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## **NUMBER OF STUDENTS IN HOMES FACING FORECLOSURE IN NYC ON THE RISE FINDS NEW REPORT BY NYU RESEARCHERS**

*Study by NYU's Furman Center and Institute for Education and Social Policy Finds Increase in Students With Homes in Foreclosure since 2003; Black Children Disproportionately Affected; Hard Hit Schools Clustered in Northern Brooklyn and Southeastern Queens*

While researchers have noted the deleterious effects of foreclosure on surrounding properties and neighborhoods, little is known about the effects of foreclosure on children. A new report, *Kids and Foreclosure: New York City*, released today by researchers at New York University's Institute for Education and Social Policy (IESP) and Furman Center for Real Estate and Urban Policy begins to address the issue by estimating the number of students in New York City affected by the current foreclosure crisis.

"Few researchers have explored the human costs of foreclosure, and virtually no one has considered the collateral costs on children," said Ingrid Gould Ellen, Faculty co-Director of the Furman Center and a Professor at NYU's Wagner Graduate School of Public Service. "This study shows that the number of children living in foreclosed buildings in New York City is large and growing, and the impact falls disproportionately on black children."

"Our study also reveals that the impact has been uneven across schools and neighborhoods," added Amy Ellen Schwartz, Director of the Institute for Education and Social Policy and Professor at NYU's Steinhardt and Wagner schools. "Most notably, a number of schools in Northern Brooklyn and Southeastern Queens are tasked with educating a disproportionate number of children affected by foreclosure. Further study is needed to determine whether and to what extent a foreclosure action impacts a student's performance in school."

The report presents findings from the first phase of a two-part analysis of how foreclosures affect children, funded by the Open Society Institute as part of a three-city study exploring the issue. In the study, the researchers estimate the number of public school students in all grades (K-12) whose families live in properties that entered foreclosure in New York City during the 2003-04 and 2006-07 school years. In addition, they compared the social and demographic characteristics of these students, and their schools, to those of other students.

Using data from the NYC Department of Education, as well as public data on *lis pendens* (LP) filings—the official notice that commences a foreclosure action—the research team identified several key findings:

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- A sizable and growing number of NYC public school children live in buildings experiencing foreclosure. In 2006-07, the number of school children in homes facing foreclosure (18,525) increased 59 percent from the 2003-04 school year and represented close to 1 in 50 public school children.
- Black children are disproportionately affected by foreclosure in New York City; in 2006-07, black students made up 57 percent of all students living in properties that entered foreclosure, but only 33 percent of all NYC public school children.
- Students in Brooklyn were disproportionately affected by foreclosure; representing only 30 percent of New York City's public school children, but 45 percent of the students living in buildings in foreclosure.
- Students affected by foreclosure tend to be concentrated in hard-hit schools in northern Brooklyn and southeastern Queens. Half of all students living in properties that entered foreclosure attended just 17 percent of city public schools in 2006-07.
- In 2006-07, nearly 100 schools had 5 percent of or more of their student body experiencing a foreclosure. In one Brooklyn school, 14 percent of students lived in buildings that entered the foreclosure process.
- Schools with relatively high concentrations (> 5 percent) of students living in homes that received foreclosure notices tend to have larger shares of black students and students eligible for the National School Lunch Program. The authors suggest that the performance of these already disadvantaged schools may decline as a large share of their students face residential upheavals and turnover increases.

The report's authors conclude that as the number of foreclosure actions continues to grow, the number of affected students will also continue to climb. The hard-hit schools in Brooklyn and Queens that have large concentrations of foreclosure-affected students tend to be vulnerable to begin with, enrolling disproportionate numbers of black and poor students and students with below average test scores.

Future study by researchers at IESP and the Furman Center will focus on the mobility of students who live in homes that experience foreclosure. Specifically, the researchers will analyze whether foreclosure leads students to change schools and to what extent foreclosure leads them to move to lower-performing schools. The researchers plan to continue with a study on the effect of foreclosure on student achievement.

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#### **About the Furman Center for Real Estate and Urban Policy**

The Furman Center for Real Estate and Urban Policy is a joint center of the New York University School of Law and the Robert F. Wagner Graduate School of Public Service at NYU. Since its founding in 1995, the Furman Center has become the leading academic research center in New York City devoted to the public policy aspects of land use, real estate, and housing development. The Furman Center is dedicated to providing objective academic and empirical research on the legal and public policy issues involving land use, real estate, housing and urban affairs in the United States, with a particular focus on New York City. More information on the Furman Center can be found at: <http://furmancenter.org>.