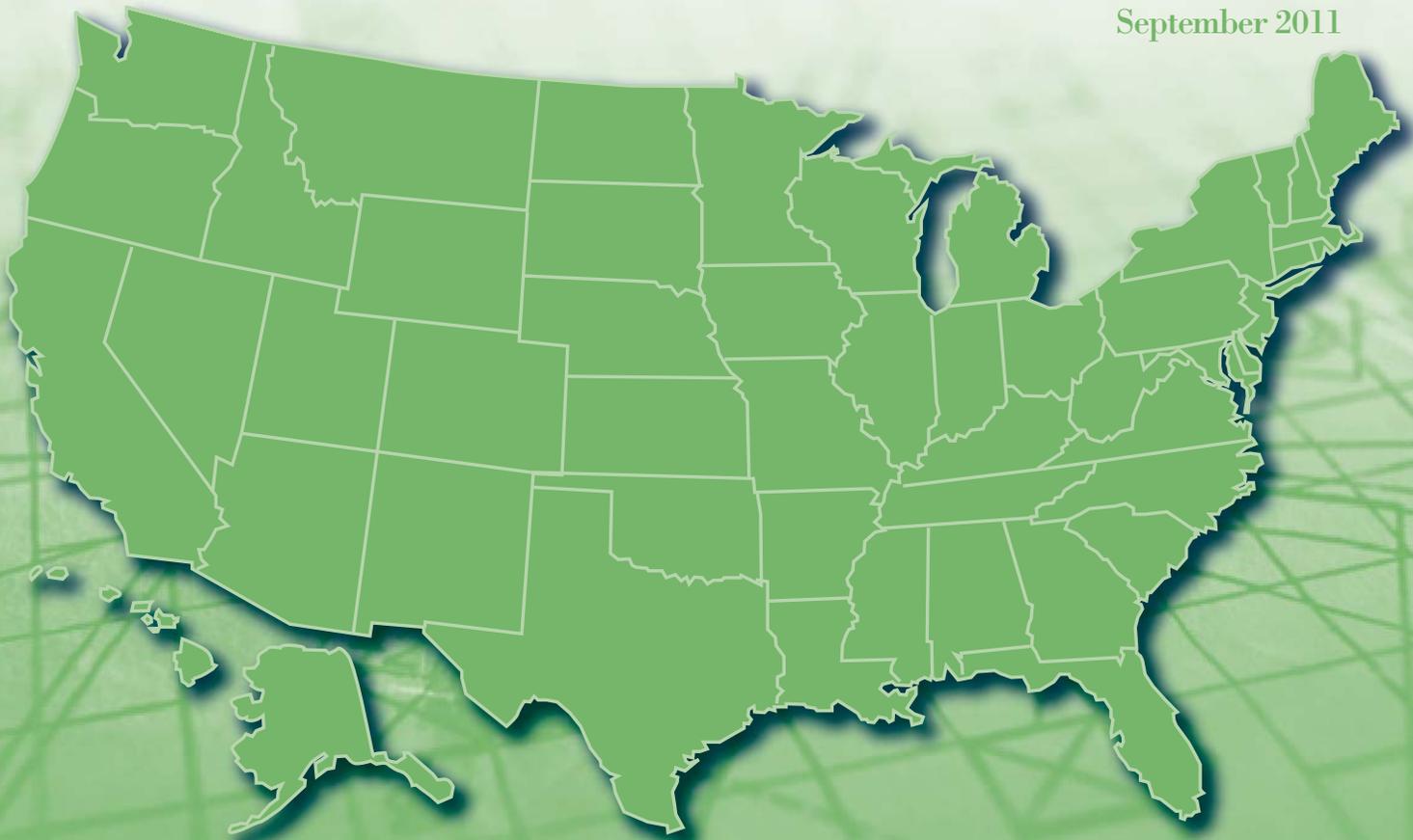


A Lost Decade: Neighborhood Poverty and the Urban Crisis of the 2000s



September 2011



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Joint Center for Political and Economic Studies
1090 Vermont Avenue, NW, Suite 1100
Washington, DC 20005-4928
www.jointcenter.org

A Lost Decade: Neighborhood Poverty and the Urban Crisis of the 2000s

September 2011

By Rolf Pendall, Elizabeth Davies, Lesley Freiman, and Rob Pitingolo

The Urban Institute

For the Joint Center for Political and Economic Studies

with support from



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About the Authors

Rolf Pendall, Ph.D., is Director of the Metropolitan Housing & Communities Policy Center at the Urban Institute. His research expertise includes land use planning and regulation; federal, state, and local affordable housing policy and programs; and metropolitan planning and development. His projects have explored land-use regulations in the biggest metro areas; exclusionary and inclusionary zoning; state and local affordable housing policies and programs; transportation and residential neighborhoods in fast-growth metro areas, especially Denver and Houston; and sprawl in weak-market metro areas, especially Upstate New York. He is a member of the MacArthur Foundation's Research Network on Building Resilient Regions.

Elizabeth Davies and **Lesley Freiman** are Research Associates and **Rob Pitingolo** is a Research Assistant in the Urban Institute's Metropolitan Housing and Communities Policy Center.”

About the Joint Center

The Joint Center for Political and Economic Studies is one of the nation's pre-eminent research and public policy institutions and the only one whose work focuses exclusively on issues of particular concern to African Americans and other people of color. For over four decades, our research and information programs have informed and influenced public opinion and national policy to benefit not only African Americans, but every American.

Foreword

Today, despite the significant progress we have made during the past half-century in fostering equality of opportunity for all Americans irrespective of skin color or national origin, institutional policies and practices that yield racially disparate outcomes persist. Nowhere is this more obvious than in patterns of residential segregation that remain the norm in our society. These patterns have tragic consequences. Prior research by the Joint Center and others has illuminated the challenges that residential segregation poses to the ideal of equal opportunity for all.

This report documents the changes in the number and percentage of people, by race and poverty status, living in high-poverty neighborhoods between 1970 and 2005-2009. It examines changes over time in all 366 current (2010) metropolitan statistical areas in the United States, excluding Puerto Rico, and it reports on these changes by age, race, and poverty status. It also investigates more recent changes in the number and percent of foreign-born residents living in low, medium, high, and extreme poverty neighborhoods. We believe this study is groundbreaking in its examination of trends since the landmark housing and civil rights legislation of the 1960s that attempted to address some of the nation's urban ills. Because research also shows that high-poverty neighborhoods restrict opportunity for all who reside in them, it is our hope that the findings in this document will provide guidance for advocates and policy-makers as they grapple with ways in which to level the playing field for all of our citizens.

Special thanks are due to the report's authors, Rolf Pendall, Elizabeth Davies, Lesley Freiman, and Rob Pitingolo of the Urban Institute, who utilized the GeoLytics/Urban Institute National Neighborhood Change Database (1970, 1980, 1990, and 2000), a unique tool presenting data from the Decennial Census of Population and Housing within year-2000 tract boundaries, as well as U.S. Census Bureau data to perform the analyses presented here. We also thank Philip Tegeler of the Poverty and Race Research Action Council (PRRAC), who made significant contributions in shaping the research addressed here. PRRAC also supported the publication of this document.

We also offer thanks and appreciation to the W.K. Kellogg Foundation for their support of the Joint Center's Health Policy Institute. W.K. Kellogg Foundation funds helped to support the research presented here, as well as many other Joint Center research reports on segregation, poverty concentration, and health inequities, particularly as they affect vulnerable children in the United States.

It is our hope that this research helps compel action to address some of the root causes of racial and ethnic inequality, much of which is brought about by separate and unequal places where we live, work, and play.

Ralph B. Everett
President and CEO
Joint Center for Political and Economic Studies

Executive summary

This report tracks the stubborn persistence of concentrated poverty—poverty rates over 30 percent—in U.S. metropolitan areas over a period of nearly 40 years. Neighborhoods with poverty rates above 30 percent have been recognized as places with few opportunities for employment and education, high levels of disinvestment and crime, and meager civic participation.¹ Living in such neighborhoods over extended periods reduces the life chances of children, whether their families are poor or not.²

The report also looks more deeply at a subset of urban neighborhoods that can be characterized as the “original ghetto,” extensive areas whose cores were almost exclusively nonwhite and poor in 1970. The report shows that the nation continues to suffer from racially and economically divided cities, and this segregation undercuts efforts to reach important goals for health, education, employment, and civic engagement. More specifically, we find that:

Concentrated poverty has risen substantially since 2000. About one in 11 residents of American metropolitan areas, or 22.3 million people, now live in a neighborhood where 30 percent or more live in poverty. Such neighborhoods suffer from private-sector disinvestment; poor public services and schools; and unacceptable levels of exposure to crime, natural hazards, and pollution. **The number of people in high-poverty neighborhoods increased by nearly 5 million since 2000**, when 18.4 million metropolitan residents (7.9 percent of the total) lived in high-poverty neighborhoods.

The rise in concentrated poverty since 2000 is a significant setback compared with progress in the 1990s. The number of people in high-poverty neighborhoods stabilized in the 1990s and the concentrated poverty rate fell, fueling optimism that place-based initiatives and rising prosperity were reversing a crisis that had grown dire in the 1980s. Today, however, it appears that the improvement of the 1990s may have been a temporary respite. The increase in the number of Americans living in high-poverty neighborhoods tracks directly with the nation’s increasing poverty rate. Between 2000 and 2009, the number of people in poverty grew by 10 million, from 33 million to 43 million, raising the poverty rate from 11.3 percent to 14.3 percent.

Extreme-poverty neighborhoods show an even more startling rebound. One of the bright spots of the 1990s was the huge retreat in both the number of neighborhoods where over 40 percent of people lived in poverty, as well as the number of people living in these neighborhoods. Tragically, **9.2 million people now live in extreme-poverty tracts**—2.1 million more than in 2000 and a half-million more than even the alarming number in 1990. Two-thirds (250) of the 366 metropolitan areas in our analysis had an increase in the number of people in extreme-poverty neighborhoods, and only 54 had a decrease.

African Americans, Hispanics, and American Indians are substantially more likely to live in high-poverty neighborhoods than non-Hispanic whites. **One in four African Americans** (7.6 million people), **one in six Hispanics** (7.1 million people), and **one in eight American Indians** (150,000 people) in metropolitan America **live in a Census tract in which 30 percent or more of the population is in poverty.** One out of nine foreign-born residents also lives in high-poverty neighborhoods.

These ratios starkly contrast with the estimated **one in 25 non-Hispanic whites** (6.3 million people) who lives in one of these tracts. Like the general trend, these high numbers represent a substantial setback for African Americans and Latinos compared with progress in the 1990s for non-Hispanic whites, most of whom are native born.

High-poverty neighborhoods are now more likely to include families from more than one racial or ethnic group. Overall, Hispanics and African Americans now each account for about a third of residents in high-poverty tracts. Non-Hispanic whites account for 28 percent of the residents in these tracts. While many individual high-poverty neighborhoods have a single strongly dominant racial or ethnic group, *over one-fifth* (1,400) of the 6,400 high-poverty tracts in our study included a mix of substantial numbers of black, Hispanic, and white non-Hispanic residents.³

People who live below the poverty line—especially minorities in poverty—are at special risk of living in high-poverty neighborhoods. People who live below the poverty line are over three times more likely to live in high-poverty neighborhoods than those who live above poverty. Poor minority residents are at the greatest risk of living in high-poverty neighborhoods. Over two-fifths of poor African Americans and nearly a third of poor Hispanics currently live in high-poverty neighborhoods. Non-Hispanic whites, by contrast, predominantly live outside high-poverty neighborhoods even when their families live in poverty (only about 15 percent of poor whites live in high-poverty neighborhoods).

Extreme-poverty neighborhoods are home to highly disproportionate numbers of African Americans. African Americans make up about two-fifths of residents in extreme-poverty tracts, compared with about 28 percent each for non-Hispanic whites and Hispanics.

Metropolitan areas vary widely in levels of concentrated poverty and changes since 2000. While **Texas and the Midwest experienced widespread increases** in already-high levels of concentrated poverty, **New York and Los Angeles both had falling rates of concentrated poverty.** Other areas with high and rising rates include all the **Oklahoma** metro areas, most of **Arkansas** and **Kansas**, and **Memphis**; the largest metro areas in **Oregon and neighboring Vancouver, Washington**; southern **Arizona**; most of the **Front Range** of Colorado; and most of **Upstate New York**, several small metro areas in central **Pennsylvania**, and western **Massachusetts**. Chicago, Miami, Washington, DC, Atlanta, and Boston all had lower-than-average concentrated poverty rates in 2005-09, and their rates either fell or remained about even over the decade.

A separate analysis of those extensive areas identified as racial “ghettos” in 1970 (whose cores were almost entirely nonwhite and at least 30 percent poor) shows that these **extensive historic zones of racially segregated poverty in 79 metro areas have lost one-third of their populations and grown even more impoverished since 1970.** Even with this serious decline in population, most of these neighborhoods retain higher population densities than other neighborhoods in their metropolitan areas. But now, many additional neighborhoods in their metropolitan areas have high poverty rates and low levels of racial or ethnic diversity. **Segregated, high-poverty neighborhoods have not only persisted, but spread, even as the old ghetto has thinned out.**

Introduction

This report tracks the stubborn persistence of concentrated poverty in U.S. metropolitan areas over a period of nearly 40 years. Neighborhoods with concentrated poverty, defined as poverty rates above 30 percent, have been recognized as places with few opportunities for employment and education, high levels of disinvestment and crime, and meager civic participation.⁴ Living in such neighborhoods over extended periods reduces the life chances of children, whether their families are poor or not.⁵ The number of people living in high-poverty neighborhoods surged in the 1990s, prompting a series of studies about the trend and what it meant for families and children. Analysis of the 2000 Census raised hopes that the problem of concentrated poverty had receded. Recent Census results, coupled with analysis of long-term trends in neighborhood poverty, allow us to revisit the rise and fall of concentrated poverty after a decade of profound economic dislocations.

The report also looks more deeply at a subset of urban neighborhoods that can be characterized as the “original ghetto,” extensive areas whose cores were almost exclusively nonwhite and poor in 1970. By starting our analysis of these areas and of concentrated poverty more generally in 1970, we capture the changes in metropolitan neighborhoods that have occurred since passage of the Fair Housing Act of 1968, the pinnacle of the civil rights struggle for fair housing. With that act, Congress overturned generations of tradition and law to declare that discrimination in private housing was illegal. Other important statutes have been enacted since 1970, including the Home Mortgage Disclosure Act and the Community Reinvestment Act, but the Fair Housing Act was meant to dismantle the ghetto and to open opportunity throughout metropolitan America.

Our report will show that the nation has not met the promises of the Fair Housing Act. Discrimination against African Americans and Latinos persists⁶; so does prejudice, which still leads many non-Hispanic whites to seek out neighborhoods with solid white majorities. Nor has enough progress been made toward the goal of the act that government “affirmatively further” fair housing by creating ample opportunities for non-segregated housing. The ghettos of 1970 remain deeply poor and predominantly non-white today, still lagging in opportunity and—in most cases—disinvested and depopulated, instead of having been redeveloped with an economically and racially diverse population. Meanwhile, concentrated poverty has expanded far beyond the boundaries of the old ghettos and into other jurisdictions and neighborhoods that were solidly middle class in 1970. And still today, poor whites are less likely than non-poor African Americans to live in a high-poverty neighborhood.⁷

Our analysis is all the more important as the nation debates its commitment to low-income people and their neighborhoods. Investments in these people and their neighborhoods—and opportunities for low-income people to live in neighborhoods with low poverty rates—are as urgent as ever. The aging and retirement of the baby boom generation will open unprecedented opportunities. If conditions are right, baby boomers’ neighborhoods can steadily integrate economically and racially as their housing is released to new generations of families. Baby boomers’ jobs, too, can become available to young people who grow up in neighborhoods where investments in education have been steady and where public services have been maintained. Today’s commitment to a low-income population that is more diverse than ever, and to low-income neighborhoods that are as stressed as they have been in at least a generation, will pay off for at least the next two generations—not only for the people who live there but for the entire nation.

Methods

To examine changes in population, demographics, and poverty in the United States' 366 metropolitan statistical areas (MSAs) from 1970 to present, we constructed a dataset that included census tract-level population estimates pulled from three primary sources:

1. **GeoLytics/Urban Institute National Neighborhood Change Database** (1970, 1980, 1990, and 2000), a unique tool presenting data from the Decennial Census of Population and Housing within year-2000 tract boundaries⁸
2. **American Community Survey** (2005-09 five-year average)
3. **National Historic Geographic Information System** (1970 county-level estimates)

Variables of interest included total population; age (adults, children); race (white, black, Asian, Native American); ethnicity (Hispanic, non-Hispanic); birth status (foreign-born, native-born); and poverty status (in poverty, not in poverty). The Office of Management and Budget's 2009 MSA boundaries were used to define the geographic areas of interest.

We used Census information to estimate the size and composition of the population in 1980, 1990, and 2000. American Community Survey data were used to estimate the average size and composition of the population from 2005 to 2009. Population estimates for the 1970s were derived from tract-level data from the U.S. Census and from county-level data from the National Historic Geographic Information System (NHGIS) for tracts with missing or incomplete Census data. We also checked NHGIS estimates against complete tract-level data from the Census to ensure parity between the two sources.

We also corrected for changes that have occurred in Census racial and ethnic categories over time. Data from the 1970 Census does not categorize racial groups (white, black, Asian, Native American) by Hispanic or non-Hispanic descent. Conversely, data from the 2005-09 American Community Survey only provide information on non-Hispanic racial groups. Although the difference between non-Hispanic and all ethnicities of blacks, Asians, and Native Americans is small, we noted a large discrepancy between estimates of non-Hispanic whites and all whites. As a result, trend analysis could not be performed on changes in the non-Hispanic white population from 1970 to 2005-09. In addition, data on Asians and Native Americans are not included in the 1970 and 1980 Census data, though they are available from 1980 onward. This report primarily refers to non-Hispanic whites (available in the data from 1980 onward), Hispanics, African Americans or blacks, and non-Hispanic blacks (available in the data from 1980 onward). Asians and Native Americans are not differentiated in the data prior to 1990 and are included with the "other race or ethnicity" categories within these analyses. (In this report, we use the terms "black" and "African American" interchangeably, reflecting the latest wording on Census forms. Not all people who are black consider themselves African American, however; some may be African or West Indian residents who have not naturalized. For similar reasons, we use Hispanic and Latino interchangeably, because both terms are used on the latest Census forms.)

Once the dataset was complete, we categorized Census tracts by poverty status, including low-moderate (poverty rate of less than 20 percent), *medium* (20 to 30 percent), high (over 30 to 40 percent) and extreme (over 40 percent). These categories were used to compare the total number and share of different racial and ethnic groups living in neighborhoods with different poverty levels. Analysis examined the current demographic composition of tracts with different concentrations of poverty, as well as changes in population and composition over time.

A second aspect of this analysis involved identifying the “original ghettos” using 1970 U.S. Census data.

We classified each Census tract with data available in 1970 according to one of three types:

1. Primary Ghetto (core): high poverty (poverty rate of 30 percent or more) AND vast majority non-white (more than 80 percent)
2. Secondary Ghetto: medium poverty (poverty rate of 20 percent or more) OR majority non-white
3. Non-Ghetto: all remaining tracts

To ensure that analysis across Census years was possible, the ghetto identification included only (a) Census tracts with data available in the 1970s Census, and (b) tracts that were comparable to the 2000 Census boundaries. As a result, ghetto identification was constrained by the data fields available in the 1970 Census data, most notably by the lack of data on *non-Hispanic* whites. This omission has likely resulted in under-identifying original ghettos made up primarily of Hispanic residents.

Once tracts were classified, we used geospatial tools to construct 193 ghetto areas that included one or more primary ghettos and any adjacent secondary ghettos. Because the ghettos were defined as *concentrated* areas of poverty and minority race, 60 ghetto areas with a population density of fewer than 2,500 people per square mile were excluded. It is worth noting that this criterion excluded some ghetto areas in the West, including four to five low-density areas with majority Native American populations, possibly adjacent to tribal land.

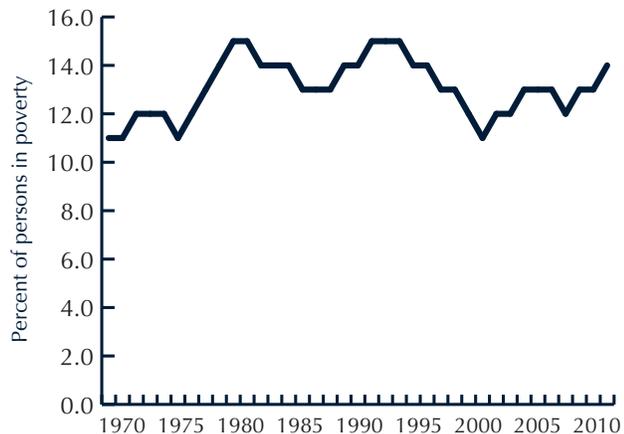
This report examined the changes in race and ethnicity, as well as in poverty and population, in these original ghetto areas from 1970 to 2005-09. We also examined the share of racial and ethnic groups currently living in original ghetto areas in order to understand the degree to which members of these groups now live in these areas proportional to their population.

Part I: The rise, fall, and resurgence of concentrated poverty

1. Rising poverty, rising concentrated poverty: giving back the gains of the 1990s

The 2000s was a lost decade for progress against poverty in the United States. Between 2000 and 2009, the number of people in poverty grew by 10 million, from 33 million to 43 million, raising the poverty rate from 11.3 percent to 14.3 percent (Figure 1). Poverty rose fastest during and after the mortgage meltdown between 2006 and 2009, but it also rose between 2000 and 2004.⁹ This trend reversed the progress made in the 1990s, when the number of Americans in poverty fell from 39 million to 33 million (between 1993 and 2000), and the poverty rate fell by four percentage points, progress on a scale unmatched since the 1960s.

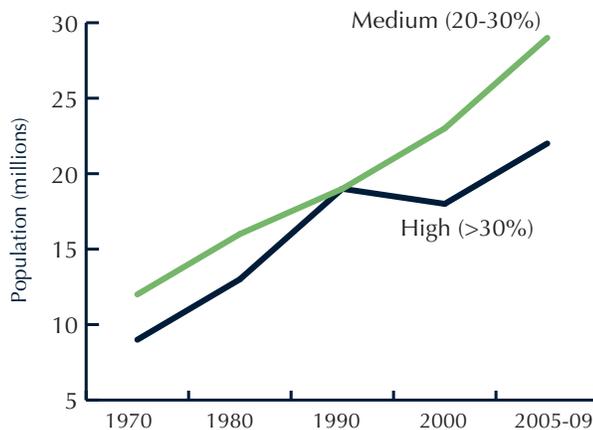
Figure 1. Poverty rate, U.S. 1973–2009



Source: U.S. Bureau of the Census, Current Population Survey, Annual Social and Economic Supplements.

As poverty rose in the new millennium, the number and percent of U.S. metropolitan area residents living in high-poverty metropolitan neighborhoods increased accordingly (Figure 2). About one in 11

Figure 2. Population rising in high- and medium-poverty tracts



Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

Americans, or 22.3 million people, now lives in a Census tract where 30 percent or more of their neighbors live in poverty.¹⁰ This estimate represents an increase of nearly 5 million people since 2000, when 18.4 million metropolitan residents (7.9 percent of the total) lived in high-poverty neighborhoods. These neighborhoods often suffer from disinvestment and disempowerment. Their schools are among the most distressed in their metropolitan areas. Their fire and police response times are slower than in lower-poverty

neighborhoods. Their homeowners were disproportionately preyed upon by predatory lenders in the 1990s and early 2000s, resulting in much higher rates of foreclosure than in other neighborhoods. Landlords in such neighborhoods invest less in their rental housing, leading to obsolescence, deterioration, and infestation. Their streets and sidewalks receive less investment, and garbage pickup is less reliable. Areas of concentrated disadvantage also suffer from conditions thought to yield bad outcomes for the people who live in them, ranging from educational deprivation, to elevated exposure to health risks, to high levels of crime.¹¹

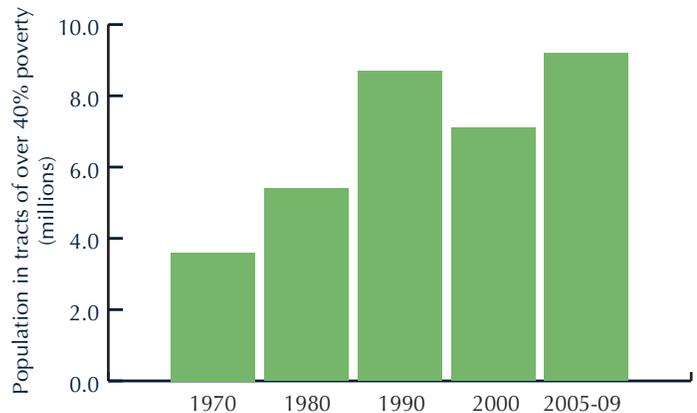
Looking back over the past 40 years, the population increase in high-poverty neighborhoods in the 2000s has been disappointingly stable. Between 1970 and the present, as shown in Figure 2, the number of metropolitan Americans living in high-poverty tracts grew from just under 10 million to 22 million people. As the number of people in high-poverty neighborhoods increased, so did the percentage of Americans living in these neighborhoods (i.e., the “concentrated poverty rate”): from 6.4 percent of the overall population in 1970, to 7.2 percent in 1980, to 9.1 percent in 1990. The number of people in high-poverty neighborhoods stabilized in the 1990s and the concentrated poverty rate fell, fueling optimism that place-based initiatives and rising prosperity were reversing a crisis that had grown dire in the 1980s. Today, however, it appears that the improvement of the 1990s may have been a temporary respite. The most recent concentrated poverty rate of 8.8 percent is still below the record high level set in 1990, but it is likely that, as we track concentrated poverty into the coming years, the rate will continue to rise and perhaps even eclipse the 1990 crisis. Because poverty rose acutely between 2006 and 2009, the five-year average poverty rates on which this analysis is based (2005-09) will continue to rise for at least the next two years. And as poverty rises generally, so in turn will the percent and the number of people living in high-poverty neighborhoods.

Steadier still, over the past 40 years, has been the increase in metropolitan residents living in areas of medium poverty (between 20 and 30 percent). Twelve million residents of metropolitan America lived in such neighborhoods in 1970; by now, that number has reached nearly 30 million—nearly 12 percent of the metropolitan population, compared with 8 percent in 1970 and 9 percent in 1990. These neighborhoods are especially vulnerable to becoming high-poverty neighborhoods when national and metropolitan economic conditions deteriorate, because they include significant numbers of people who earn near-poverty incomes. Economic downturns like the current one hit near-poverty families especially hard, causing them to slip into poverty and increasing the number of others in their neighborhoods who live in poverty. People in “non-poor” families can miss only a few weeks of work before their families fall into poverty; if this happens to enough people—and it doesn’t take many—the whole neighborhood tips from medium- to high-poverty status.

Some previous analyses of concentrated poverty have focused on a small number of Census tracts with the most extreme poverty in the United States—rates exceeding 40 percent.¹² These devastated neighborhoods were ravaged between 1970 and the early 1990s by plant closings, white and middle-class flight, civic neglect, violent crime, arson, and the crack epidemic. One of the bright spots of the 1990s was the huge retreat in both the number of such Census tracts and the number of people living in them.

Tragically, **9.2 million people now live in extreme-poverty tracts**—2.1 million more than in 2000 and a half-million more than even the alarming number in 1990 (Figure 3). This rise was very widespread; two-thirds (250) of the 366 metropolitan areas in our analysis had an increase in the number of people in extreme-poverty neighborhoods, and only 54 had a decrease. (Only 62 had no residents living in extreme poverty.)

Figure 3. Population in extreme-poverty tracts reaches record levels, 2005-09



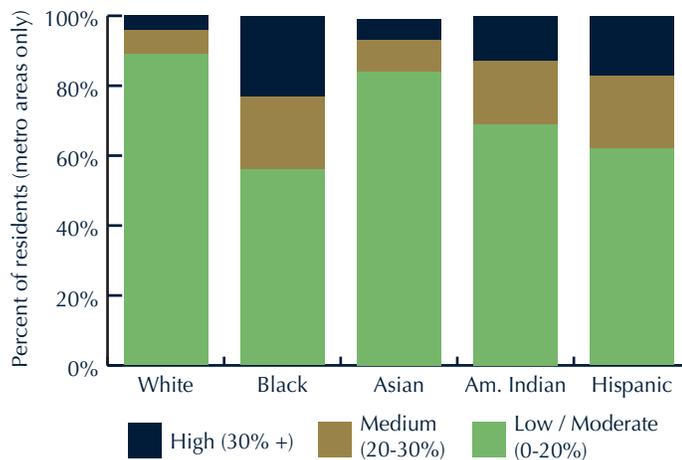
Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

2. Increasing concentrations of poverty are borne disproportionately by racial and ethnic minorities, the foreign-born, and families in poverty

High neighborhood poverty remains a stubborn problem not only because of high and rising poverty rates, but also because so much of the nation's recent population growth has been accounted for by groups with high rates of residential segregation: African Americans, Hispanics, and immigrants. None of these groups has enough choices in the housing market to avoid living in concentrated poverty.

African Americans and Hispanics are substantially more likely to live in high-poverty neighborhoods than non-Hispanic whites

Figure 4. Black, Hispanic, and American Indian residents live disproportionately in high-poverty neighborhoods, 2005-09



Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

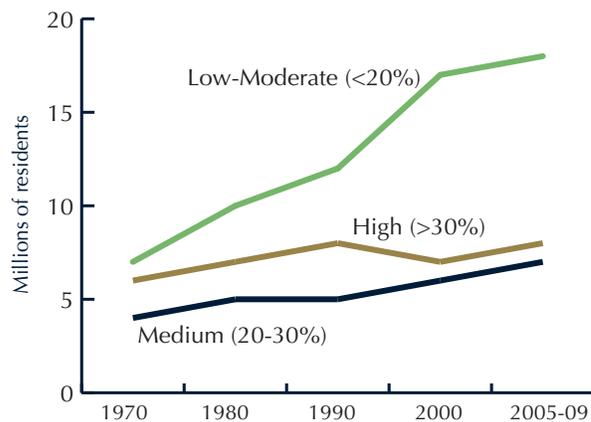
hoods than non-Hispanic whites (Figure 4). One-third of the people living in metropolitan high-poverty tracts are African American,¹³ while African Americans make up just 12 percent of the metropolitan population. An additional one-third of people living in high-poverty tracts self-identify as Hispanic. Again, this proportion is substantially higher than this group's share of the metropolitan-area population (16 percent). All told, about **one in four African Americans** (7.6 million people) and **one in six Hispanics** (7.1 million people) **in metropolitan areas lives in a Census tract in which 30 percent or more of the population is in poverty**; these

estimates represent a stark contrast to the estimated **one in 25 non-Hispanic whites**¹⁴ (6.3 million people) who live in one of these tracts. When we include medium-poverty tracts (where 20 to 30 percent of residents live in poverty), these estimates rise to about **one in two African Americans and one in three Hispanics**.

On average, a tract with a poverty rate below 20 percent in 2005-09 was 70 percent white, 13 percent Hispanic, and 9 percent black. For moderate-poverty tracts, the shares fall to 40 percent white, 30 percent Hispanic, and 23 percent black. High-poverty tracts were 28 percent white, 32 percent Hispanic, and 34 percent black.

The growth in the number and percent of African Americans living in high-poverty neighborhoods since 2000 counters previous, more hopeful trends from 1970 to 2000. From 1970 to 1990, about a third (31 to 32 percent) of African Americans in these metropolitan areas lived in high-poverty neighborhoods; the number of African Americans in such neighborhoods also grew, from 5.5 million to over 8 million (Figure 5 and Table 1). But the number in low- to moderate-poverty neighborhoods (below 20 percent poverty) grew by over five million during the 1970s and 1980s, from 7.3 million to 12.5 million during

Figure 5. Blacks' progress toward low-poverty neighborhoods stalls since 2000



Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

Table 1. Black population growth by tract poverty rate, 1970-2005/09

Black population <i>in millions of persons</i>	TOTAL	Tract poverty rate		
		Low- moderate	Medium	High
1970	19.1	7.3	4.5	5.5
1980	22.5	10.2	5.2	7.1
1990	25.5	12.5	5.1	8.0
2000	31.0	17.4	6.5	7.1
2005-09	32.4	18.1	6.7	7.6
Chg: 1970 to 2005-09	69%	147%	50%	37%

those two decades. Real progress came in the 1990s, when the number of African Americans in high-poverty neighborhoods fell to 7.1 million and African Americans' concentrated poverty rate fell to 23 percent—8.5 full percentage points less than in 1970.

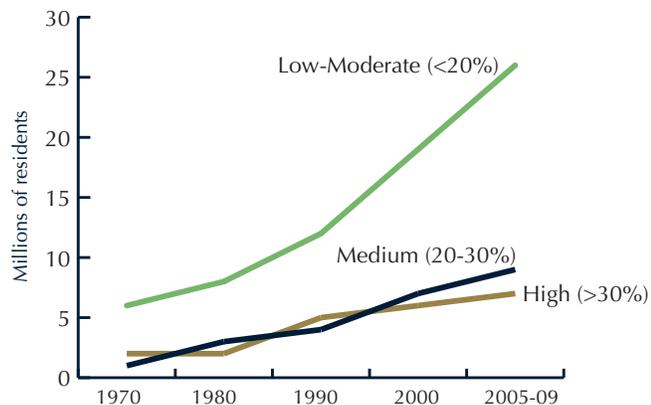
Since 2000, however, the growth of African American residents in high-poverty neighborhoods approached that of low- and moderate-poverty neighborhoods. High-poverty neighborhoods grew by an average of nearly 70,000 African Americans per year since 2000. In the 1990s, their numbers had fallen by nearly 90,000 per year in high-poverty tracts. Meanwhile, the annual growth of black residents in low- and moderate-poverty tracts slowed to less than 100,000 per year in the 2000s, compared with a half-million a year in the 1990s.¹⁵

The Hispanic population in high-poverty neighborhoods has grown dramatically and consistently since 1970, from about 1.6 million to 7.1 million (Figure 6 and Table 2). The number of Hispanics in high-poverty neighborhoods grew by nearly a million in the 1970s, 2.2 million in the 1980s, and 1.4 million in the 1990s; between 2000 and about 2007, the number grew by another million. The share of the Hispanic population living in high-poverty areas, which was 18 percent in 1970, sits at 16 percent after markedly increasing in the 1980s (to 23 percent by 1990); this increased concentration of Hispanic persons living in high-poverty areas in 1990 was also true of other demographic groups.

Hispanic growth has been even more marked in the medium-poverty neighborhoods: from 1.5 million in 1970 to 8.9 million today. Since so many Hispanics live in these neighborhoods, these individuals are disproportionately exposed to possible intensification of neighborhood poverty during the current downturn. The growth of the Hispanic population in medium-poverty tracts accounts for most of the decrease in the share of their population in high-poverty tracts; in 1970, about 17 percent of Hispanics lived in medium-poverty tracts, compared to 21 percent in 2005-09.

The bright side of the story for the Hispanic population is that the number who live in low- to moderate-poverty neighborhoods (below 20 percent poverty) has grown much more than the Hispanic population of medium- and high-poverty neighborhoods. Over 40 million Hispanics in these metro areas live in low- to medium-poverty neighborhoods. The Hispanic population of the metropolitan U.S. skyrocketed since 1970, when these areas counted 8.4 million Hispanics, or about 5 percent of the population. By 1990, the number *and* percentage of Hispanics in these metro areas had more than doubled to 19 million people and 10 percent of the population. By 2005-09, the Hispanic population of the metropolitan U.S. had risen to 42.2 million (about 17 percent of the population).

Figure 6. Hispanic growth continues in all kinds of neighborhoods



Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

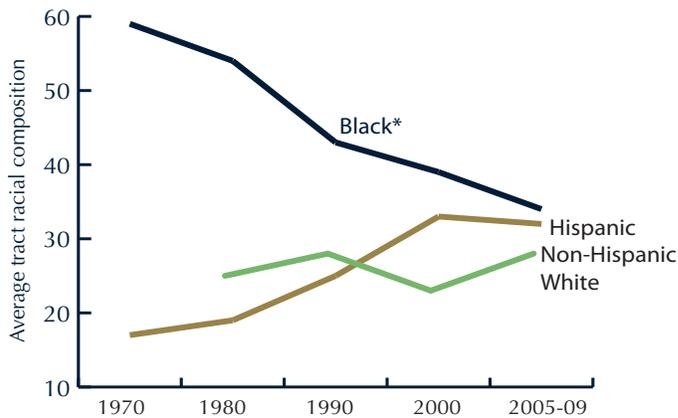
Table 2. Hispanic population growth by tract poverty rate, 1970-2005/09

Hispanic population <i>in millions of persons</i>	TOTAL	Tract poverty rate		
		Low- moderate	Medium	High
1970	8.4	5.7	1.5	1.6
1980	13.3	8.2	2.6	2.5
1990	20.3	11.6	4.0	4.7
2000	32.6	19.5	7.1	6.1
2005-09	42.2	26.2	8.9	7.1
Chg: 1970 to 2005-09	403%	362%	500%	348%

American Indians, too, are disproportionately likely to live in high-poverty Census tracts in these metropolitan areas. Some metropolitan counties are expansive enough to include important Indian reservations. Whether on reservations or in cities, Indians in metropolitan America are more likely to live in poverty than non-Hispanic whites. Of the 1.1 million metropolitan residents who claimed American Indian as their only racial identity in 2005-09, about 150,000 (13 percent, or one out of eight) lived in high-poverty and 200,000 (18 percent) in medium-poverty neighborhoods.

Foreign-born residents also live in high-poverty neighborhoods.¹⁶ The foreign-born population increased from 19 million people in 1990 to 35.6 million in 2005-09 and today comprises about 14 percent of the metropolitan U.S. population of 252 million. About 12 percent of foreign-born metropolitan-area residents lived in a high-poverty neighborhood in 2005-09, compared with only 8.4 percent of native-born residents.

Figure 7. People living in high-poverty tracts more diverse than ever



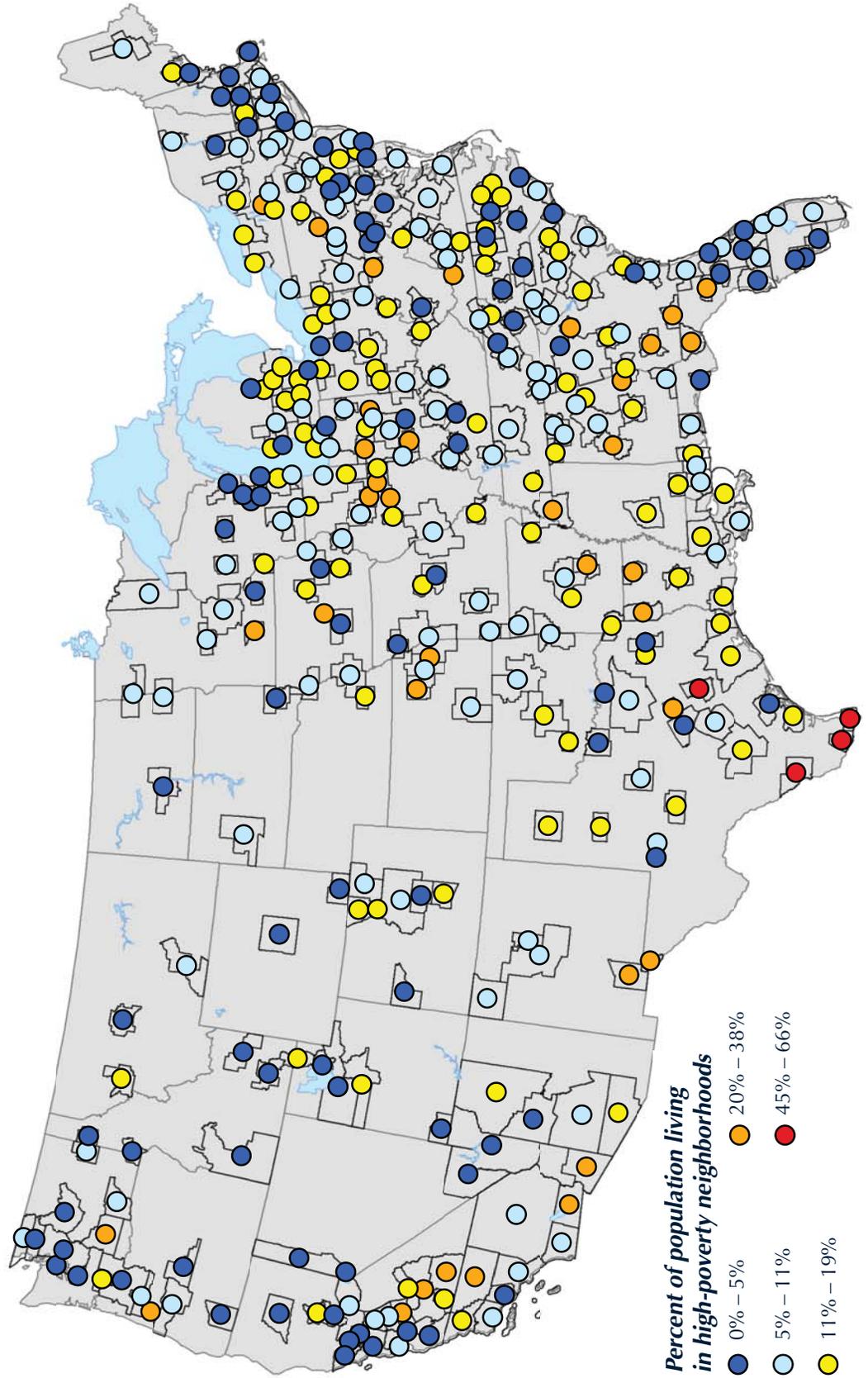
Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

High-poverty neighborhoods are now more racially heterogeneous than ever before. African Americans made up the majority population (59 percent) in high-poverty tracts in 1970; today, they account for one-third of the population in high-poverty tracts (Figure 7). Hispanics now account for 32 percent of the population living in high-poverty tracts, compared to an estimated 17 percent in 1970. Non-Hispanic whites account for 28 percent of the residents in these tracts, up significantly from their 2000 share of 23 percent.

Considered from a different angle, about one in four (23 percent) of African Americans now live in a high-poverty Census tract. In 1970, this proportion was about one in three (32 percent) and did not fall until the 1990s, reaching its current rate of 23 percent by 2000. The percent of African Americans living in medium-poverty tracts has also declined since 1970, from 25.7 percent to 20.6 percent. While there has been some progress, then, for African Americans since the passage of the Fair Housing Act, they remain far too likely to live in neighborhoods with unacceptably high poverty rates.

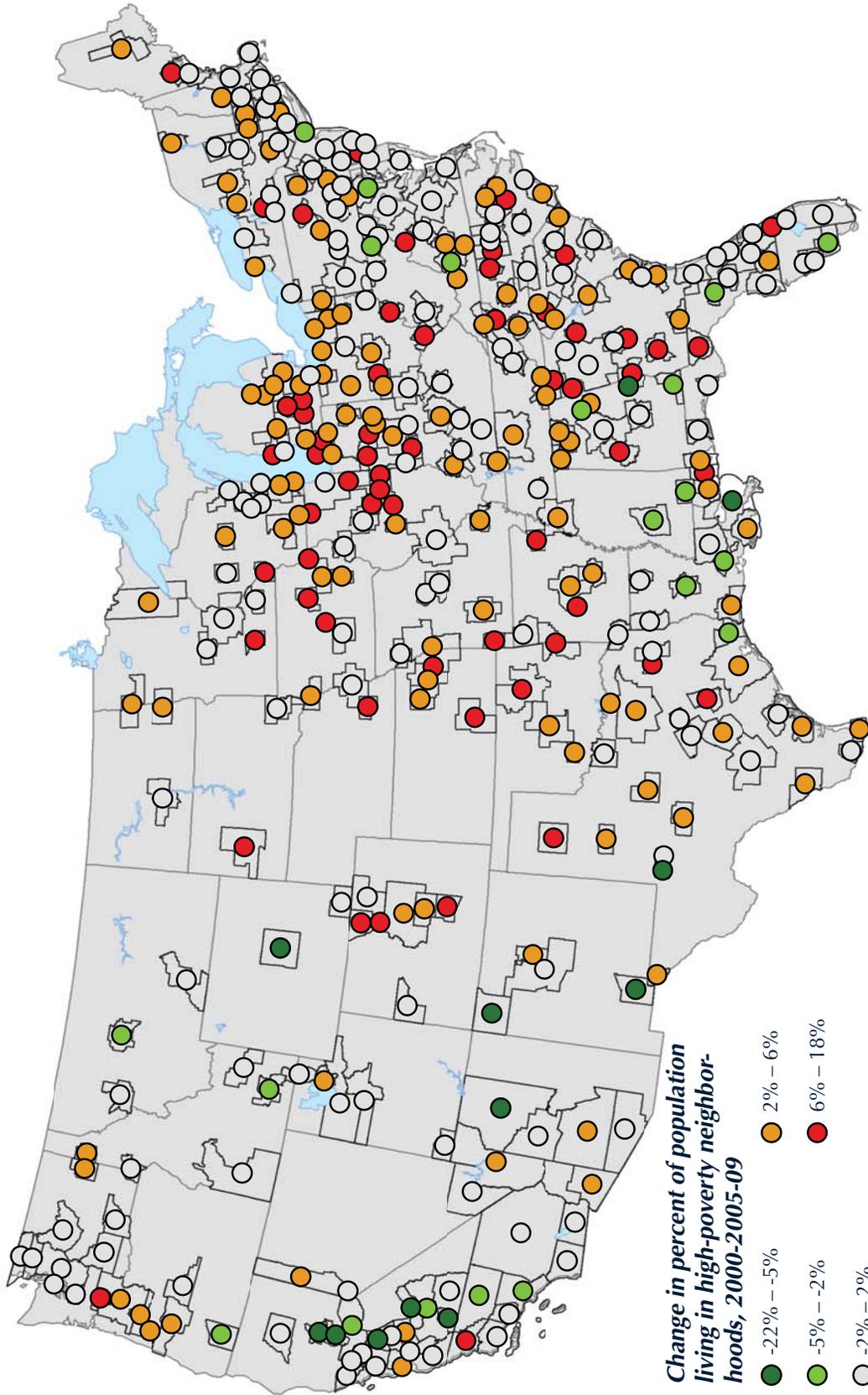
We also explored the diversity of individual tracts and saw that **the racial and ethnic diversity of high-poverty tracts is not just a mathematical artifact** of adding up many predominantly black, predominantly Hispanic, and predominantly white tracts. We classified high-poverty tracts as either mostly (at least 60 percent) black, Hispanic, or white non-Hispanic, or “diverse” (less than 60 percent of any of these groups, but at least 20 percent white). About 1,200 high-poverty tracts were predominantly white non-Hispanic, another 1,200 predominantly Hispanic, and 2,100 predominantly black. In over

Figure 11. Concentrated poverty most serious in California's Central Valley, Deep South, and Middle America



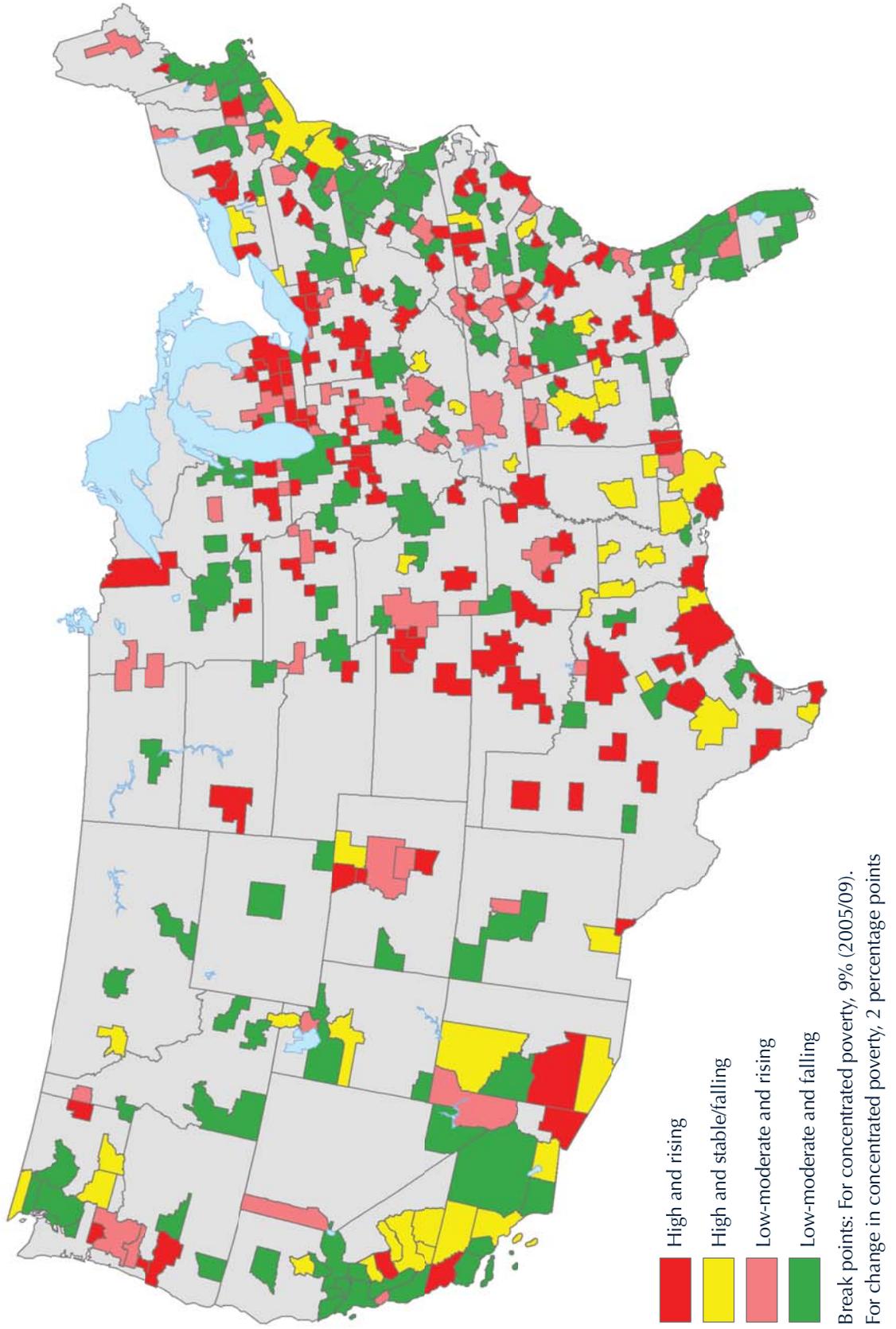
Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

Figure 12. Midwest, Colorado, Oregon, and Deep South hit hardest by rising concentrated poverty; improvement or stability in the biggest metros and Central Valley



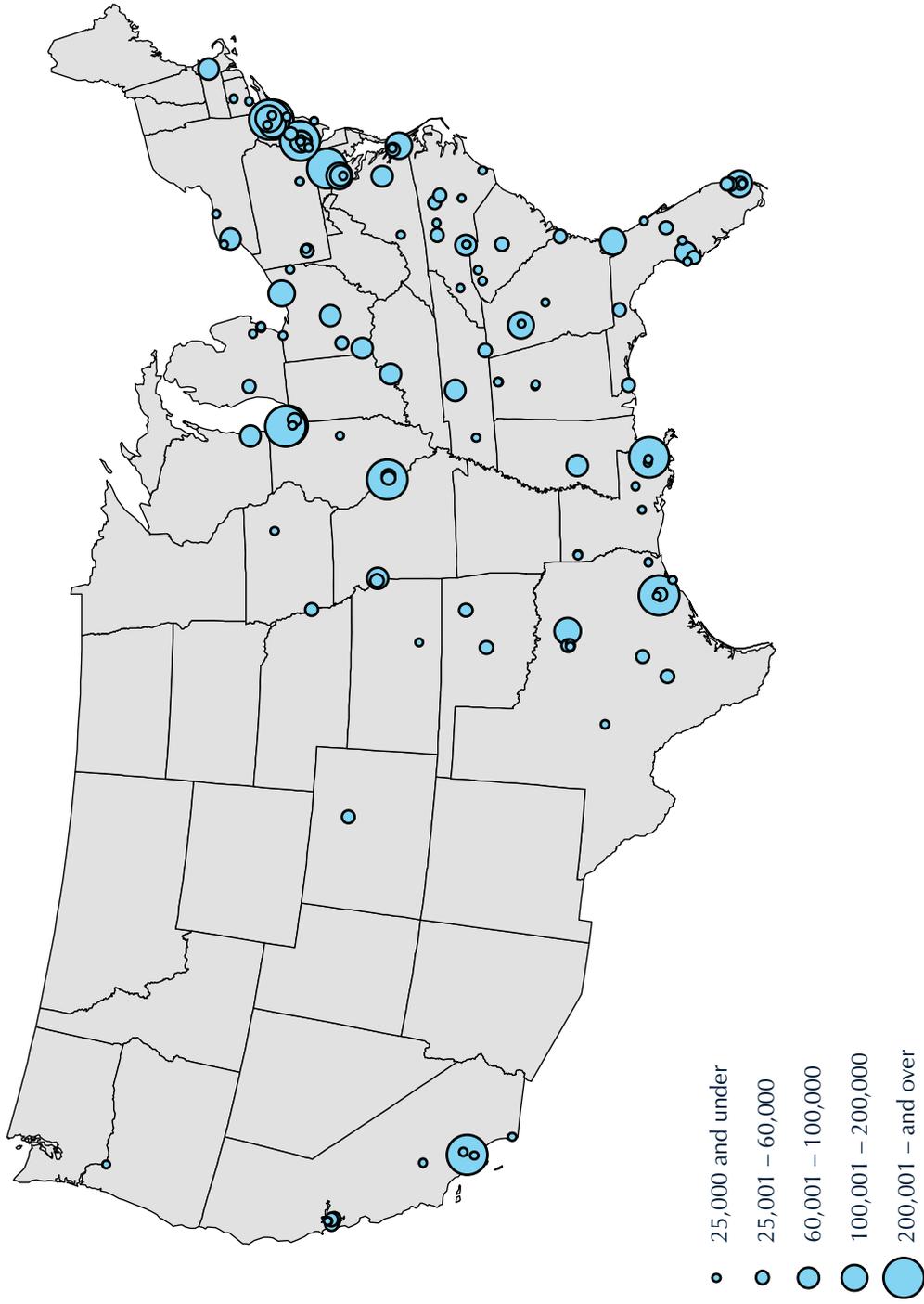
Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

Figure 13. Concentrated poverty: levels and changes, 2000 to 2005-09



Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

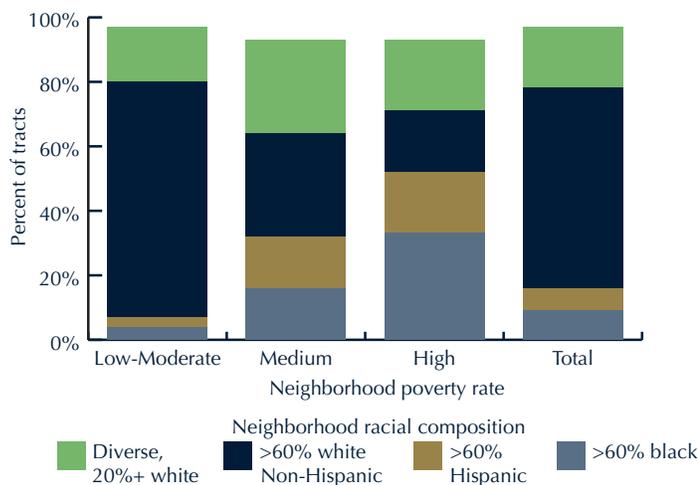
Figure 15. Original ghettos appeared throughout the continental U.S.



Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

1,400 of the 6,400 high-poverty tracts in our study, however, neither blacks, Hispanics, nor non-Hispanic whites made up more than 60 percent of the population, and whites made up at least 20 percent (Figure 8). In other words, these tracts were racially and ethnically diverse, at least at some level; diverse tracts were more common than mostly white or mostly Hispanic neighborhoods in 2005-09 among high-poverty neighborhoods. But nearly 6,700 diverse neighborhoods had low to moderate poverty rates—far more than the number of diverse high-poverty tracts. The plurality of predominantly black tracts (1,420 out of 4,608) also had poverty rates below 20 percent. Even so, the link between neighborhood poverty and racial homogeneity persists. A third of high-poverty tracts are more than 60 percent black, compared with only 4 percent of low- to moderate-poverty tracts, while 73 percent of low-poverty tracts are over 60 percent white, compared with only one-fifth of high-poverty tracts.

Figure 8. Most low-moderate poverty tracts are mostly white; other tracts have greater variation, 2005-09



Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

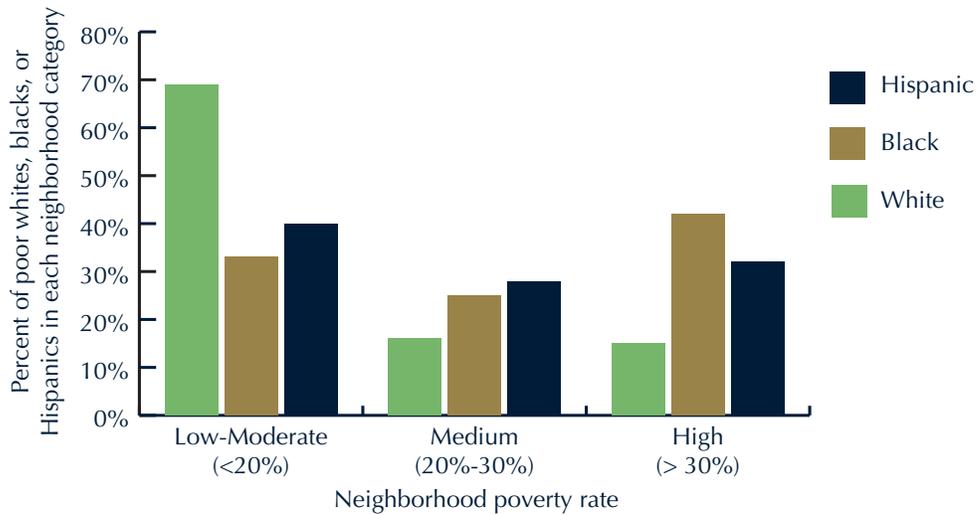
People who live below the poverty line are over three times more likely to live in high-poverty neighborhoods than those who live above poverty. Over a quarter (28 percent) of the 33 million metropolitan U.S. residents who live below poverty also live in high-poverty neighborhoods, compared with just 6 percent of metropolitan Americans with incomes above poverty.

Poor minority residents are at the greatest risk of living in high-poverty neighborhoods (Figure 9). Over two-fifths of poor African Americans and nearly a third of poor Hispanics currently live in high-poverty neighborhoods, and another quarter or so of each group lives in medium-poverty neighborhoods. non-Hispanic whites, by contrast, predominantly live outside high-poverty neighborhoods even when their families live in poverty; over two-thirds of poor non-Hispanic whites live in low- to moderate-poverty neighborhoods.

The continued racial disparities in exposure to poverty grow starker still, however, when we compare non-poor blacks and Hispanics to poor whites. About 15 percent of poor non-Hispanic whites live in high-poverty neighborhoods—a smaller share than the 17 percent of **non-poor** black non-Hispanics, and only slightly more than the 13 percent of non-poor Hispanics, who live in high-poverty neighborhoods today. Just 3 percent of non-poor whites live in high-poverty Census tracts.

The residents of **extreme-poverty Census tracts** are a less evenly mixed group than those in other high-poverty tracts (i.e., those between 30 and 40 percent poverty). Tracts in the 30 to 40 percent range are 35 percent Hispanic, 32 percent African American, and 28 percent non-Hispanic white (Figure 10).

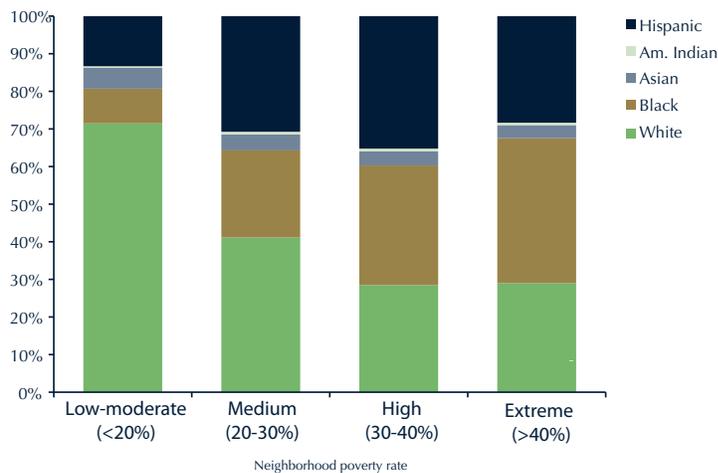
Figure 9. Poor African Americans, Hispanics live disproportionately in high-poverty neighborhoods



Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

African Americans make up about two-fifths of residents in extreme-poverty tracts, however, compared with about 28 percent each for non-Hispanic whites and Hispanics. About two-fifths of extreme-poverty tracts are predominantly black, one-fifth are mainly white non-Hispanic, and one-eighth are mainly Hispanic. Only one-fifth meet the definition of diversity discussed above—that is, no more than 60 percent white, black, or

Figure 10. African Americans, Hispanics dominate in high- and extreme-poverty tracts, 2005-09



Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

than 60 percent white, black, or Hispanic, and at least 20 percent white. Looked at from another direction, African Americans are 6.5 times more likely to live in an extreme-poverty tract than whites, and a full quarter of predominantly black tracts have extreme-poverty levels.

People whose own families are impoverished, of course, are most likely of any population to live in extreme-poverty tracts. Fourteen percent of poor Americans in metropolitan areas live in these difficult neighborhoods. As a consequence, **people in poverty are 8.6 times more likely than all non-Hispanic whites to live in extreme-poverty tracts.**

3. Metropolitan variations: growing poverty contributes to growing concentrated poverty

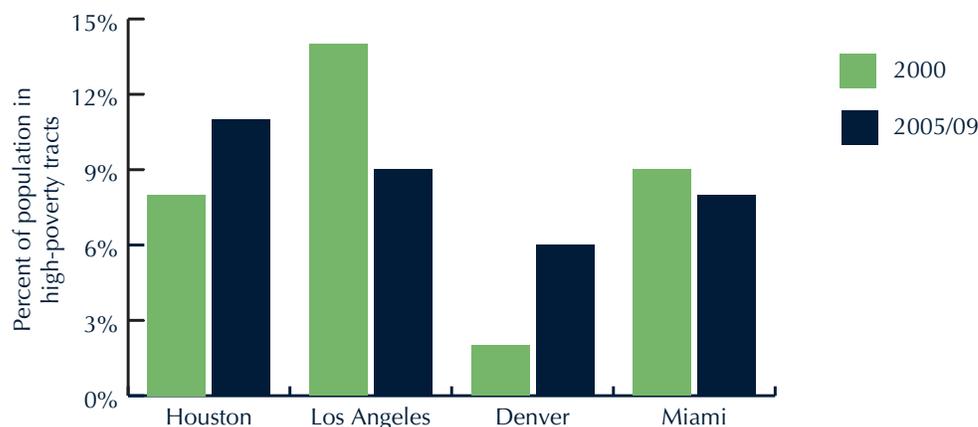
A glance at a map of the United States shows substantial variation in recent metropolitan experiences with concentrated poverty, driven in part by the different fortunes of regional economies since 2000 (Figure 11). Concentrated poverty is higher in high-poverty metro areas, and it has risen most acutely in metro areas experiencing the highest increases in poverty (Figure 12). Conversely, however, concentrated poverty rates fell—or at least did not rise by very much—in metro areas with stable poverty rates.

To portray both the change in concentrated poverty in the 2000s and the level of concentrated poverty in 2005-09, we divided metro areas into four groups: high-concentrated poverty with rising rates, high with falling or stable rates, low- or medium- with rising rates, and low- or medium- with stable or falling rates (Figure 13). In all cases, “high” is a level above the national average, and “rising” denotes an increase of more than two percentage points over the 2000s. The map shows that the most severe problems are in the older industrial regions of the Great Lakes and Midwest: Buffalo, Cleveland, Akron, Youngstown, Toledo, and Detroit and its adjacent smaller metro areas. Gary, Milwaukee, and even Duluth have been hit hard by the economic crisis; many of these metro areas are still reeling from the foreclosure crisis.

Perhaps surprisingly, Texas—whose economy has been more robust—has also experienced widespread increases in already high levels of concentrated poverty in Houston, Dallas, and Austin, while San Antonio (which also has high levels of concentrated poverty) experienced a two percentage point increase, low enough to classify concentrated poverty there as “stable or falling” by our definition. This “double whammy” of high- and rising concentrated poverty also appears in all the Oklahoma metro areas, most of Arkansas and Kansas, and Memphis. New Orleans is an exception to the general pattern of concentrating poverty, but only because Hurricane Katrina displaced large numbers of people in poverty to other cities—especially Houston—in 2005; since then, New Orleans has been repopulated slowly, with higher levels of return for people who live above the poverty line than people who live below poverty. Other troubling groups of metro areas with rising concentrated poverty include the largest metro areas in Oregon and neighboring Vancouver, Washington; southern Arizona; most of the Front Range of Colorado; and most of Upstate New York, several small metro areas in central Pennsylvania, and western Massachusetts.

Apart from Houston, Dallas, and San Antonio, the story is more positive in the nation’s largest metro areas. New York, Los Angeles, and Philadelphia all have levels of concentrated poverty higher than the national average—10.3 percent, 9.1 percent, and 11.3 percent, respectively—but New York’s and Los Angeles’s rates fell in the early 2000s, while Philadelphia’s remained within a percentage point of its 2000 level. Chicago, Miami, Washington, DC, Atlanta, and Boston, rounding out the top 10 metro areas in population, all had lower-than-average concentrated poverty rates in 2005-09, and their rates either fell or remained about even over the decade. Other broad geographic areas with better news include most of Florida, other parts of coastal New England, and most of California—with the exception of San Luis Obispo (whose concentrated poverty is an artifact of a large student population at Cal Poly-SLO) and struggling Merced. Figure 14 shows four large metro areas, each of which fell into a different category; it reminds us that there is no single national story of the change in concentrated poverty—except that the levels remain high almost everywhere, especially as poverty rises.

Figure 14. Big metro areas, big differences in concentrated poverty levels and changes (2000-2005/09)



Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

Fast-growing metro areas in the Carolinas, Georgia, Tennessee, and Alabama are a mixed lot. In North Carolina, for example, the concentrated poverty rate in coastal Wilmington shot up by nearly six percentage points since 2000 to 14.2 percent; in Charlotte, meanwhile, the rate grew by only 1.2 percentage points to a modest 3.6 percent. Savannah also contrasts with Atlanta, with an increase in concentrated poverty of two percentage points (to 10.8 percent), even as the overall poverty rate remained steady.

Despite progress in some metropolitan areas, it bears underscoring that concentrated poverty is a persistent and nearly universal problem in the United States. Only 28 of the 366 metro areas we examined, with a cumulative population of only about 4 million, had no high-poverty neighborhoods in 2005/09, and only 23 metro areas—most of which had populations under 200,000—had no high-poverty neighborhoods in either 2000 or 2005/09. Meanwhile, the share of people living in high-poverty neighborhoods exceeded one-fifth in 39 metro areas with a cumulative population of 10.8 million.

Part II. Ghettos in 1970 and their change over time

For most of the long history of African American urbanization in the U.S., discrimination and segregation have been legal practices. For more than the first half of the 1900s, moreover, the promotion and maintenance of racial segregation were inscribed into federal and state laws, administrative procedures, agency practices, and even professional codes of conduct. Racially restrictive covenants were legal until 1948. Racial assignment of public housing was legal until at least 1954, with the issuance of the *Brown v. Board of Education* ruling, and it remained common even after 1962, when President Kennedy signed Executive Order 11063 barring discrimination in federally assisted housing. And racial discrimination in private housing remained legal until the passage of the Fair Housing Act in 1968, on the heels of urban disturbances that swept some of the very ghettos we have identified.

Until 1970, African Americans—who were far and away the racial or ethnic group whose options were most severely constrained by housing discrimination—had very few choices and sometimes faced severe violence when they tried to find housing outside segregated neighborhoods. Discrimination in all other walks of life also meant that people who lived in these segregated, mostly black neighborhoods also often earned extremely low incomes. That is, their neighborhoods were ghettos. Because so few areas were open to the burgeoning urban black population, furthermore, most ghettos were crowded—indeed, they were among the most crowded neighborhoods in the nation. Their crowding had intensified in part because of the demolition of tens of thousands of black-occupied housing units during urban renewal in the 1950s and 1960s.

Income differences alone do not explain the persistent disparities in neighborhood poverty by race and ethnicity. Even affluent blacks and Hispanics live in higher poverty neighborhoods than working class non-Hispanic whites.¹⁷ Researchers, activists, and racial and ethnic minorities in search of housing all agree that illegal discrimination continues even today. Restrictive covenants remain on the record, even if they aren't enforced. The most recent national housing discrimination survey (conducted by the Urban Institute for HUD in 2000) found that whites were consistently favored over blacks in 22 percent of tests when matched pairs of testers (i.e. individuals who display similar income, employment, and presentation but not race) sought rental housing; non-Hispanic whites were favored over Hispanics in nearly 26 percent of tests.¹⁸ White homebuyers were also favored over black and Hispanic homebuyers, by 17 and 20 percent respectively. Lawsuits are still fought and won against public housing authorities whose actions segregate their tenants. Throughout the nation, racial discrimination in housing rental, sales, and insurance continues.¹⁹

Despite the persistence of illegal discrimination and segregative practices, however, 1970 represents a turning point, the Census year when we can measure changes in neighborhoods in the wake of the key housing-related victories of the Civil Rights movement.

1. The fate of 133 ghettos since 1970

We have identified 133 “ghettos” in 79 metropolitan statistical areas in 1970. These are areas in which a core group of neighborhoods had poverty rates exceeding 30 percent and more than 80 percent non-white residents, plus surrounding neighborhoods with poverty rates of at least 20 percent or a majority

of non-white residents.²⁰ In 1970, 3.7 percent of the total U.S. population but **a third** of all African Americans lived in these segregated areas, nearly 7.5 million people (1970 U.S. Census). These neighborhoods were the direct result of public policy decisions and private-sector actions spanning the first 70 years of the 1900s.²¹ Many of them erupted into violence in the mid- to late 1960s and were described at length in the 1968 Kerner Commission report that preceded the passage of the Fair Housing Act.

Of the 133 ghettos, 26 were in the Midwest (20 percent of all ghettos), 25 were in the Northeast (19 percent), 69 were in the South (51 percent), and 13 were in the West (10 percent)²² (Figure 15). The population of people residing in ghettos tracked somewhat with the number of ghettos in a region, but not entirely, with the Northeast and the Midwest seeing somewhat more populous ghettos. Nearly 26 percent of the total population of the ghettos lived in the Midwest, 21 percent in the Northeast, 43 percent in the South, and 9 percent in the West.

2. The American ghetto in 1970

In 1970, American ghetto neighborhoods overall were mostly black and moderately poor, and had higher percentages of children than other areas. The vast majority of ghetto residents were black (78.6 percent), but a small but notable minority were Hispanic (5.9 percent) and about a fifth of were white, including white Hispanics (Table 3). Over 31 percent of residents lived below the poverty line, though 31 of the 133 ghettos had poverty rates above 35 percent and 16 had rates below 25 percent. To improve our understanding of concentrated poverty today, it is important to understand the trajectory of these original ghetto neighborhoods over time: how have these neighborhoods changed since 1970? What is their relation to newer concentrated poverty neighborhoods, and what characteristics do they share with these neighborhoods?

Table 3. The ghettos and their metropolitan areas in 1970: a comparison of total populations

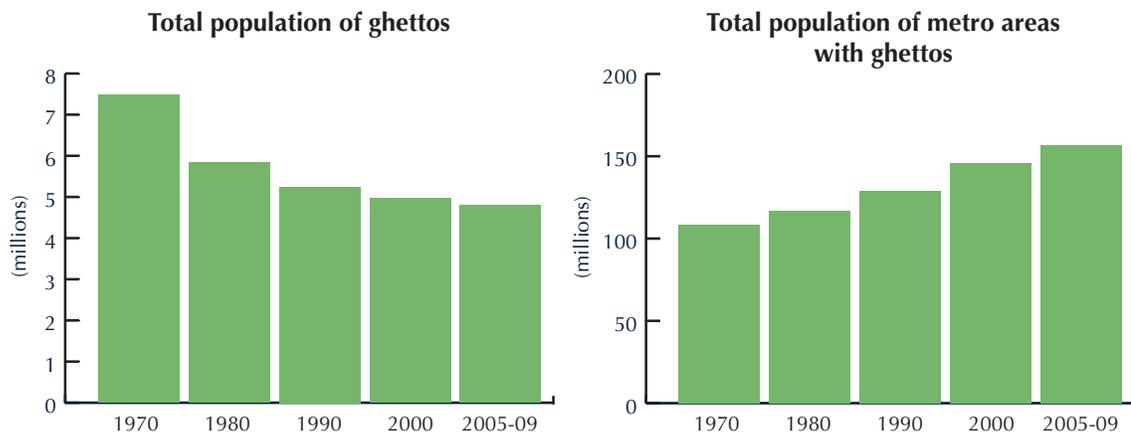
	Poverty rate	White	Black	Hispanic	Foreign Born	Children
Ghettos (Total)	31.7%	20.6%	78.6%	5.9%	2.8%	38.4%
Metros (MSAs) with ghettos	8.4%	84.7%	14.2%	5.0%	6.3%	33.8%

3. The ghettos from 1970 to 2005-09

Since 1970, most of the original ghetto areas have depopulated substantially, but in many cases the remaining population in these areas is poorer than the original population in 1970, reflecting the exodus of middle-class and working-class black residents. The overall racial and ethnic composition of these areas has also shifted to contain fewer African Americans and more Hispanics.

Between 1970 and 2005-09, the number of people living in the original 1970 ghettos dropped from just under 7.5 million to 4.8 million, a decline of 36 percent (Figure 16). In contrast, not only did the population of the nation continue to increase during this period, but the total population of the metropolitan areas containing ghettos increased from 108 million to approximately 157 million people – a rise of over 50 percent. Of these 79 metro areas, only six saw decreases in population between 1970 and 2005-09.

Figure 16. Population of original ghettos declines as population of their metro areas increases, 1970 to 2005-09

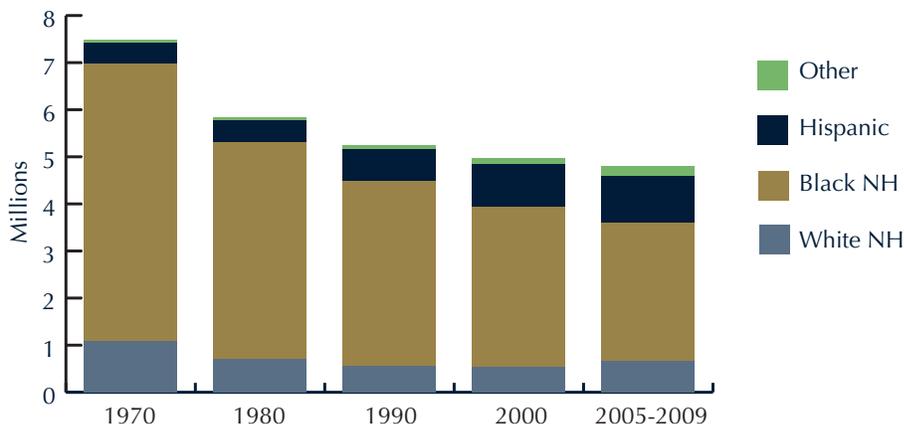


Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

At the same time, the racial and ethnic composition of the ghettos has been changing, with a steady decrease of black non-Hispanic residents and a total increase of Hispanics (Figure 17). In 1970, Hispanics made up just under 6 percent of the total population of the original ghetto areas. By 2005-09, the Hispanic share of the population in 1970 ghetto areas had increased to 21 percent. The decrease in population (especially among blacks) accounts for some of this change in composition, but much of the change comes from an actual increase in the number of Hispanic residents living in these areas. Between 1970 and 2005-09, the Hispanic population living in the 1970-defined ghetto areas

Figure 17. Ghetto population has declined and diversified, but remains majority black

Population (millions of people) living in ghettos, 1970 to 2005-2009



Source: U.S. Census and American Communities Survey 5-year estimates

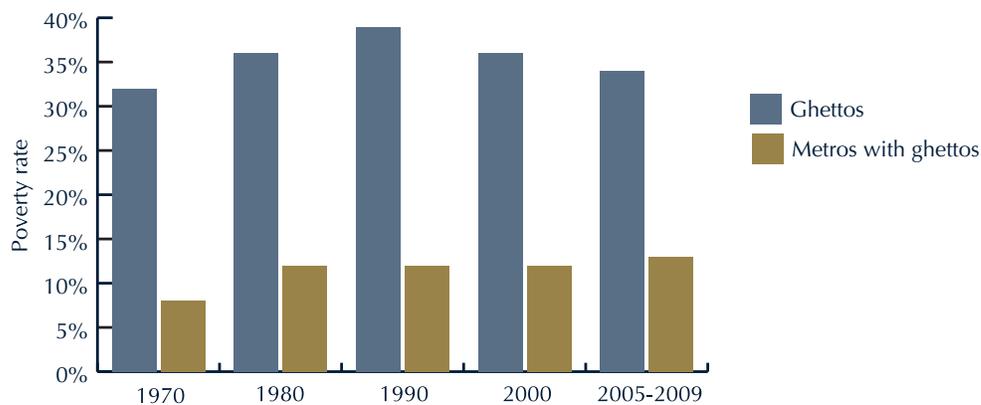
Note: The 1970 numbers for Black non-Hispanic and White non-Hispanic are estimates derived in order to make the data comparable to data from 1980 through 2005-2009.

more than doubled, from around 440,000 to just over one million. However, the Hispanic population in the metro areas containing ghettos nearly quadrupled during this time.

In line with these changes in ghetto population and composition, by 2005-09 both the share and number of the nation's black population living in the original ghetto areas had dropped dramatically. In 2005-09, just over 7 percent of all African Americans nationwide lived in these ghetto areas, still a substantial number, but much reduced from the 33 percent observed in 1970.²³

At the same time as the population of the ghettos has fallen, poverty in these areas has risen overall (Figure 18). Between 1970 and 1990, the poverty rate of the population living in ghetto areas jumped from 31.7 percent to an alarming 39 percent. This rate has since fallen from the 1990 high, but currently remains above 1970 levels. In 2005-09, 34.2 percent of ghetto-area residents were living in poverty, over two percentage points more than in 1970. The poverty rate is also higher in the metro areas where the ghettos are located, but most of the increase occurred between 1970 and 1980. Since then the poverty rate of these metro populations has ranged between 11.5 and 12.6 percent.

Figure 18. Original ghettos are poorer than in 1970, and over twice as poor as their metro areas



Source: U.S. Census Bureau, Decennial Censuses of Population and Housing and American Communities Survey five-year estimates, based on authors' calculations.

Conclusion: From 'ghettos' to 'high-poverty neighborhoods'

Together, the findings of this report provide evidence that concentrated poverty remains a problem of almost every American metropolitan area. Many high-poverty neighborhoods also have predominantly Hispanic and/or African American populations—especially neighborhoods where poverty is extreme (40 percent or higher). These neighborhoods have grown and spread even as old ghettos have declined in population, but even the old ghettos often remain high-density cores of predominantly black and poor residents. The extreme density of these areas in 1970 was a product of generations of public and private actions that built the ghetto and excluded African Americans and Latinos from other neighborhoods.

Because express policies of segregation are no longer in effect, it may be no longer appropriate to call high-poverty African American and Latino neighborhoods “ghettos,” although even today government policies can have the effect of perpetuating segregation. And overall, too few choices of housing and neighborhoods are available to low-income Americans—especially blacks and Hispanics. When the Fair Housing Act passed in 1968, it provided that the nation must not only end discrimination, but embark on an affirmative program of integration. The United States still has not begun to meet that mandate. As poverty rates rise, civil rights protections are eroded, and black and Latino families suffer from massive wealth destruction in the continuing foreclosure crisis, prospects seem dimmer than ever for an end to racial and class segregation.

Endnotes

- 1 G. Thomas Kingsley and Kathryn L. S. Pettit, May 2003, “Concentrated Poverty in the 1990s: A Change in Course,” *Neighborhood Change in Urban America Series*, No. 2, Washington, DC: The Urban Institute; Deborah L. McKoy and Jeffrey M. Vincent, 2008, “Housing and Education: The Inextricable Link,” in *Segregation: The Rising Costs for America*, edited by James Carr and Nandine Kuty, New York: Routledge Books; Margery Austin Turner and Lynette Rawlings, 2009, *Promoting Neighborhood Diversity: Benefits, Barriers, and Strategies*, Washington, DC: The Urban Institute.
- 2 David M. Cutler and Edward L. Glaeser, 1997, “Are Ghettos Good or Bad?” *Quarterly Journal of Economics* 112(3): 827–72; Ingrid Gould Ellen and Margery Austin Turner, 1997, “Does Neighborhood Matter? Assessing Recent Evidence,” *Housing Policy Debate* 8:833–66; Douglas S. Massey and Nancy A. Denton, 1993, *American Apartheid: Segregation and the Making of the Underclass*, Cambridge, MA: Harvard University Press; Caterina G. Roman and Carly Knight, 2010, *An Examination of the Social and Physical Environment of Public Housing Residents in Two Chicago Developments in Transition*, Washington, DC: The Urban Institute; William J. Wilson, 1987, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*, Chicago: University of Chicago Press; Dolores Acevedo-Garcia and Theresa L. Osypuk, 2008, “Impacts of Housing and Neighborhoods on Health: Pathways, Racial/Ethnic Disparities, and Policy Directions,” in *Segregation: The Rising Costs for America*, edited by James Carr and Nandine Kuty, New York: Routledge Books.
- 3 References to “black,” “Hispanic,” and “non-Hispanic white” are used interchangeably in this report with “African American,” “Latino,” and “white.” Racial classifications have changed from one Census to another, and reporting by the Census Bureau has also shifted, hindering precision in comparison. This imprecision reflects shifting social and subjective definitions of race and ethnicity, both of which affect Census reporting. Individuals select their racial classifications when responding to the Census, and a single individual usually fills out the Census form for everyone in his or her household (thereby identifying others according to his or her perspectives on racial identity). For a discussion of changing racial definitions, see <http://www.census.gov/population/www/socdemo/race/racefactcb.html>.
- 4 G. Thomas Kingsley and Kathryn L. S. Pettit, May 2003, “Concentrated Poverty in the 1990s: A Change in Course,” *Neighborhood Change in Urban America Series*, No. 2, Washington, DC: The Urban Institute; Deborah L. McKoy and Jeffrey M. Vincent, 2008, “Housing and Education: The Inextricable Link,” in *Segregation: The Rising Costs for America*, edited by James Carr and Nandine Kuty, New York: Routledge Books; Margery Austin Turner and Lynette Rawlings, 2009, *Promoting Neighborhood Diversity: Benefits, Barriers, and Strategies*, Washington, DC: The Urban Institute.
- 5 David M. Cutler and Edward L. Glaeser, 1997, “Are Ghettos Good or Bad?” *Quarterly Journal of Economics* 112(3): 827–72; Ingrid Gould Ellen and Margery Austin Turner, 1997, “Does Neighborhood Matter? Assessing Recent Evidence,” *Housing Policy Debate* 8:833–66; Douglas S. Massey and Nancy A. Denton, 1993, *American Apartheid: Segregation and the Making of the Underclass*, Cambridge, MA: Harvard University Press; Caterina G. Roman and Carly Knight, 2010, *An Examination of the Social and Physical Environment of Public Housing Residents in Two Chicago Developments in Transition*, Washington, DC: The Urban Institute; William J. Wilson, 1987, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*, Chicago:

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- 6 Turner, Margery Austin, Stephen L. Ross, George C. Galster, and John Yinger. *Discrimination in Metropolitan Housing Markets: National Results from Phase I HDS 2000, Final Report*, November 2002. Available: http://www.urban.org/UploadedPDF/410821_Phase1_Report.pdf.
 - 7 John R. Logan, 2011, "Separate and Unequal: The Neighborhood Gap for Blacks, Hispanics and Asians in Metropolitan America," US2010 Project. <http://www.s4.brown.edu/us2010/Data/Report/report0727.pdf>.
 - 8 For more on the NCDB, please see <http://www.geolytics.com/USCensus,Neighborhood-Change-Database-1970-2000,Products.asp>.
 - 9 Poverty rates from the Current Population Survey, historical poverty tables, *Annual Social and Economic Supplements*.
 - 10 The data we cite here cover 366 metropolitan areas as defined by the Office of Management and Budget in 2009. The most current data used in our report to understand concentrated neighborhood poverty refer to five-year averages for 2005 to 2009 based on the American Community Survey. In all, 252 million people lived in these areas in 2005-09, 82.6 percent of the national population.
 - 11 See, for example: Ingrid Gould Ellen and Margery Austin Turner, 1997, "Does Neighborhood Matter? Assessing Recent Evidence," *Housing Policy Debate* 8:833-66; Dolores Acevedo-Garcia and Theresa L. Osypuk, 2008, "Impacts of Housing and Neighborhoods on Health: Pathways, Racial/Ethnic Disparities, and Policy Directions," in *Segregation: The Rising Costs for America*, edited by James Carr and Nandinee Kutty, New York: Routledge Books; Deborah L. McKoy and Jeffrey M. Vincent, 2008, "Housing and Education: The Inextricable Link," in *Segregation: The Rising Costs for America*, edited by James Carr and Nandinee Kutty, New York: Routledge Books; Margery Austin Turner and Lynette Rawlings, 2009, "Promoting Neighborhood Diversity: Benefits, Barriers, and Strategies," Washington, DC: The Urban Institute.
 - 12 Paul A. Jargowsky, 2003, "Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s." Washington, D.C.: Brookings Institution Metropolitan Policy Program. http://www.brookings.edu/reports/2003/05demographics_jargowsky.aspx, accessed 8/19/11.
 - 13 For 1970, estimates of the African American population include those who self-identify as Hispanic. All other years include only non-Hispanic black. About 3 percent of the black population (about 225,000 people) self-identify as Hispanic.
 - 14 I.e., non-Hispanic white.
 - 15 Since our data are from 2005-09, we take 2007 numbers as the halfway mark and the average number of people living in these neighborhoods over the five-year period.
 - 16 The large margin of error associated with this population in 1970 limits longitudinal comparisons.

- 17 John R. Logan, 2011, "Separate and Unequal: The Neighborhood Gap for Blacks, Hispanics and Asians in Metropolitan America," US2010 Project.
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- 22 The four regions used here are defined by the four primary U.S. Census regions. Where a ghetto area was located in an MSA that stretched over multiple regions, we have included it in the region of the most populous city in the MSA.
- 23 While Hispanics now make up a greater share of the ghetto population than they did in 1970, and the number of Hispanics living in these areas more than doubled, the number of Hispanics living nationwide more than quadrupled during these four decades. As a result, a smaller share of the nation's Hispanic population lives in these areas in 2005-09 than did in 1970, with the share of Hispanics living in the ghetto areas falling from well over 4 percent to just over 2 percent.



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