<tr>
<td>16 September 2008</td>
<td>Charter school proposals focus on niche learners: 3 plans target students with autism, future engineers and those motivated by sports.</td>
<td>His long-term plan is to work with communities that can benefit from a new high-quality school.</td>
</tr>
<tr>
<td>2 December 2007</td>
<td>Ballard backs charter schools: Mayor-elect says he hopes to expand upon the foundation of the facilities now in place.</td>
<td>He has a passion for education... it gives parents a choice, and that’s good for the community.</td>
</tr>
<tr>
<td>Date</td>
<td>Event Description</td>
<td>Description</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>9 April 2006</td>
<td>Charter schools attract attention</td>
<td>We call it scoring for Indiana on the field that counts.</td>
</tr>
<tr>
<td>26 September 2004</td>
<td>Seeking ideas for educational options? They’re right here</td>
<td>Indianapolis may not seem to be a natural hotbed of innovation in educational options for low-income families. Yet, without any master plan or political conspiracy, the city has attracted several local and national groups advocating or implementing school choice options. Peterson found middle ground between vouchers and the traditional monopoly of public schools when the General Assembly made him the nation’s only mayor who can sponsor charters. In Indianapolis, it seems to me we have been blessed with strong business leaders who took an entrepreneurial approach to civic issues.</td>
</tr>
<tr>
<td>21 September 2004</td>
<td>Charter schools in Indy praised: Report lauds city’s approach as model for governments seeking reform in education</td>
<td>Charter schools in Indianapolis have made strides in academic improvement, neighborhood revitalization and parental satisfaction, according to a report that holds up the city’s blueprint as a cutting-edge example of education reform. The report included praise for charter schools that are helping revitalize neighborhoods. The city’s unique experience can generate lessons for other states, the study said.</td>
</tr>
<tr>
<td>1 April 2004</td>
<td>Company to operate charter: Christel House to pay Edison $3 million to manage school</td>
<td>Tremendous progress has been made in a very short period of time. This is the opportunity to build on something that has done very well.</td>
</tr>
<tr>
<td>18 March 2004</td>
<td>Charter schools’ growth causes a controversy: Peterson has approved 11; critics say they are unproven</td>
<td>Peterson, the only mayor in the nation able to sponsor charters, says he is aggressively pursuing these alternatives to traditional public schools because they can play a role in neighborhood and</td>
</tr>
<tr>
<td>Date</td>
<td>Event Description</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>6 November 2003</td>
<td>City gets grant to develop new charter schools; $1.6 million award will be earmarked for start up costs and new training program</td>
<td>The efforts are part of a new initiative from Mayor Bart Peterson known as “Seed &amp; Lead”, which aims to bring more of the schools to the city. Through Seed &amp; Lead, city officials hope to attract proven national charter organizers to work with local groups to start schools here. The grant could also be a boon for Goodwill Industries, which is interested in organizing a local charter.</td>
</tr>
<tr>
<td>20 October 2003</td>
<td>Mayor rivals debate three R’s Peterson touts charter schools; Jordan likes them, but wants the focus on IPS</td>
<td>It’s more than an idea. It’s a profound education reform. We need to make sure all of our public schools are schools of choice.</td>
</tr>
<tr>
<td>2 October 2003</td>
<td>Peterson plan seen as voters’ field guide</td>
<td>Creating charter schools is one of the goals that Peterson is most proud to have met, said his campaign manager, Michael O’Connor. The schools are operated by private groups and are free from many state regulations.</td>
</tr>
<tr>
<td>7 January 2003</td>
<td>Peterson sets out to lobby lawmakers: Economic plan, charter schools top city agenda</td>
<td>It will be the thing that has the most impact on the city of Indianapolis.</td>
</tr>
</tbody>
</table>
References


Hooper, K.L. (2003, November 6). City gets grant to develop new charter schools: $1.6 million award will be earmarked for start-up costs and new training program. Indianapolis Star, pp. B1.


Curriculum Vitae

Janea L. Marking

Education
Indiana University, Indianapolis 2014
MA Political Science, State and Local Government

University of California, Santa Barbara 2003
BA Philosophy, Ethics and Public Policy

Professional Experience
Highline Public Schools 10.2013 – Present
Executive Assistant to the Chief of Staff
Assist the Chief of Staff, Director of Business Services and the Director of Policy Development with routine and confidential administrative tasks.

Teach For America 02.2010 – 10.2013
Development Manager, 05.2013 – 10.2013
Provided critical support to the Executive Director toward a fundraising goal of $9 million by 2015. Set and executed fundraising strategies to grow, diversify and inspire action among the Washington donor base. Managed accurate funder data and conduct analysis. Designed yearly operating budget and tracked expenditures up to $3.25 million.

• Co-Presented at the 2013 LEAP Conference in Tacoma, WA: “Be a Social Entrepreneur in Your School”

Development and Operations Specialist, 02.2010 – 05.2013
Created and maintained operational systems that ensured all office and financial efforts ran smoothly. Provided administrative and fundraising support to the Executive Director. Coordinated summer event logistics and ongoing programmatic support, including administration of AmeriCorps awards, for 210 teachers.

• Managed two office relocations for 24 staff

Indiana University, Kelley School of Business 10.2007 – 02.2010
Assistant Director, Marketing and Communications
Developed and administered a comprehensive annual plan of external visibility programs and objectives for student engagement, alumni and civic partnerships. Executed special events including commencement.

• Established integrated social media strategy for students and alumni

The Art Institute of Indianapolis 08.2006 – 09.2007
Student Accountant
Provided daily customer service support for students.

• Acquired Veterans Benefit Certification financial aid
• Ranked as top A/R collector across all Art Institutes locations

Santa Barbara School District, Goleta Valley Junior High 06.2004 – 07.2006
Principal’s Secretary
Orchestrated daily operation of school office for 1,000 students. Completed routine and specialized support projects for administration. Planned Back to School Night and Eighth Grade Promotion.