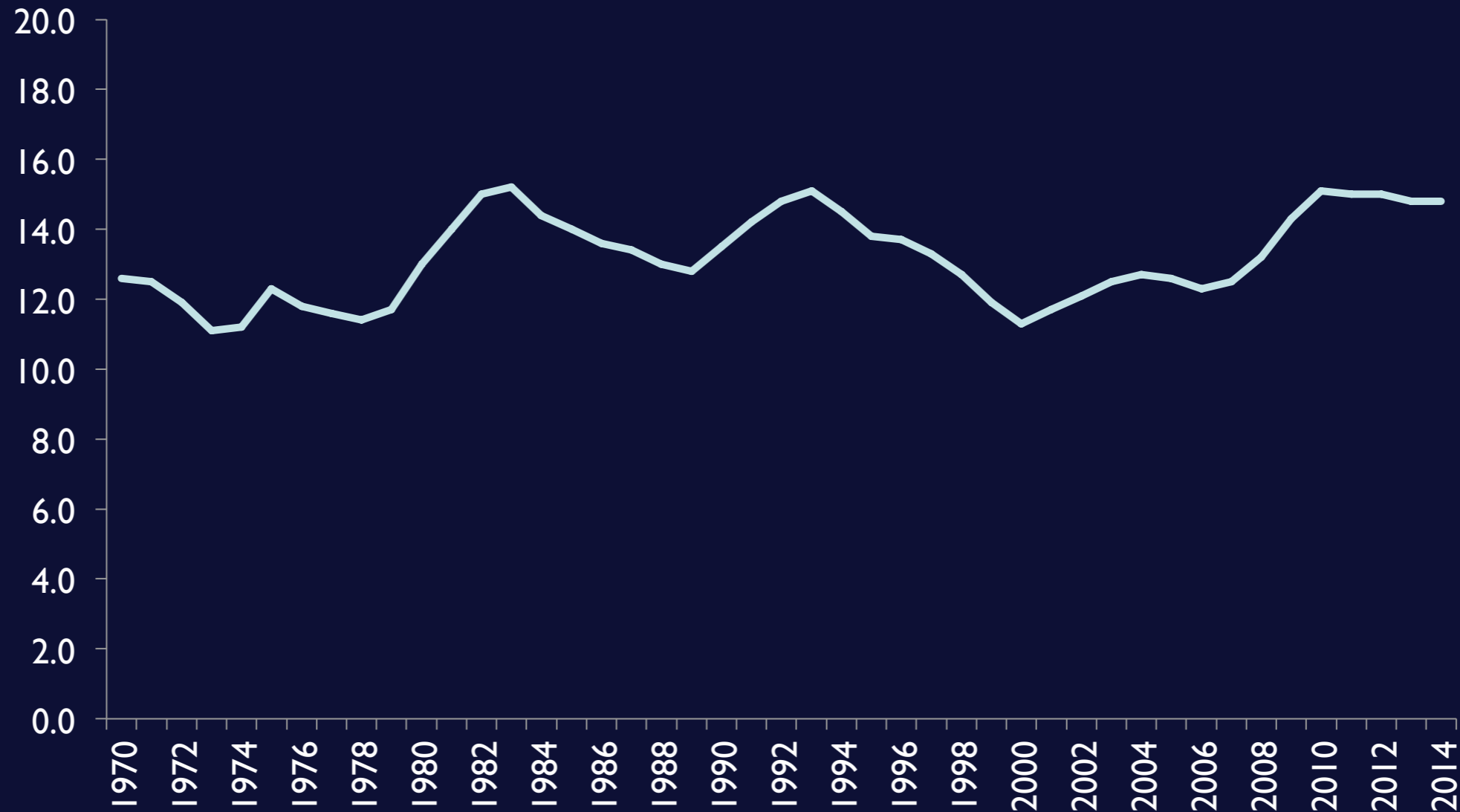


Concentrated Poverty in the Wake of the Great Recession

For the last 40 years, between 11 and 15 percent of the U.S. population has lived below the federal poverty line

U.S. Poverty Rate, 1970 to 2014



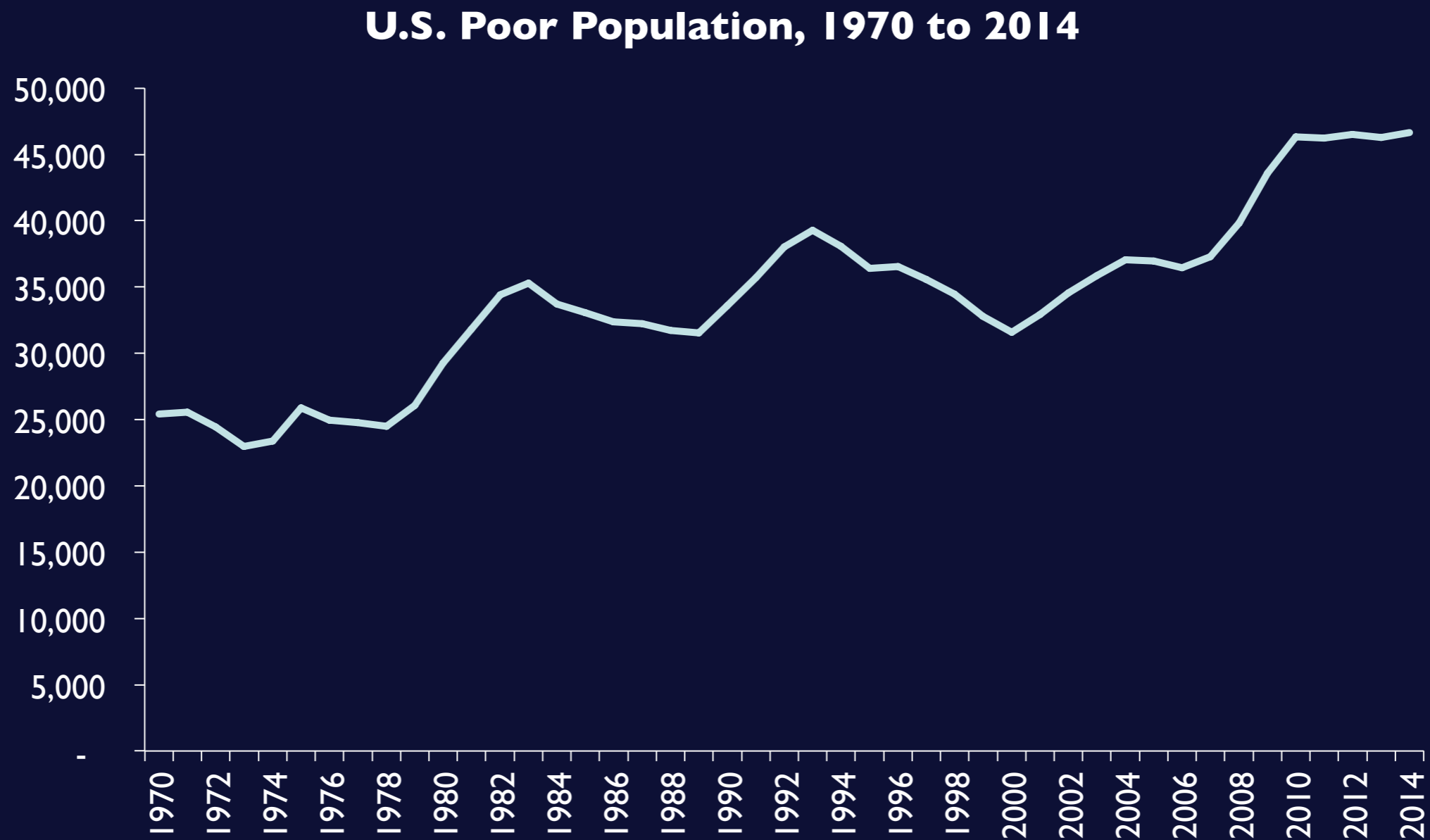
In 2014, the official poverty threshold was:

\$15,379 for a family of two

\$18,850 for a family of three

\$24,230 for a family of four

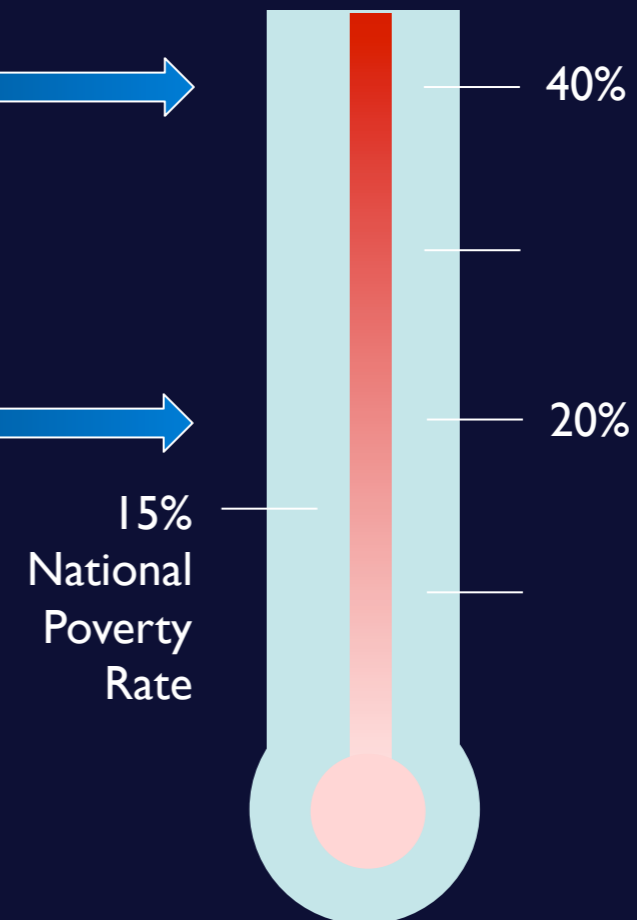
Almost 47 million residents were poor in 2014, an increase of more than 15 million over 2000



Concentrated poverty refers to the clustering of the poor in extremely poor neighborhoods

Extremely poor neighborhoods are defined here as those neighborhoods with a poverty rate greater than **40 percent**

High-poverty neighborhoods are defined here as those neighborhoods with a poverty rate greater than **20 percent**



Concentrated poverty imposes a “double burden” that can make it that much harder to break the cycle of poverty

Higher crime rates

Weak job networks

Worse health outcomes

Higher local prices

Poorer education outcomes

Burdened local government

Moving to a low poverty neighborhood boosts a child’s chances of going to college and earning more as an adult

Research has shown the U.S. made gains in reducing concentrated poverty in the 1990s...



CENTER ON URBAN AND METROPOLITAN POLICY

Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s

Paul A. Jargowsky¹

"This report documents a dramatic decline in the 1990s in the number of high-poverty neighborhoods, their population, and the concentration of the poor in these neighborhoods."

Findings
A national analysis of high-poverty neighborhoods, and the concentration of poor individuals in those neighborhoods, in 1990 and 2000 indicates that:

- The number of people living in high-poverty neighborhoods—where the poverty rate is 40 percent or higher—declined by a dramatic 24 percent, or 2.5 million people, in the 1990s. This improvement marked a significant turnaround from the 1970–1990 period, during which the population in high-poverty neighborhoods doubled.
- The steepest declines in high-poverty neighborhoods occurred in metropolitan areas in the Midwest and South. In Detroit, for instance, the number of people living in high-poverty neighborhoods dropped nearly 75 percent over the decade.
- Concentrated poverty—the share of the poor living in high-poverty neighborhoods—declined among all racial and ethnic groups, especially African Americans. The share of poor black individuals living in high-poverty neighborhoods declined from 30 percent in 1990 to 19 percent in 2000.
- The number of high-poverty neighborhoods declined in rural areas and central cities, but suburbs experienced almost no change. A number of older, inner-ring suburbs around major metropolitan areas actually experienced increases in poverty over the decade, though poverty rates there generally remain well below 40 percent.

While the 1990s brought a landmark reversal of decades of increasingly concentrated poverty, the recent economic downturn and the weakening state of many older suburbs underscore that the trend may reverse once again without continued efforts to promote economic and residential opportunity for low-income families.

I. Introduction

For many years, the conditions of life in the poorest of poor neighborhoods have attracted the attention of filmmakers, journalists, and academic researchers. Each in their own way, these witnesses provide stark evidence about the devastating effects impoverished environments can have on those unfortunate enough to dwell within them, and about how these effects spill over into society at large.

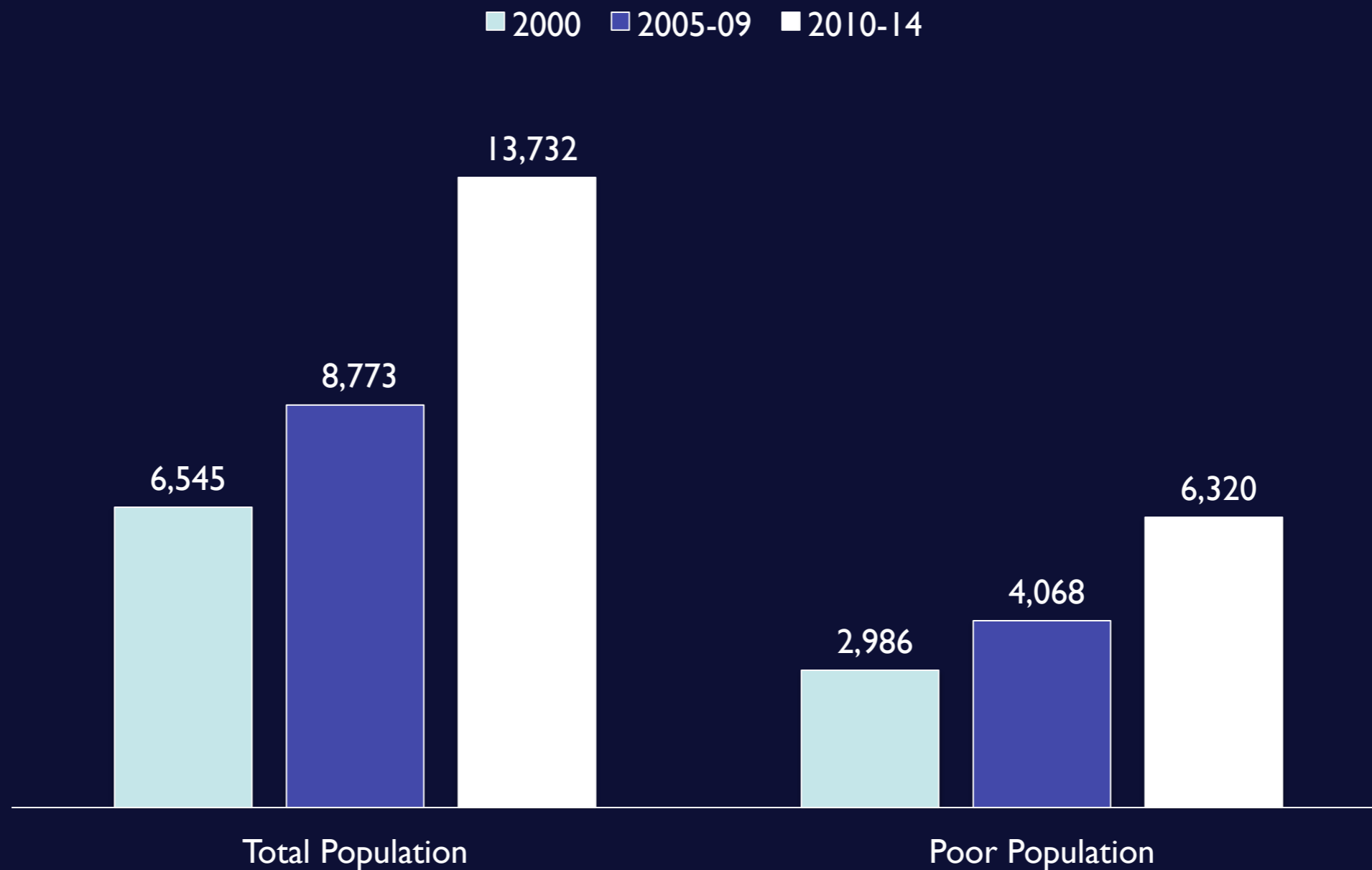
Poverty, in government statistics, is defined on the basis of a family's income relative to a fixed poverty line, a standard meant to reflect the cost of basic necessities. This narrow,

LivingCities Census Series

...but after two recessions followed by uneven recoveries, what do the trends look like now?

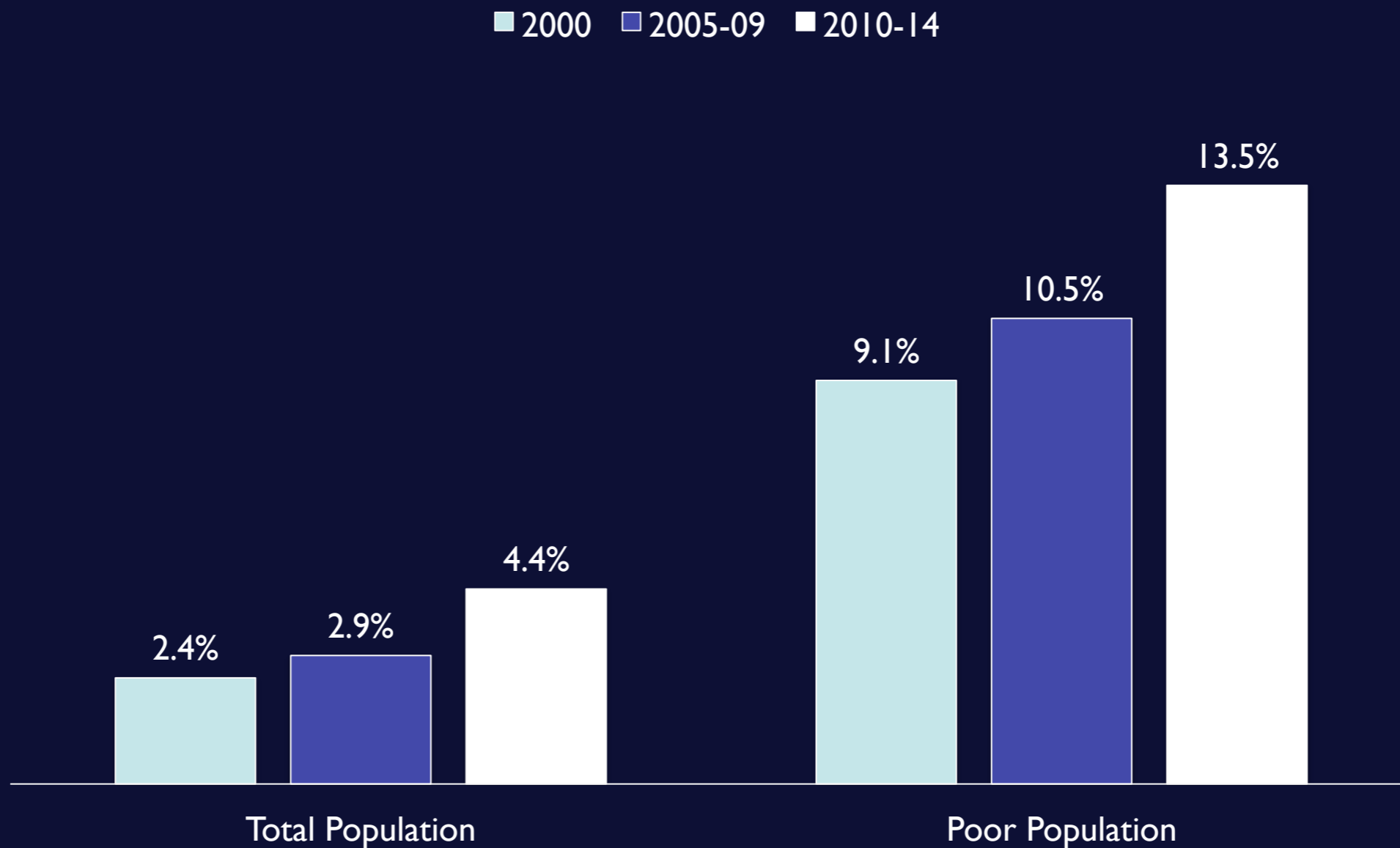
14 million people lived in extremely poor neighborhoods in 2010-14, more than twice as many as in 2000

Population in Extremely Poor Tracts (1,000s)



The steepest increases in concentrated poverty occurred in the wake of the Great Recession

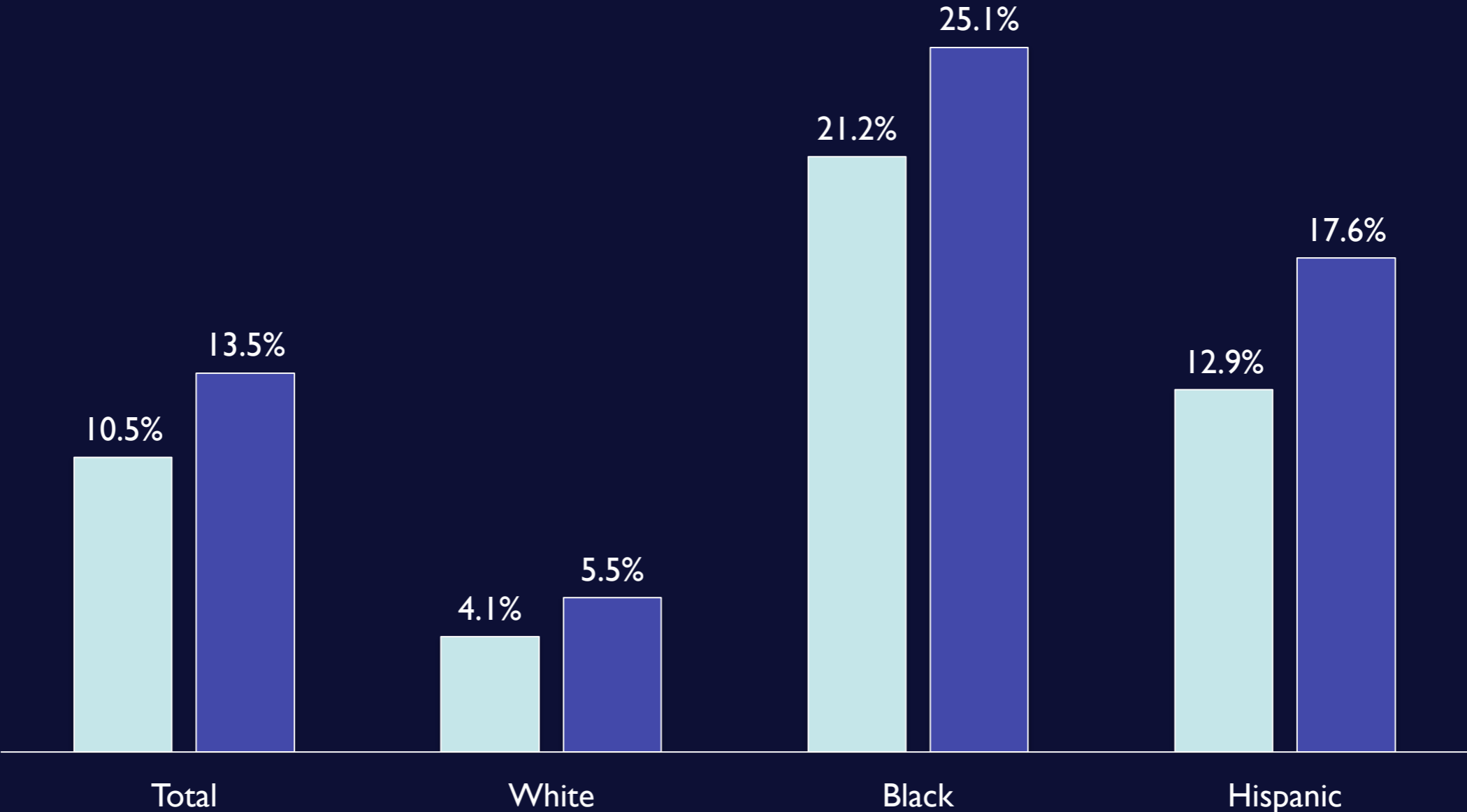
Share of Population in Extremely Poor Tracts



Hispanics saw the largest uptick in the post-recession period, although African Americans remain the most likely to live in concentrated poverty

Concentrated Poverty Rate by Race and Ethnicity

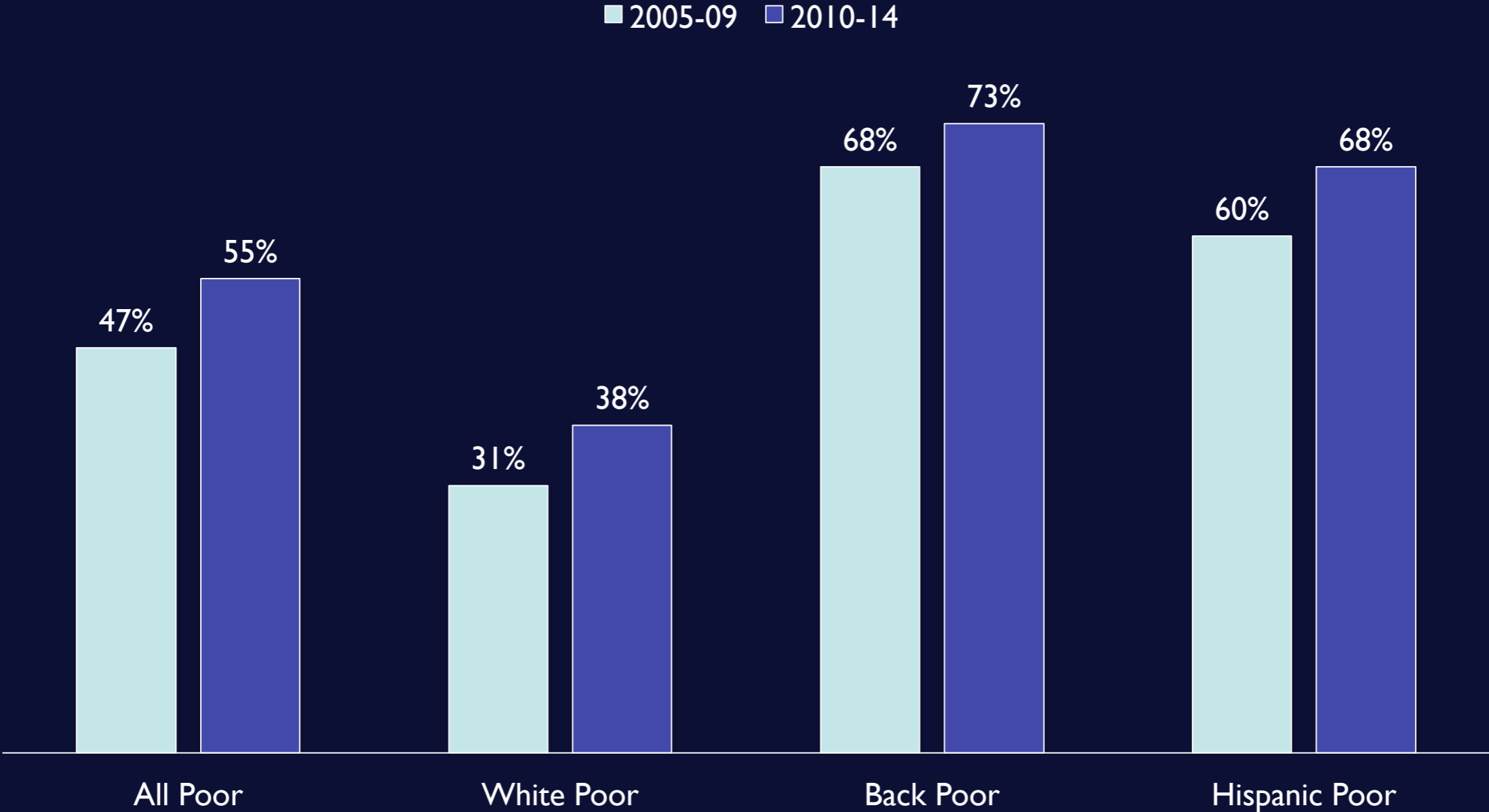
■ 2005-09 ■ 2010-14



Source: Brookings analysis of U.S. Census Bureau data

Most poor people now live in high-poverty neighborhoods

Share of Population in Tracts with Poverty Rates of 20% or More

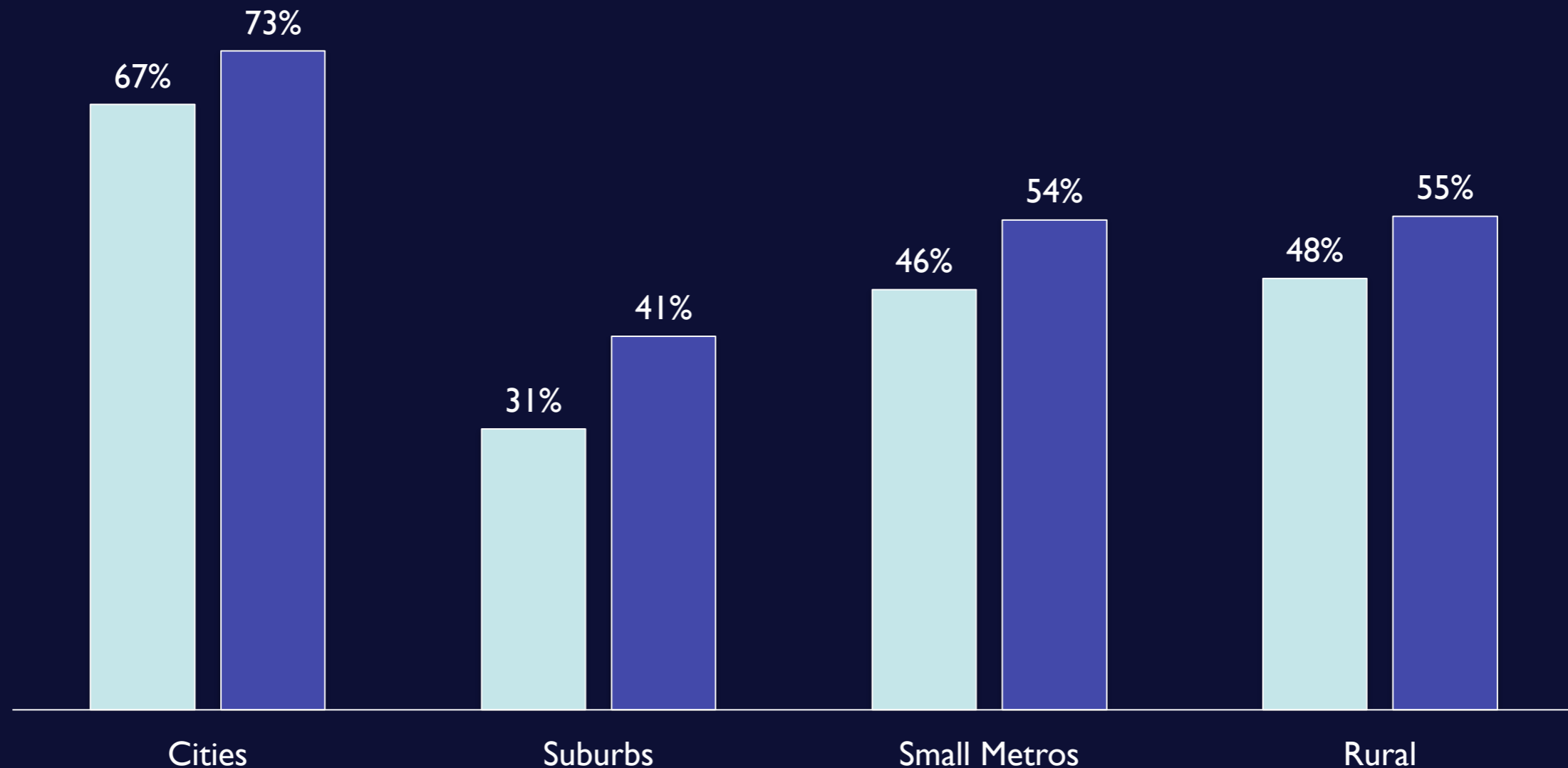


Source: Brookings analysis of U.S. Census Bureau data

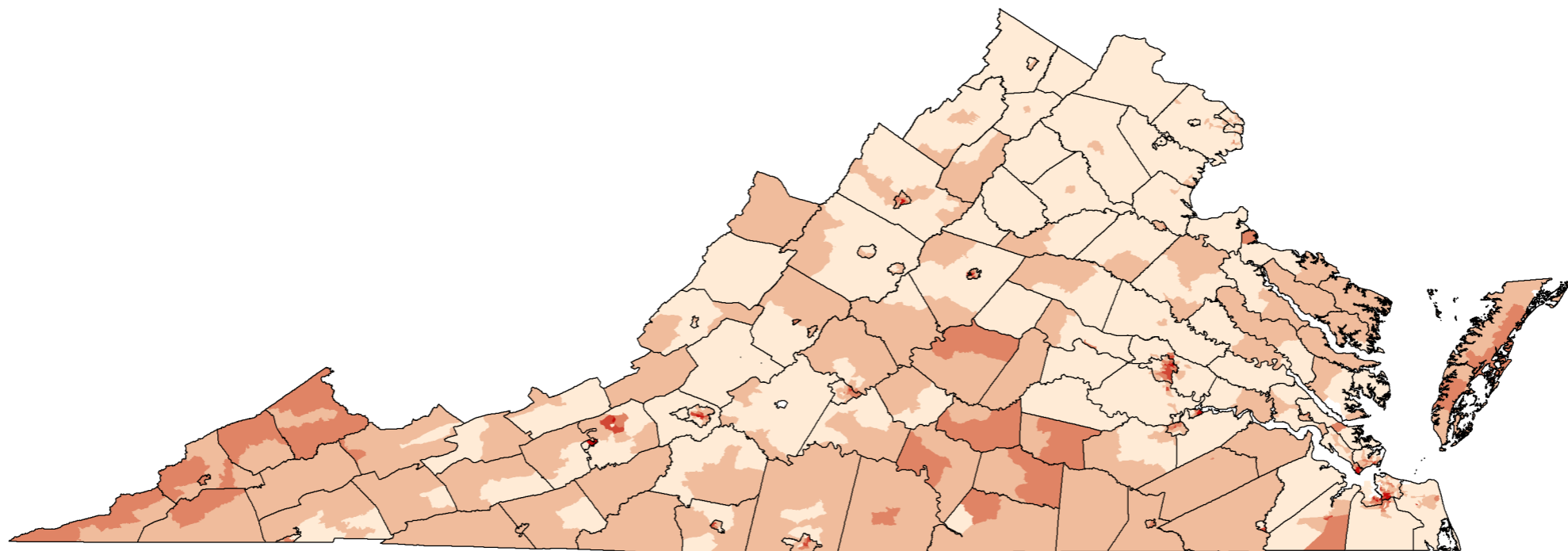
Rates of concentrated disadvantage remain highest in cities, but the fastest pace of growth since 2000 happened outside the urban core, in suburbs and small metro areas

Share of Poor Population in Tracts with Poverty Rates of 20% or More

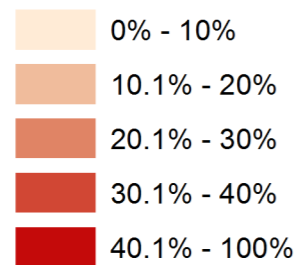
■ 2005-09 ■ 2010-14



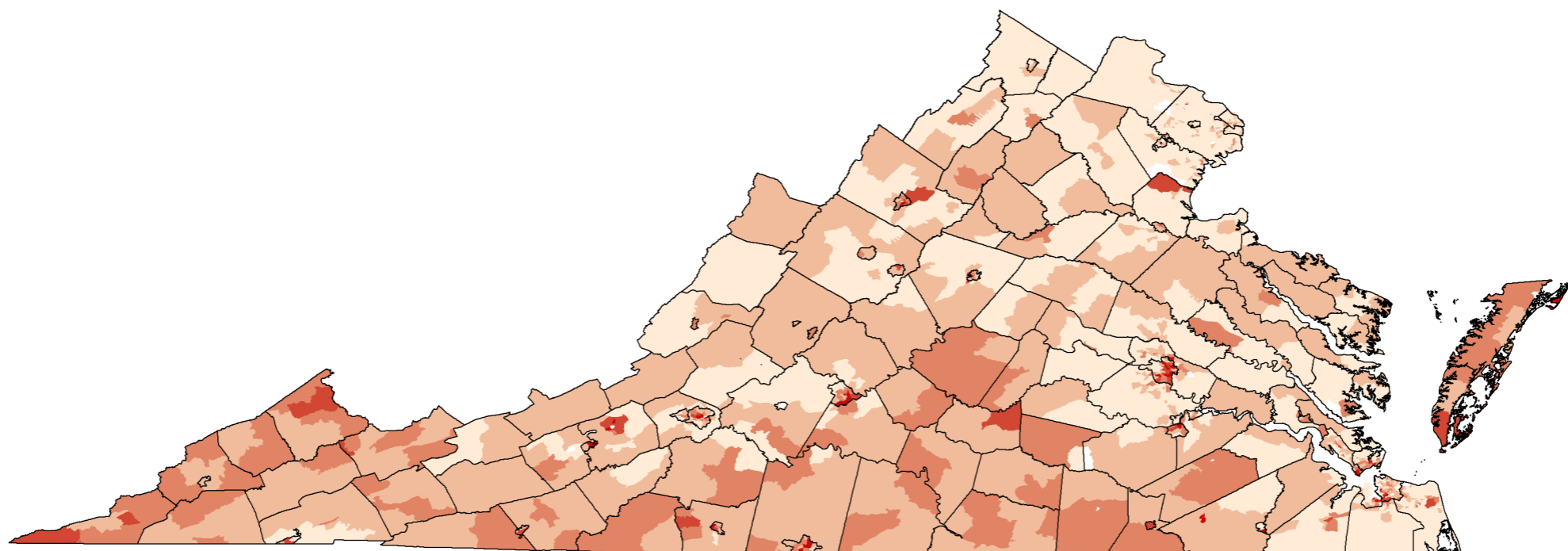
Virginia has not been immune to these trends



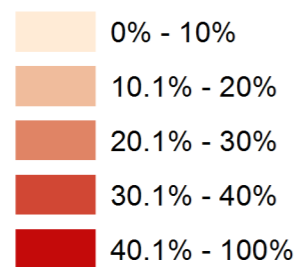
Tract Poverty Rate, 2000



Virginia has not been immune to these trends



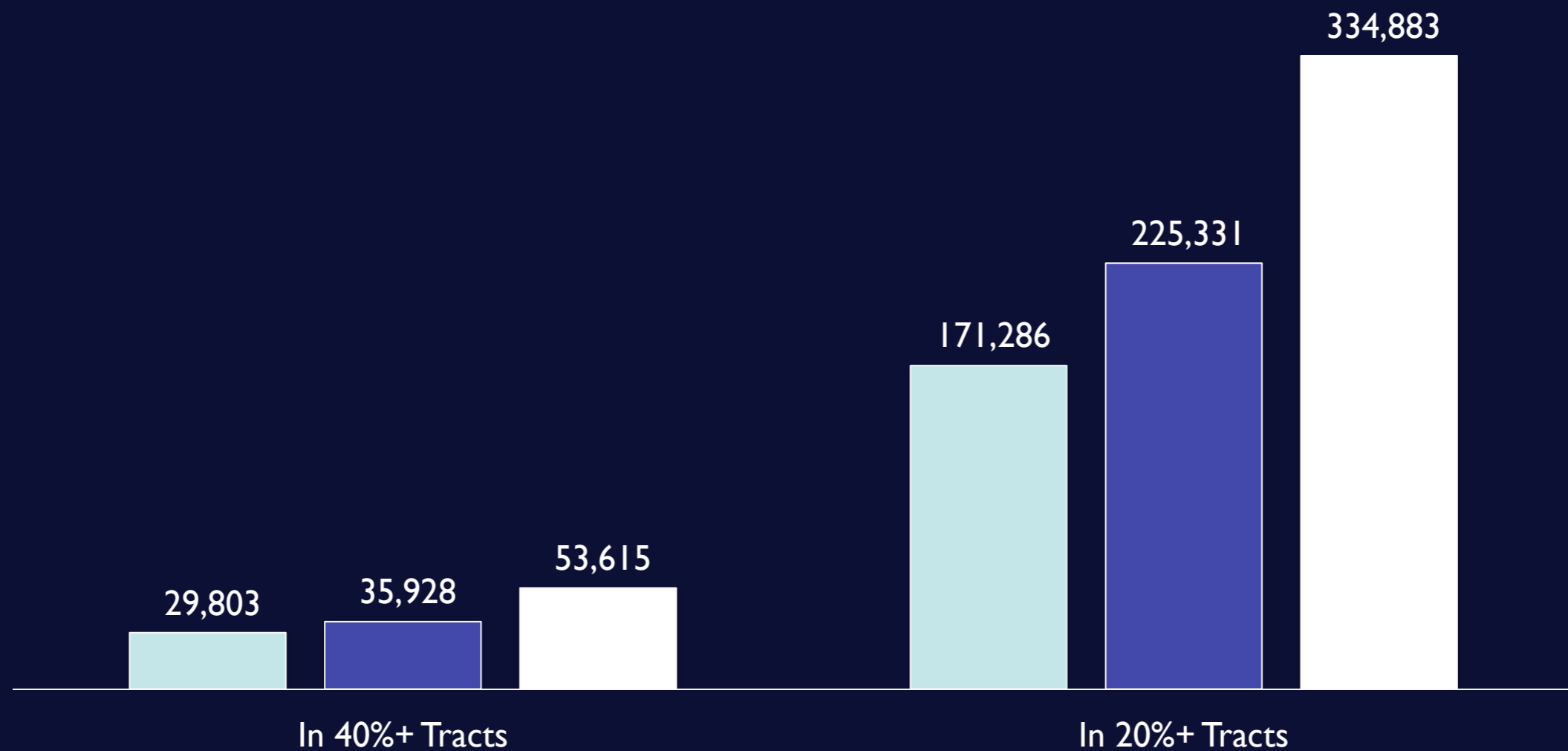
Tract Poverty Rate, 2010-14



The number of poor Virginians living in tracts with poverty rates of at least 20% has roughly doubled since 2000

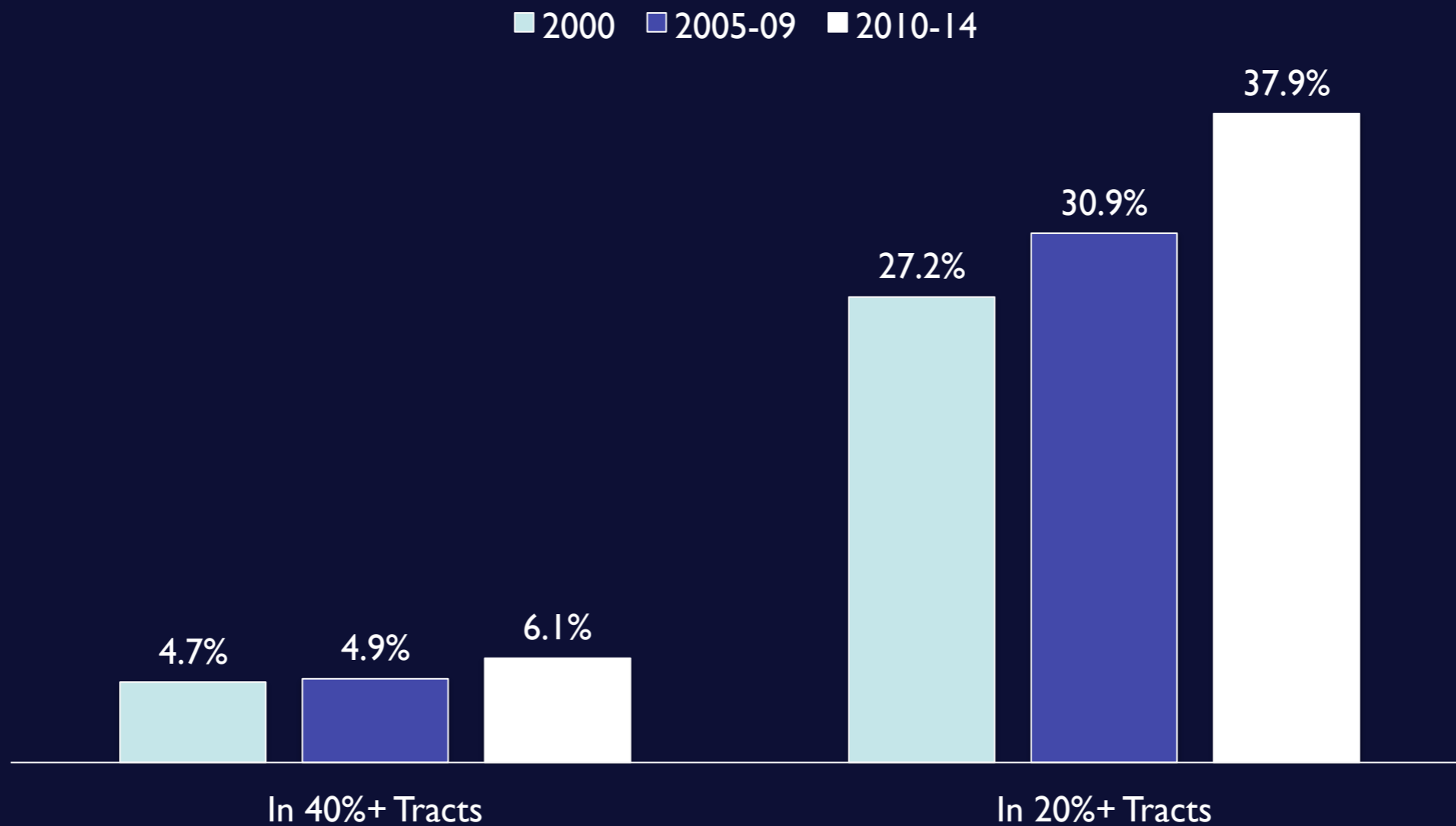
Share of Virginia's Poor Population in Extremely Poor and High Poverty Tracts

■ 2000 ■ 2005-09 ■ 2010-14



Virginia's poor experience concentrated disadvantage at a lower-than-average rate, but the trend is moving in the wrong direction

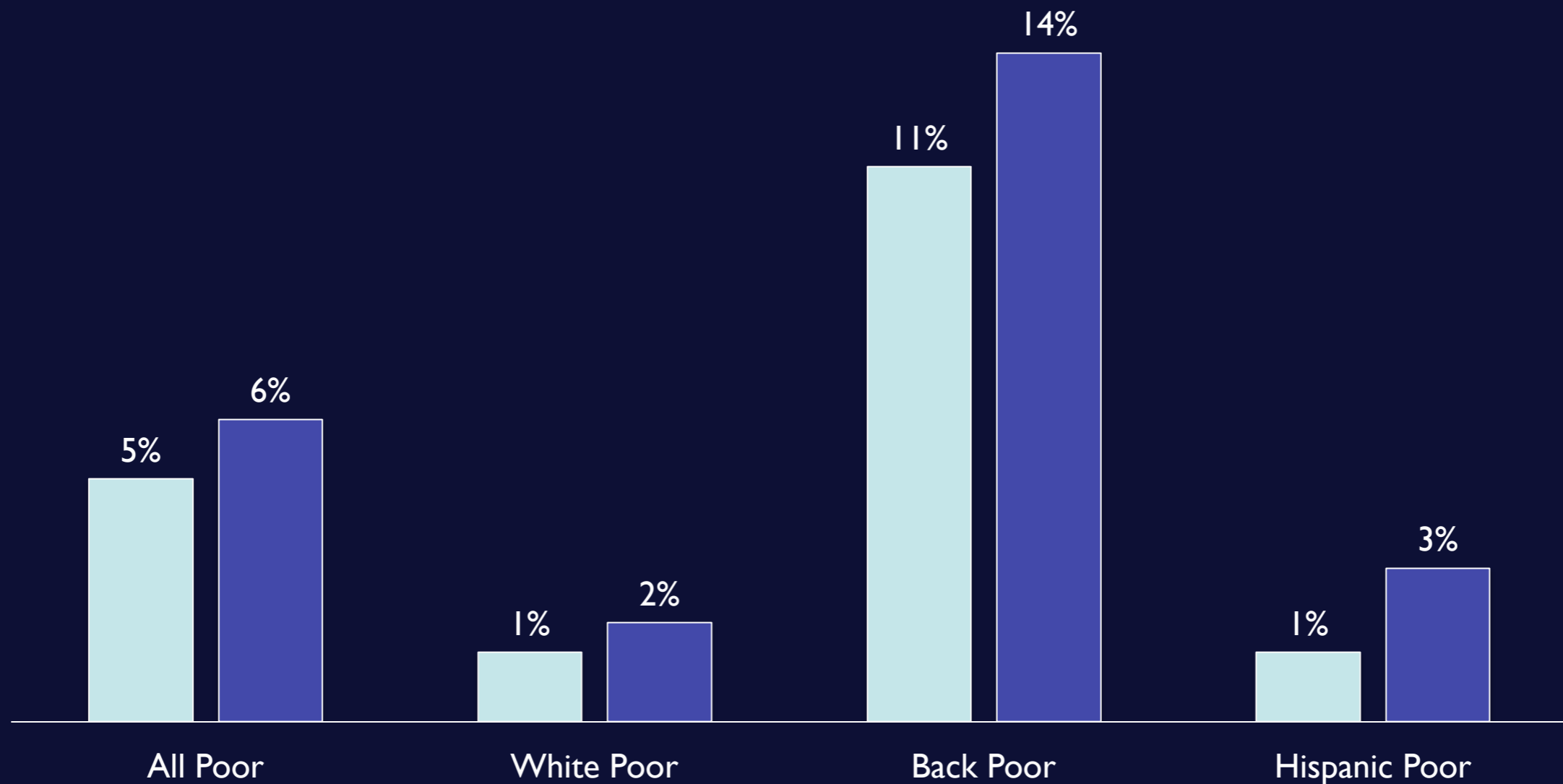
Share of Virginia's Poor Population in Extremely Poor and High Poverty Tracts



African Americans are by far the most likely to live in extremely poor neighborhoods in Virginia

Share of Poor Population in Tracts with Poverty Rates of 40% or More

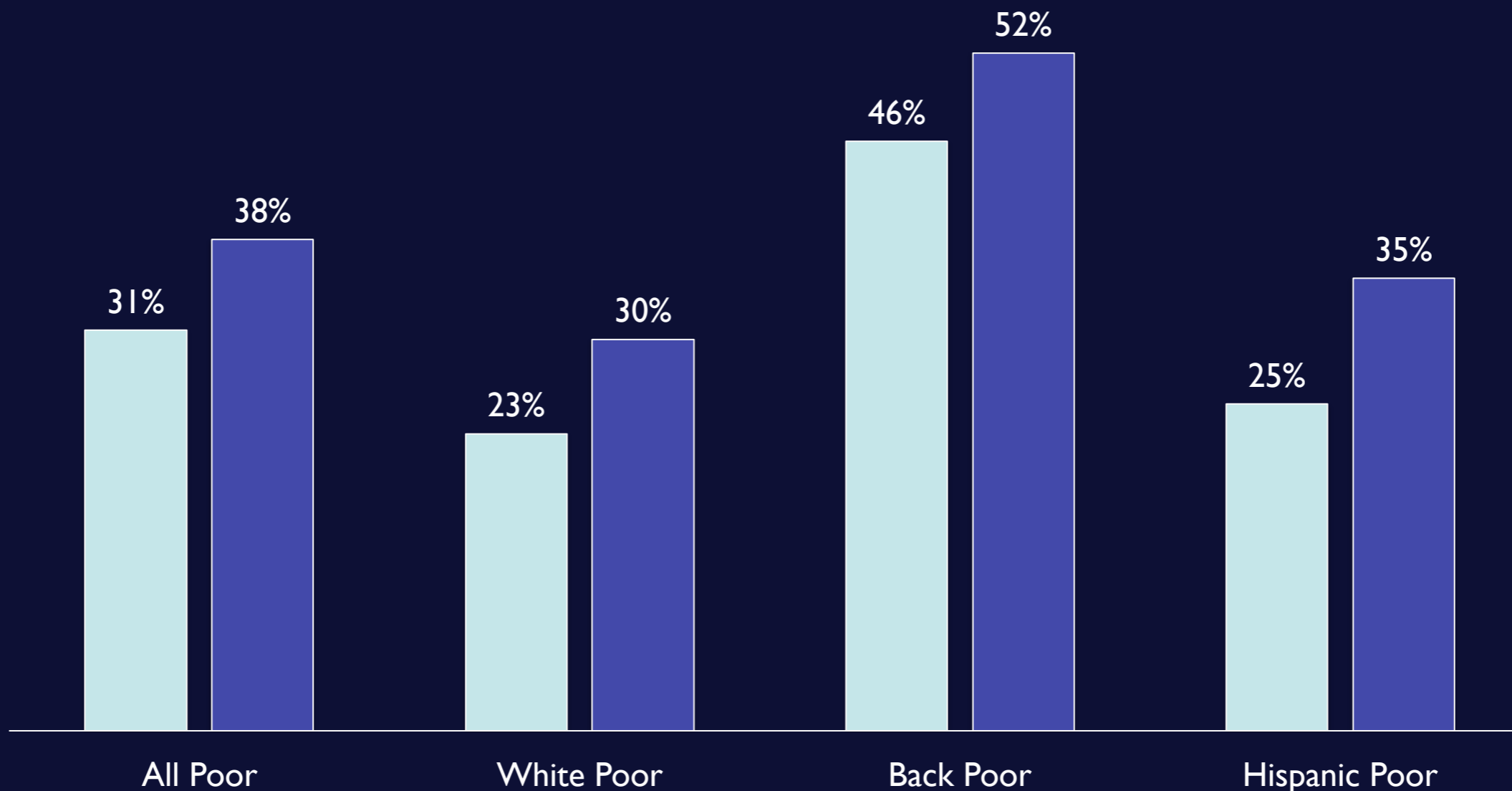
■ 2005-09 ■ 2010-14



Racial gaps are less pronounced, although still present, when using the 20% poverty threshold to identify poor neighborhoods

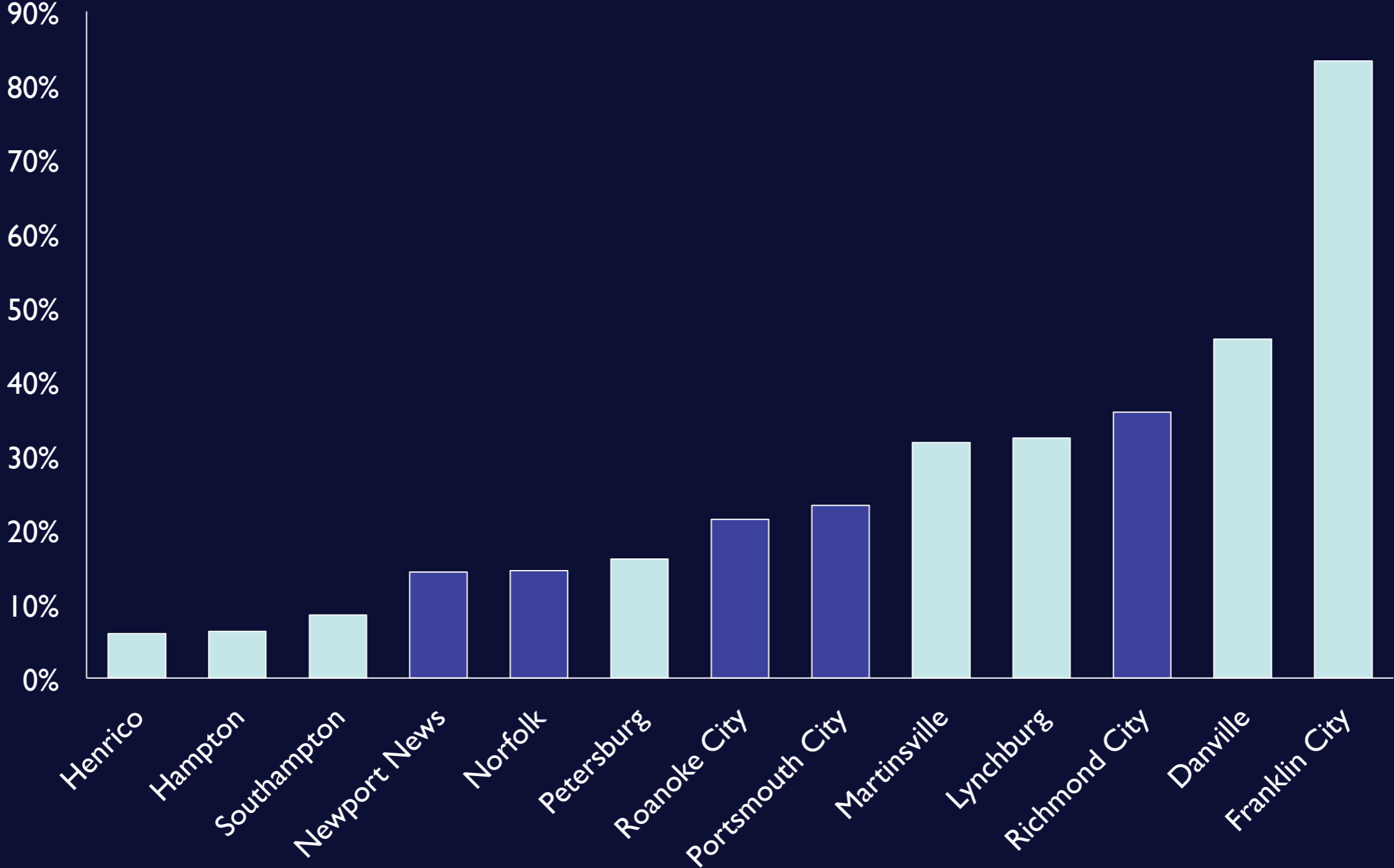
Share of Poor Population in Tracts with Poverty Rates of 20% or More

■ 2005-09 ■ 2010-14



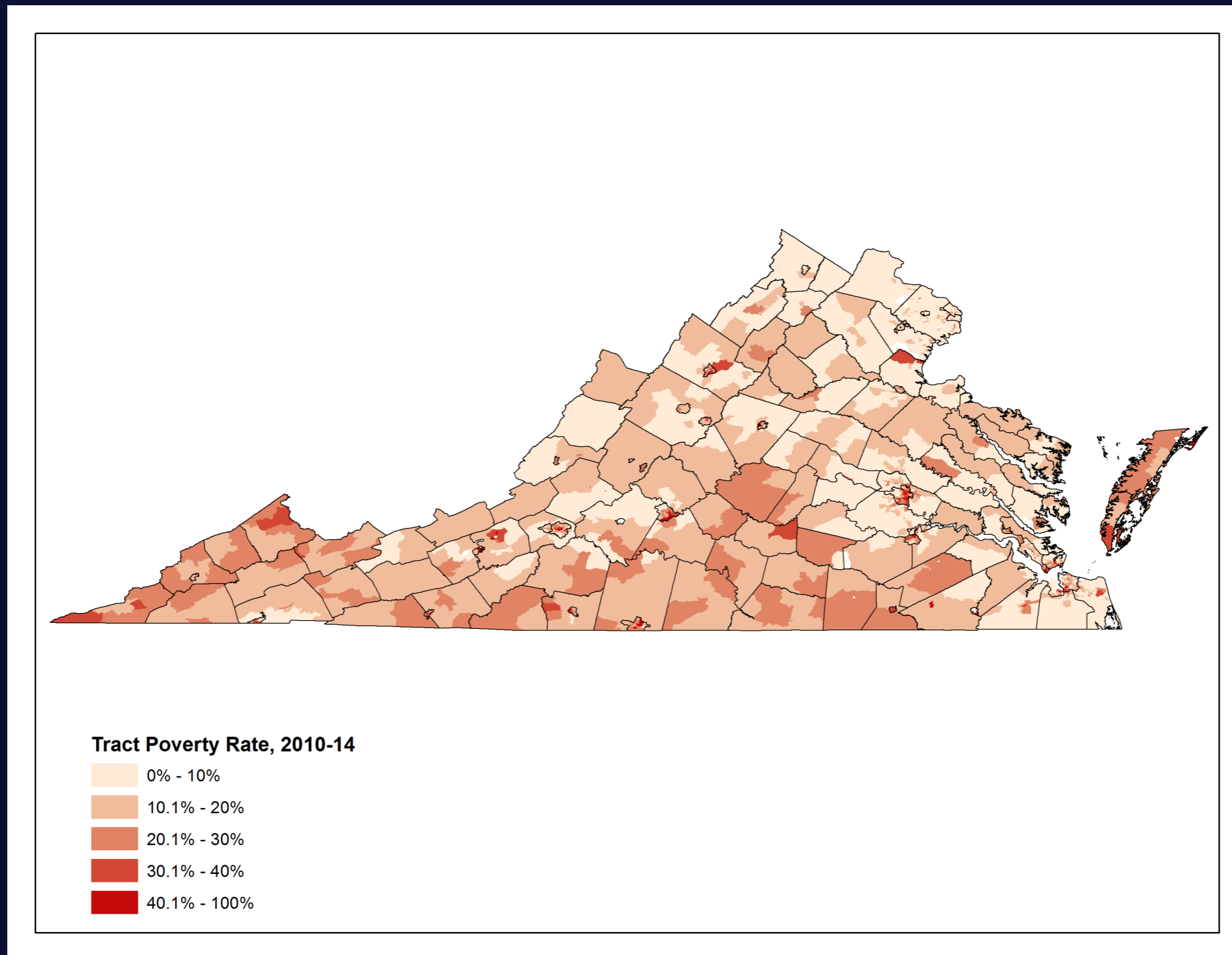
13 counties were home to extremely poor neighborhoods after the recession, compared to just 5 in 2000

Concentrated Poverty Rate by County, 2010-14




Source: Brookings analysis of U.S. Census Bureau data


83 counties were home to high poverty tracts in 2010-14, and 42 concentrated at least half of their poor residents in such neighborhoods




What does the growing concentration of poverty mean for Virginia?




As the economic cycle rises and falls, many of these communities are the last in and first out




But it's not just the economy that matters...decisions around housing, subsidies, land use, and zoning also shape these trends



Reinvestment strategies should be balanced with mobility opportunities



More places, outside the urban core, are struggling with the challenges of poverty and concentrated disadvantage



Regional strategies (housing, transportation, economic development) are critical to addressing the scale of these growing challenges

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