



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

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The number of people living in high-poverty neighborhoods stabilized 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.

At the request of the Joint Center for Political and Economic Studies, Pendall, Davies, Freiman and Pitingolo tracked the persistence of concentrated poverty in U.S. metropolitan areas over a period of nearly 40 years, and looked at a subset of urban neighborhoods characterized as the “original ghetto,” extensive areas whose cores were almost exclusively nonwhite and poor in 1970. 366 metropolitan statistical areas (MSAs) from 1970 to present were used to construct a dataset which included census tract-level population estimates 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 boundaries¹; (2) **American Community Survey** (2005-2009 five-year average), and (3) **National Historic Geographic Information System** (1970 county-level estimates).

Key study findings:

- **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 of their neighbors live in poverty;
- **The number of people in high-poverty neighborhoods increased nearly 5 million people since 2000**, when 18.4 million metropolitan residents (7.9 percent of the total) lived in high-poverty neighborhoods;
- **Extreme-poverty neighborhoods show an even more startling rebound. 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 white non-Hispanics. 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 **lives in a census tract in which 30 percent or more of the population is in poverty.** One out of nine foreign-born residents also live in high-poverty neighborhoods. These starkly contrast with the estimated **one in 25 non-Hispanic whites** (6.3 million people) who live in one of these tracts;
- **The population of high-poverty neighborhoods is racially and ethnically diverse.** 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 this study included a mix of substantial numbers of black, Hispanic, and white non-Hispanic residents;

- **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;

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.

ⁱ For more on the NCDB, please see <http://www.geolytics.com/USCensus.Neighborhood-Change-Database-1970-2000,Products.asp>.

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