

The Shifting Geography of Poverty and Opportunity in Metropolitan America



Overview

I

WHERE do the metropolitan poor live today?

II

WHO are the metropolitan poor?

III

WHY does this shifting geography matter for public policy?

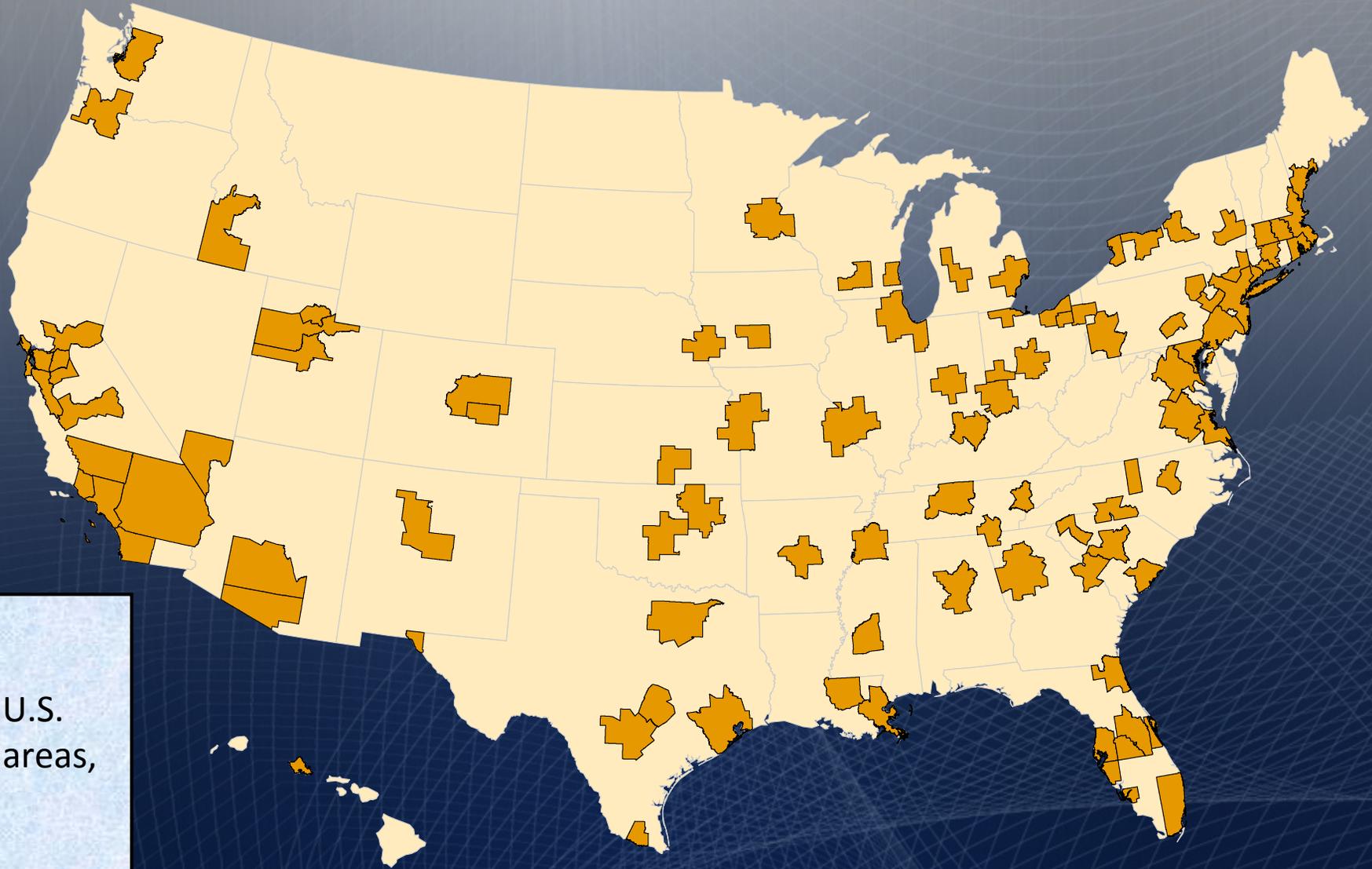
IV

HOW has the Great Recession affected these trends?

V

WHAT strategies effectively engage this new geography of poverty?

Much of our research, and the data presented today, come from analysis of the nation's 100 largest metropolitan areas



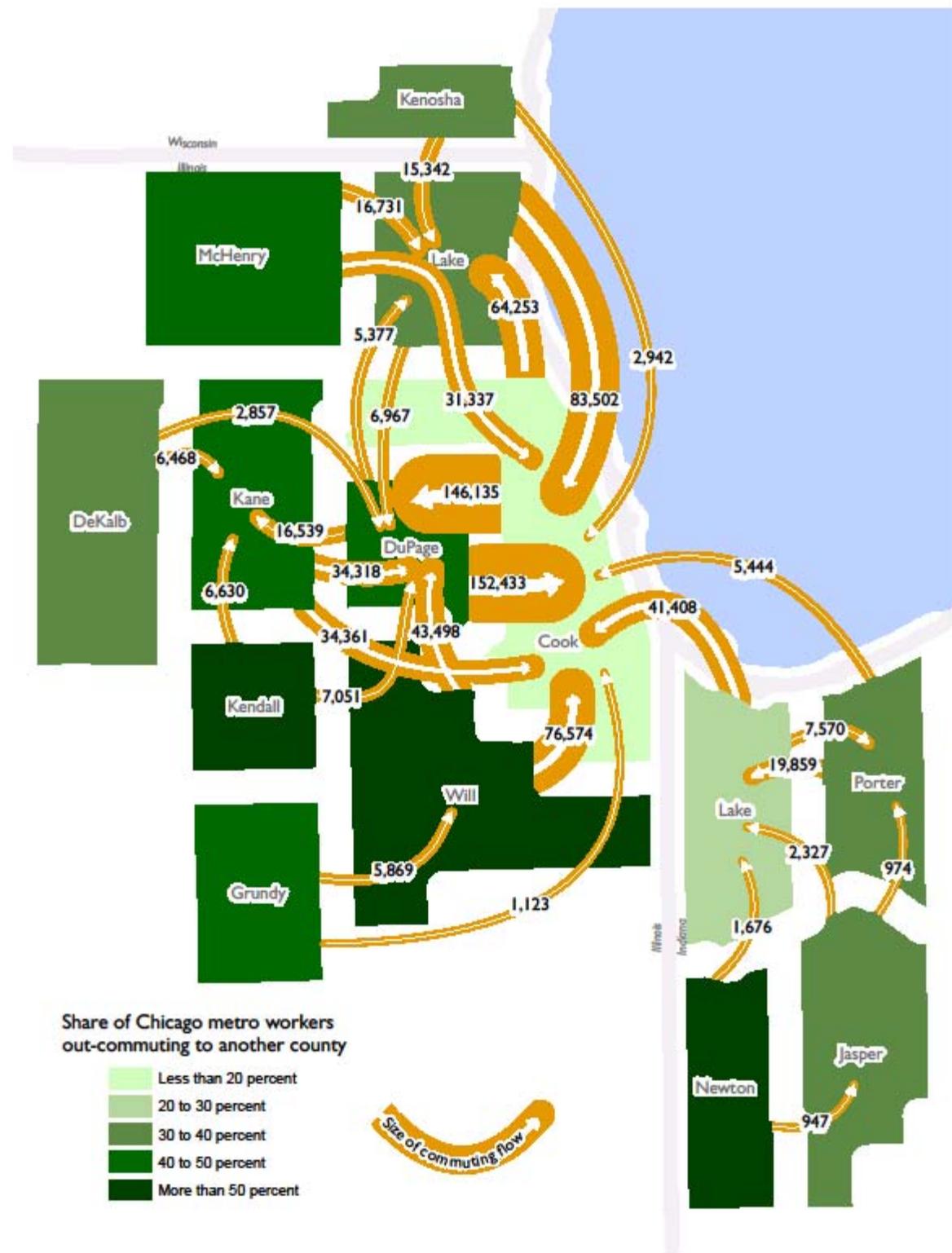
100 largest U.S.
metropolitan areas,
2009

Source: U.S. Census Bureau

Metropolitan areas are statistical representations of “commuter sheds” and, by extension, labor markets

Commuting patterns in the Chicago metropolitan area, 2000

Source: Brookings analysis of Census 2000 data



Nationally, 83% of the country lives in a metro area, and two-thirds lives in the top 100 metros alone

In Michigan

- 84% of the population lives in a metro area
- 52% of the population lives in the metro areas of Grand Rapids or Detroit

Source: 2009 ACS



The poverty rate in metropolitan areas is lower than elsewhere, but the gap has narrowed over time

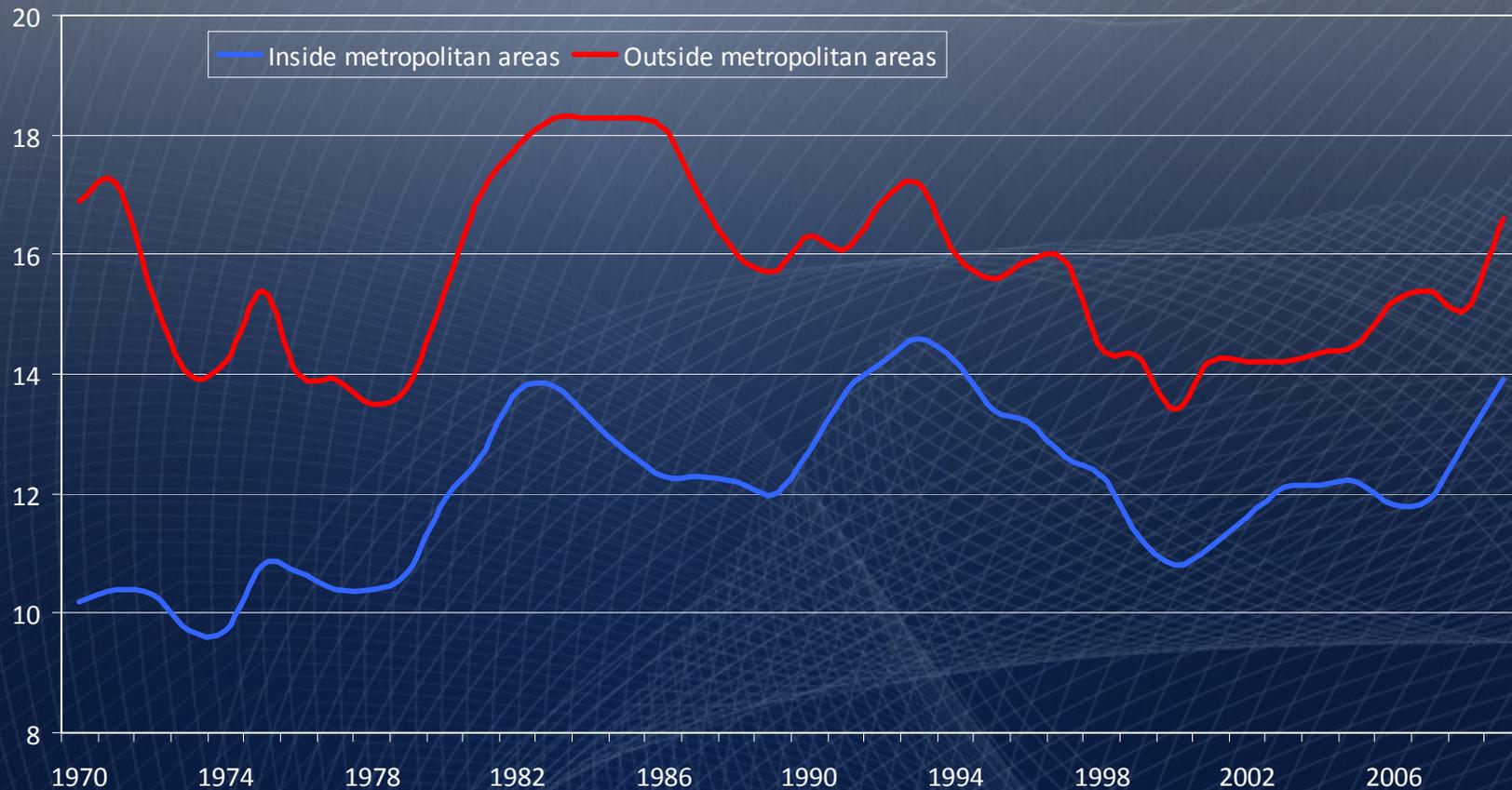
In 2009, the official poverty threshold was:

- \$14,787 for one parent with one child
- \$17,285 for one parent with two children
- \$21,834 for two parents with two children

Source: U.S. Census Bureau

Poverty rate,
metropolitan
versus non-
metropolitan
areas, 1970-2009

Source: U.S. Census Bureau

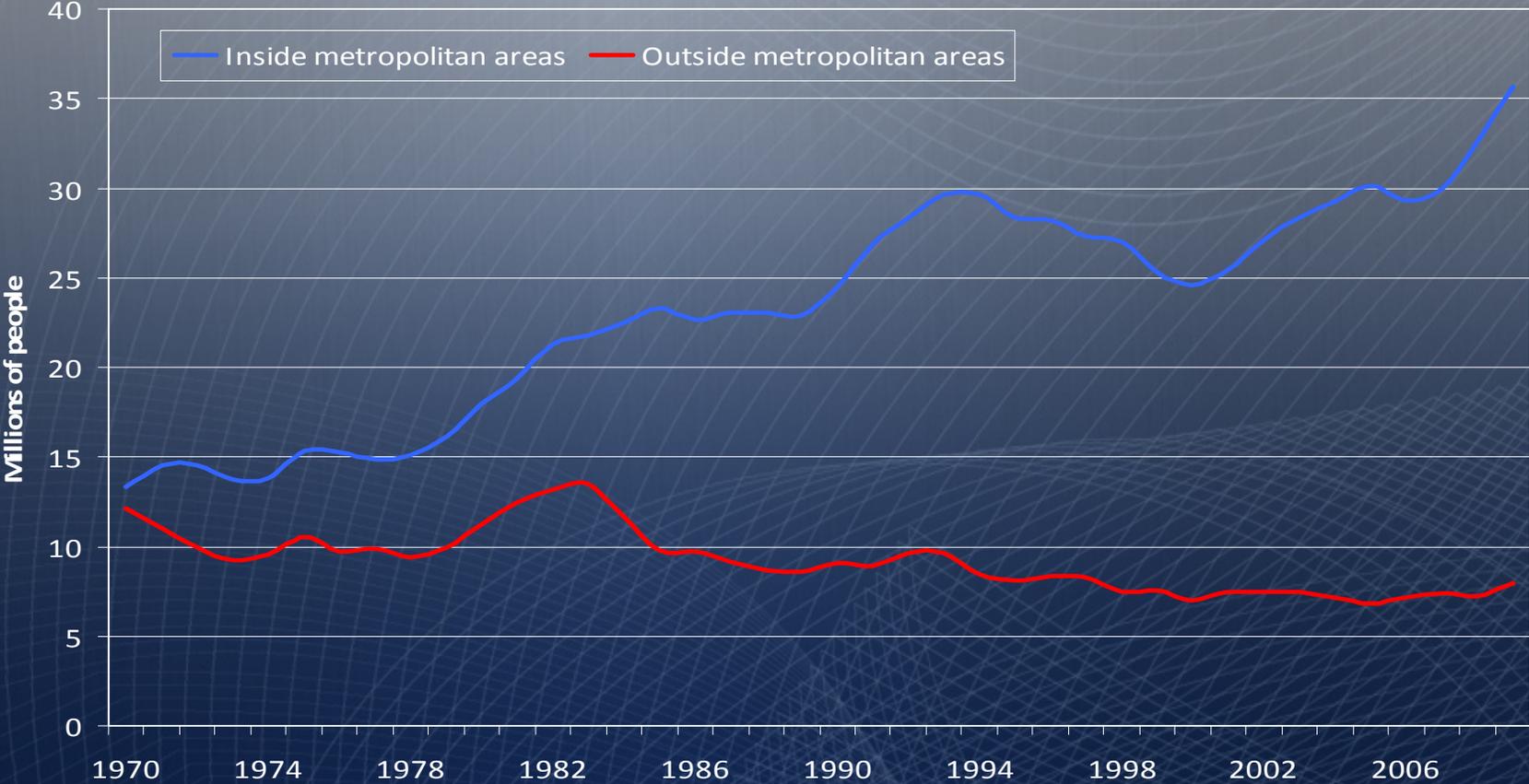


Values for 1984 and 2004 are estimated due to changes in metropolitan definitions during those years.

Meanwhile, the ranks of metropolitan poor have more than doubled, while non-metropolitan poor have declined

Poor residents, metropolitan versus non-metropolitan areas, 1970-2009

Source: U.S. Census Bureau

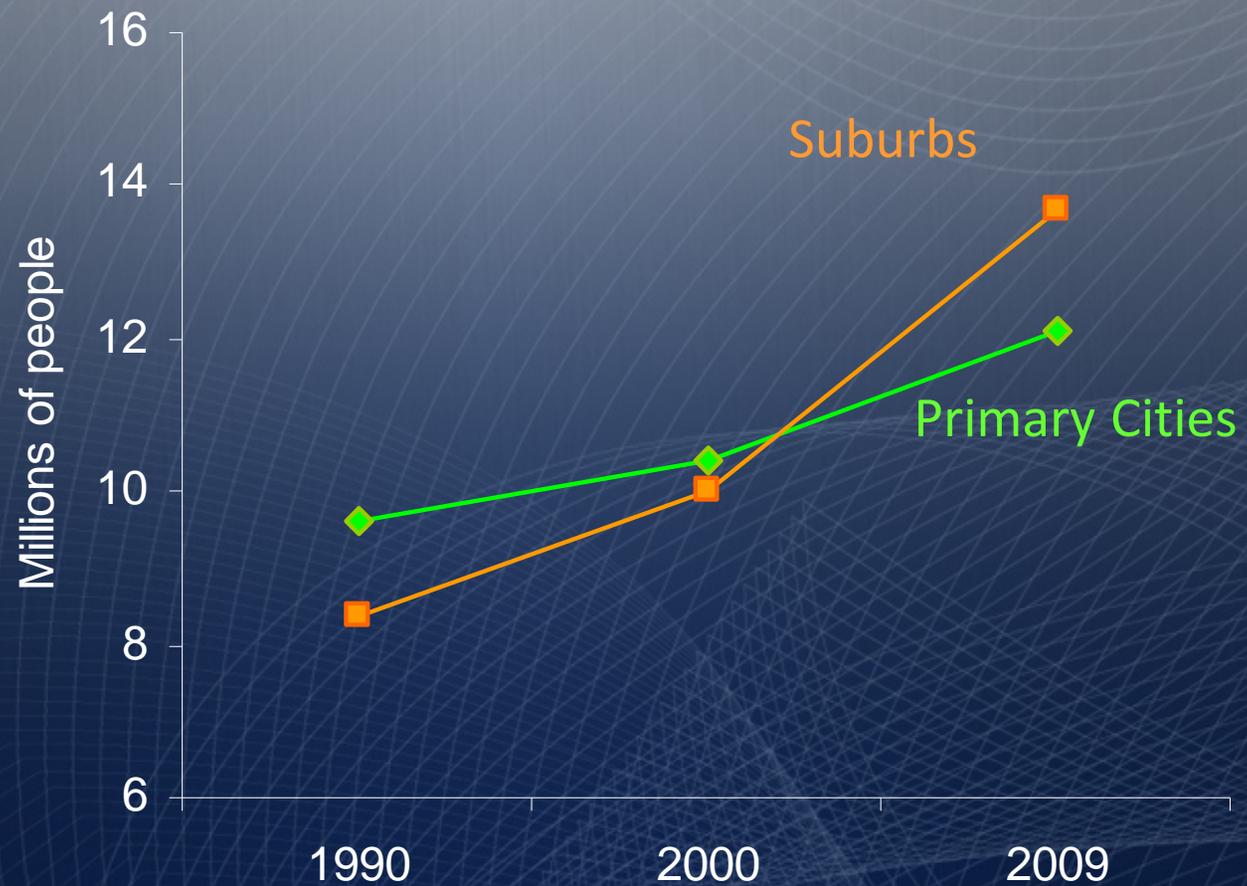


Values for 1984 and 2004 are estimated due to changes in metropolitan definitions during those years.

Within large metro areas, the number of poor people in suburbs has now surpassed the number in cities

Poor residents,
primary cities versus
suburbs, 100 largest
metro areas*:
1990, 2000, and 2009

Source: Brookings analysis of
decennial census and ACS data

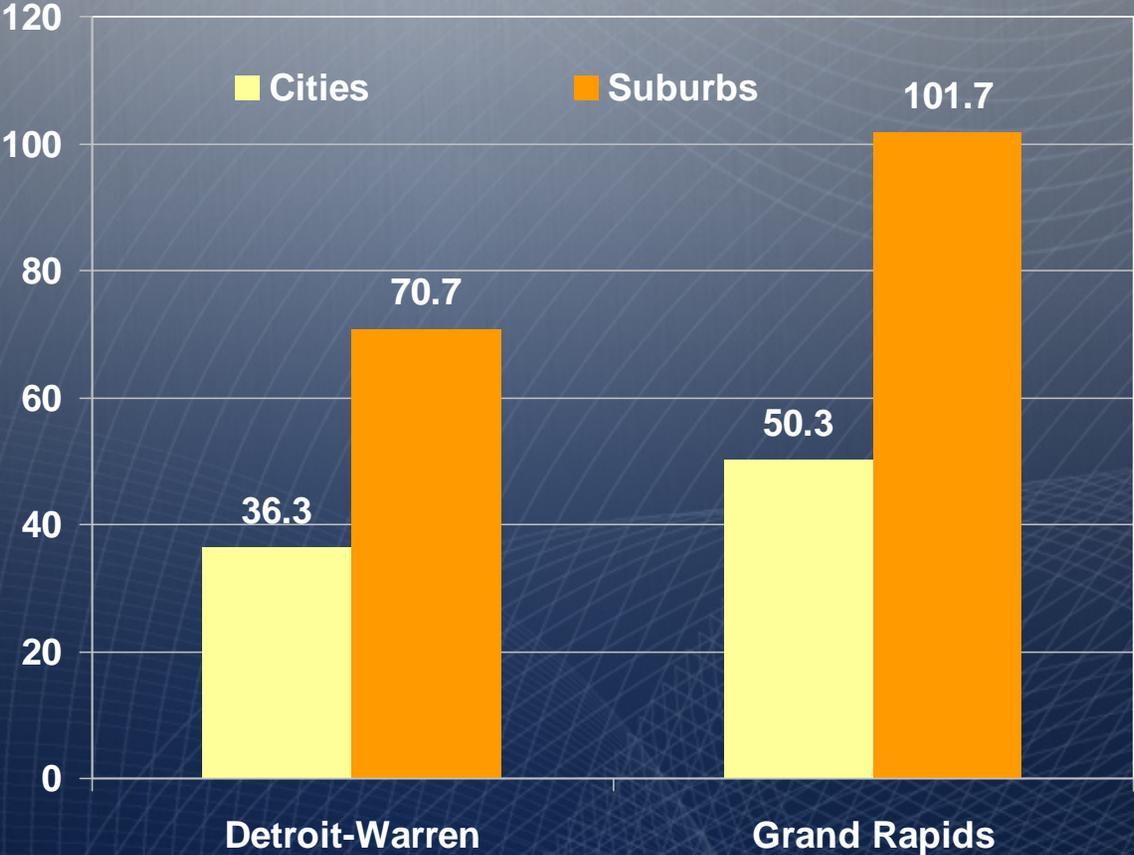


*Represent 95 of the largest 100 metropolitan areas for which data are available. Primary cities include first city in metro area title plus other named cities with populations of at least 100,000. Suburbs include residual metropolitan territory.

Michigan's large metros also saw double the rate of growth among the suburban poor population compared to cities

Growth rate in poor residents, primary cities versus suburbs, select large metro areas: 2000 and 2009

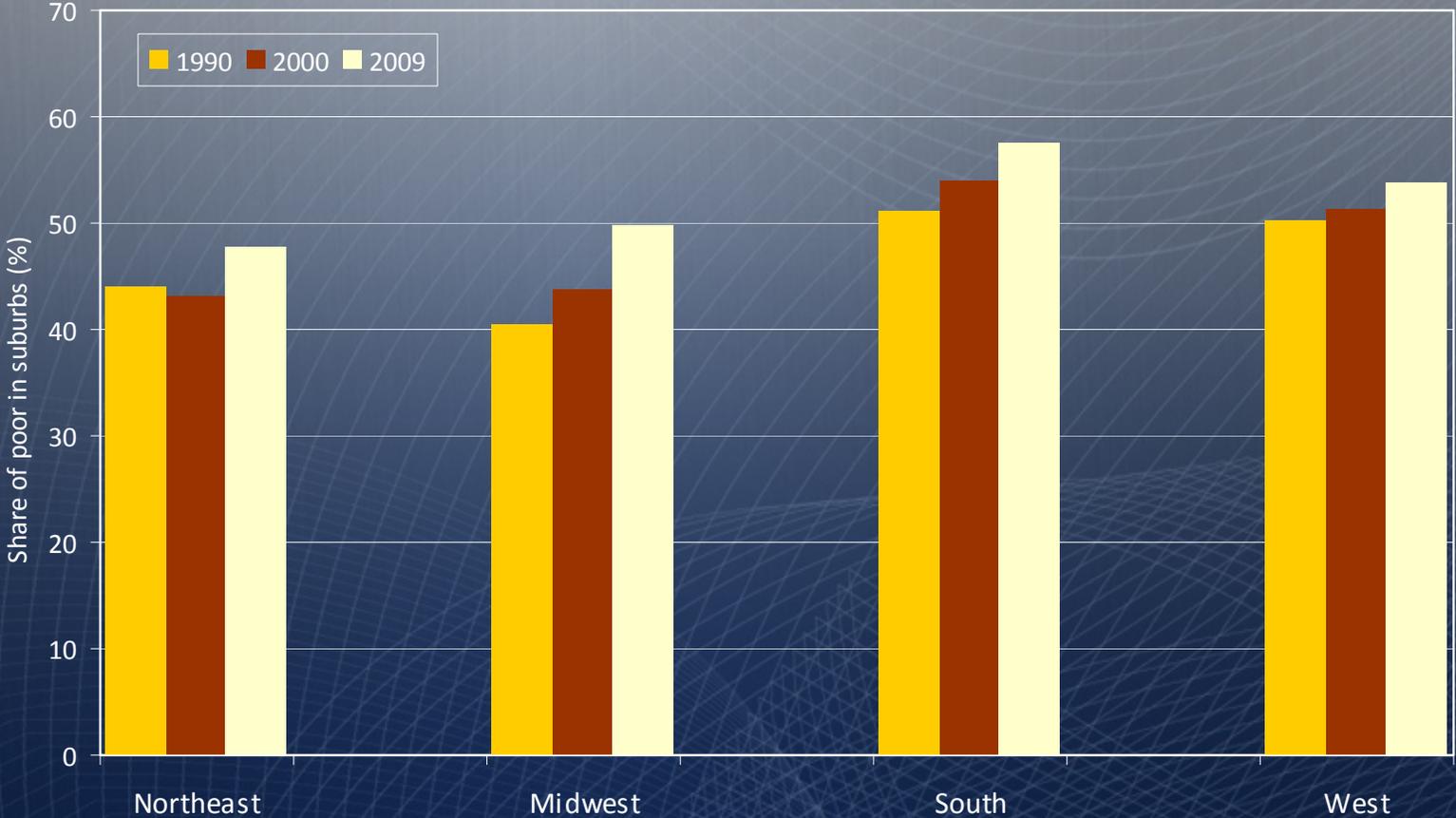
Source: Brookings analysis of decennial census and ACS data



Suburbanization of the poor has occurred in every region

Share of poor in suburbs, 100 largest metro areas*, by region: 1990, 2000, and 2009

Source: Brookings analysis of decennial census and ACS data

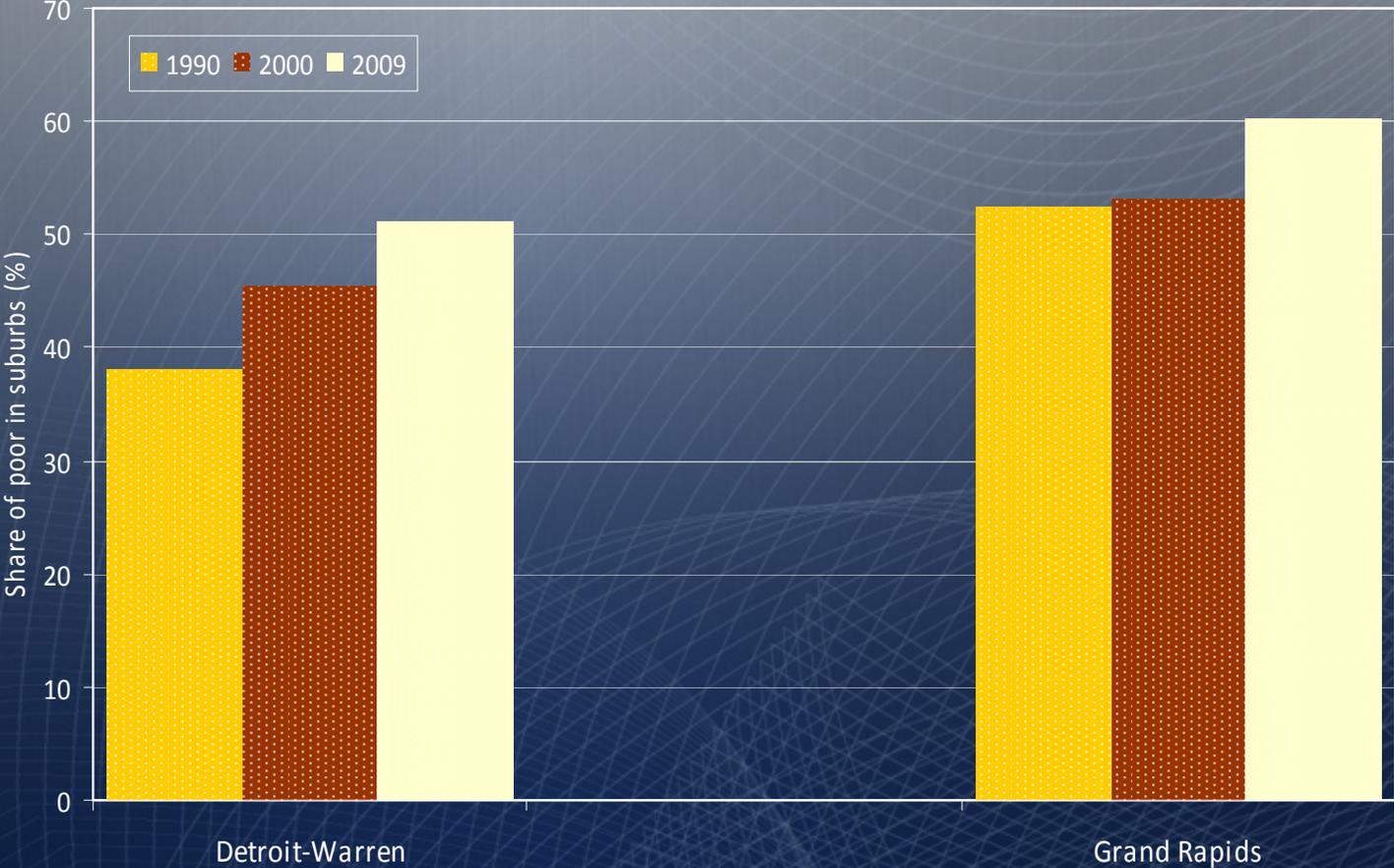


*Represent 95 of the largest 100 metropolitan areas for which data are available.

And within Michigan's large metro areas as well

Share of poor in suburbs, selected metro areas: 1990, 2000, and 2009

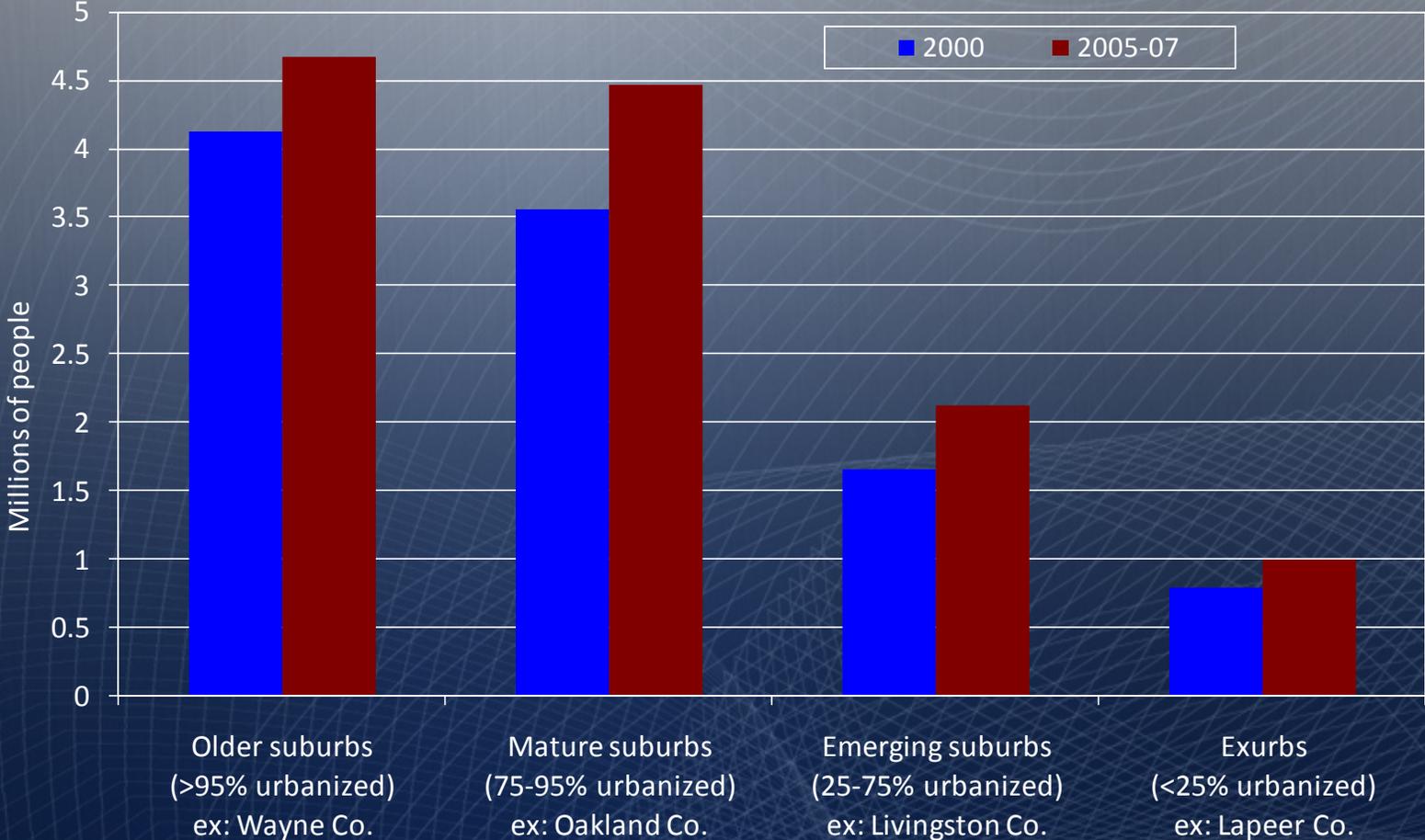
Source: Brookings analysis of decennial census and ACS data



And the poor are growing fastest not in older, “inner suburbs,” but in maturing and rapidly developing suburban communities

Poor residents by suburb type, 100 largest metro areas, 2000 to 2005-07

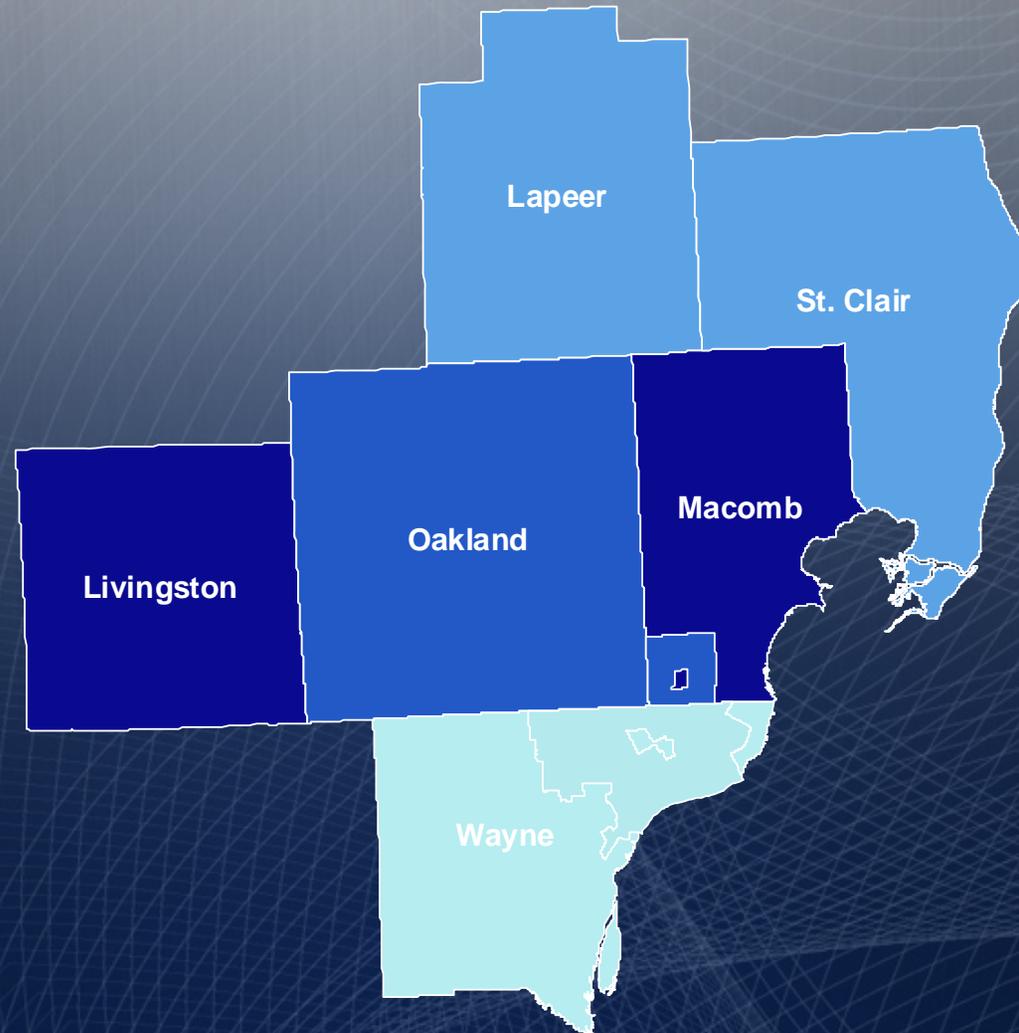
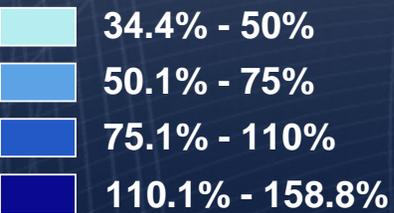
Source: Brookings analysis of decennial census and ACS data



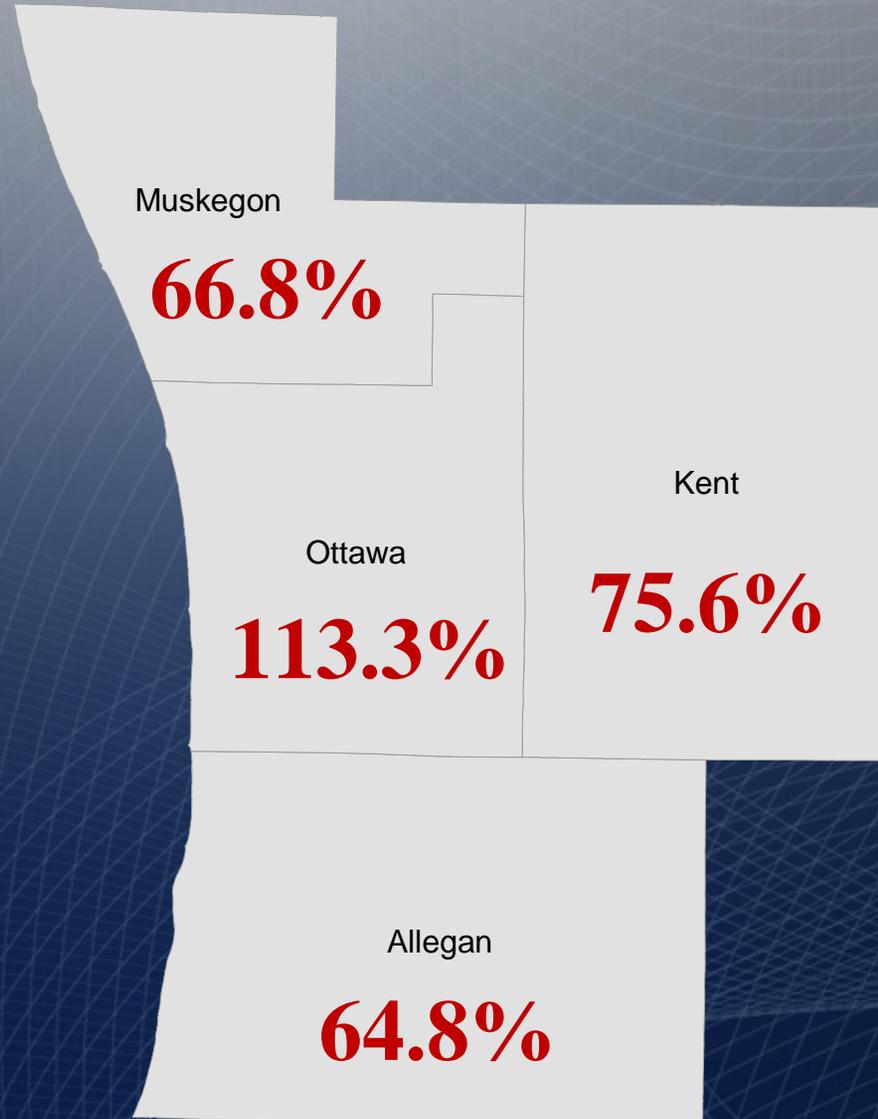
In the Detroit-Warren region, regardless of community type, every county outside of Wayne saw its poor population increase by more than 50 percent over the decade

% change in poor population by city/county, Detroit-Warren region, 2000 to 2009

Source: Brookings analysis of Census 2000 and 2009 ACS data



West Michigan also saw growth rates in the poor population well above average



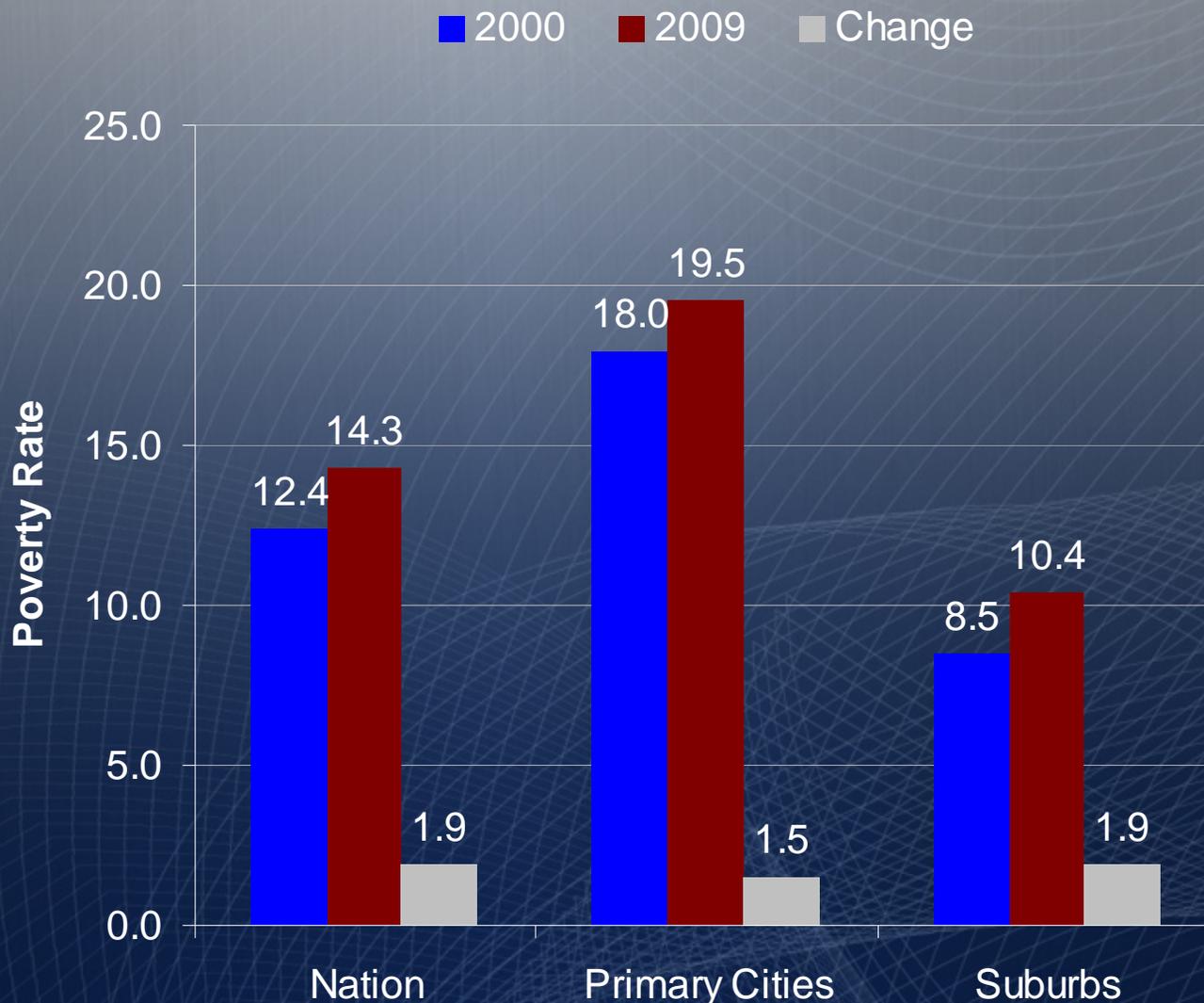
% change in poor population by county, West Michigan, 2000 to 2009

Source: Brookings analysis of Census 2000 and ACS data

Though urban poverty rates remain higher overall than in the suburbs, the gap has narrowed slightly over this decade

Poverty rate, primary cities versus suburbs, 95 largest metro areas*, 2000 and 2009

Source: Brookings analysis of Census 2000 and 2009 ACS data

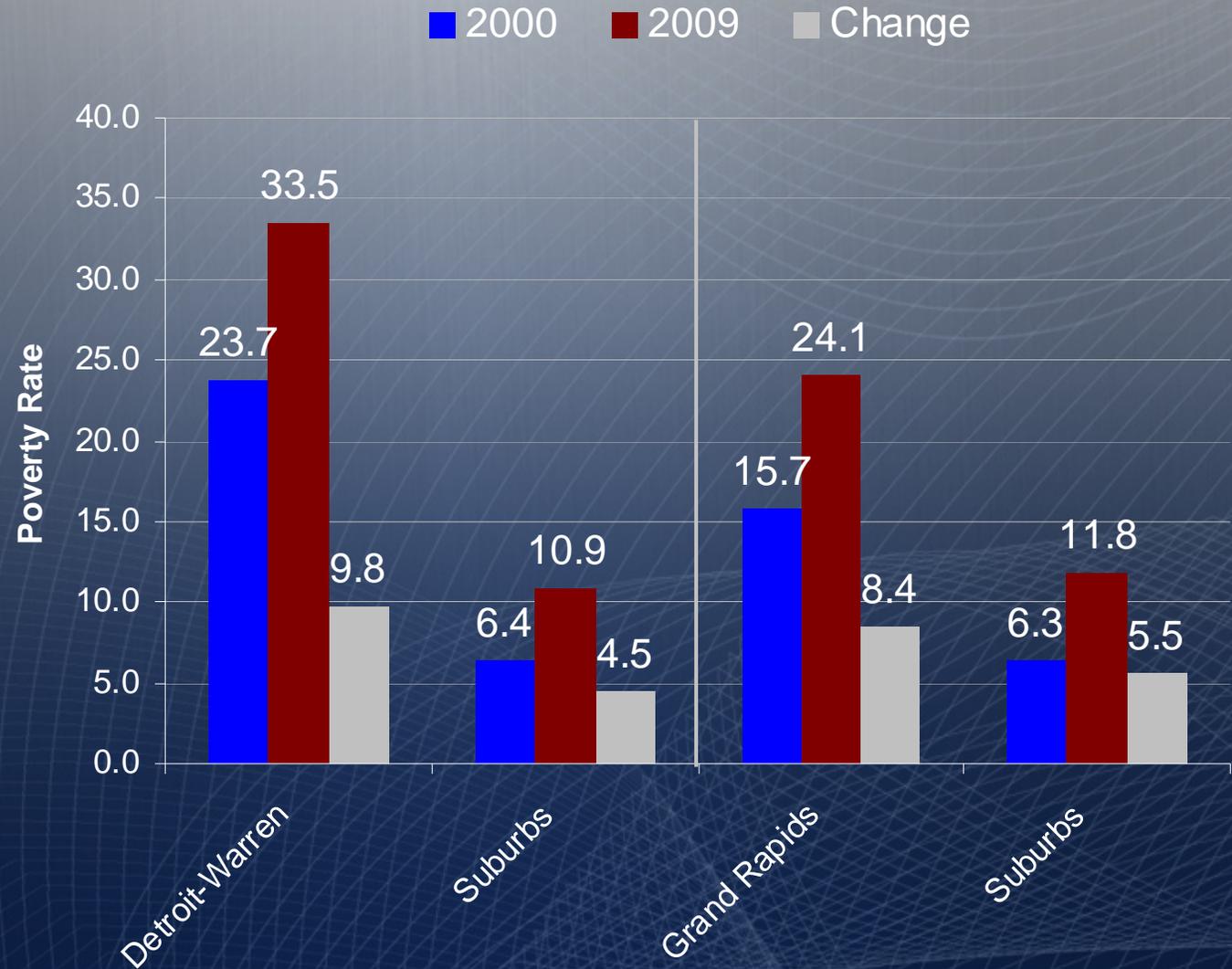


*Represent 95 of the largest 100 metropolitan areas for which data are available. All change estimates are significant at the 90 percent level.

However, this has not been the case in Michigan's largest metro areas

Poverty rate, primary cities versus suburbs, selected Michigan metro areas, 2000 and 2009

Source: Brookings analysis of Census 2000 and 2009 ACS data

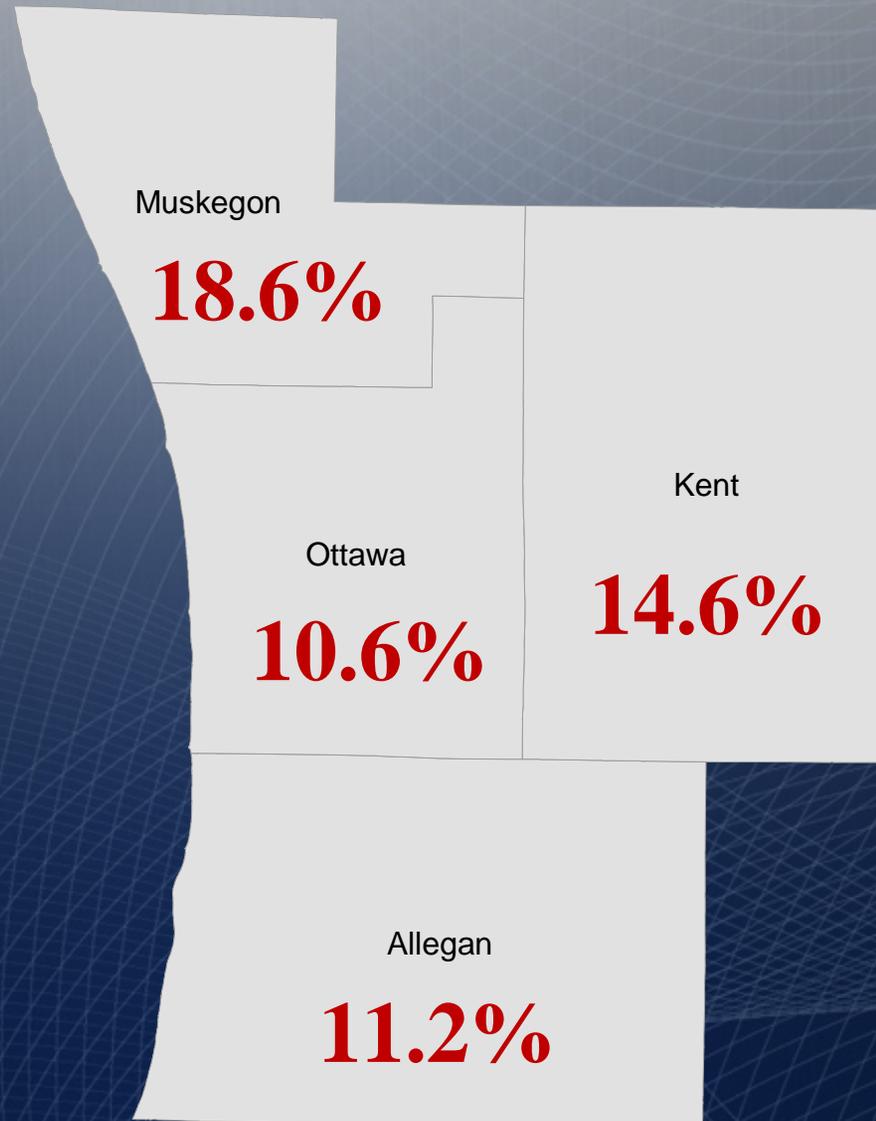


*All estimate of change are significant at the 90 percent confidence level.

Poverty rates still vary widely across West Michigan counties

Poverty rate by
county, West
Michigan, 2009

Source: Brookings analysis of ACS data



Overview

I WHERE do the metropolitan poor live today?

II WHO are the metropolitan poor?

III WHY does this shifting geography matter for public policy?

IV HOW might the Great Recession affect these trends?

V WHAT strategies effectively engage this new geography of poverty?

Demographically, the suburban poor are more likely to be white, and from married couple families

Characteristics of city versus suburban poor, 100 largest metro areas, 2008

Source: Brookings analysis of 2008 ACS data

Proportion of poor	Primary cities	Suburbs
Overall*	18.0	9.2
Foreign-born*	22.3	19.1
Non-Hispanic white*	24.7	45.9
Married-couple families*	31.4	38.4
Female-headed families*	51.3	46.4
Under age 18	35.1	34.6

* Difference significant at 90% confidence interval

Nearly equal shares of city and suburban poor live in extreme poverty, have low education levels, work full-time, or have a disability

Characteristics of city versus suburban poor, 100 largest metro areas, 2008

Source: Brookings analysis 2008 ACS data

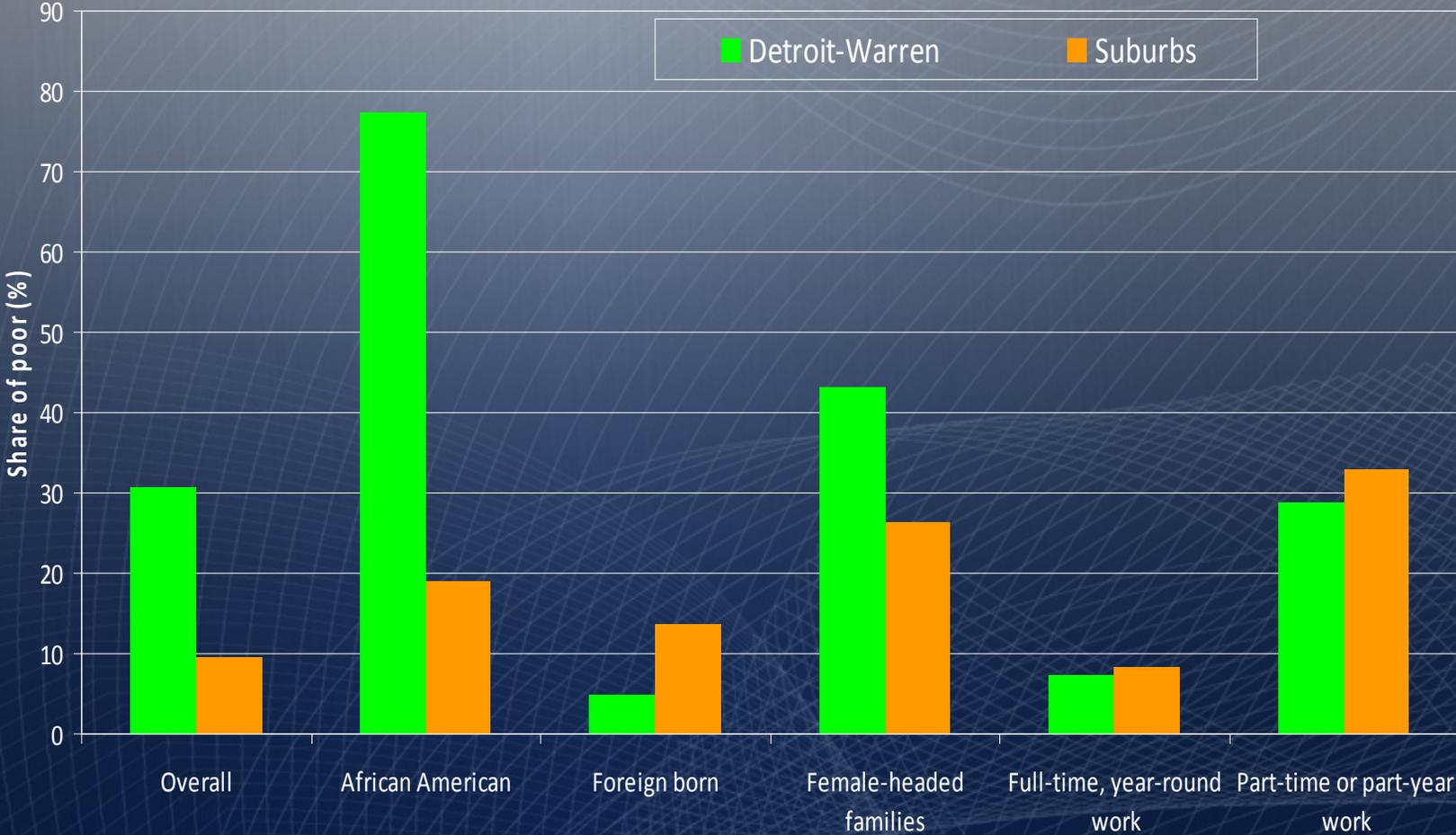
Proportion of poor	Primary cities	Suburbs
Overall*	18.0	9.2
Income below 50% poverty*	44.0	42.2
With H.S. diploma or less*	66.7	63.7
Have FT, year-round worker	24.2	24.2
Have PT/part-year worker*	36.5	39.4
Working-age disabled	20.1	19.9

* Difference significant at 95% confidence interval

Significant disparities persist in the prevalence and profile of city v. suburban poverty within some metro areas, like Detroit...

Characteristics of city versus suburban poor, Detroit-Warren metro area, 2008

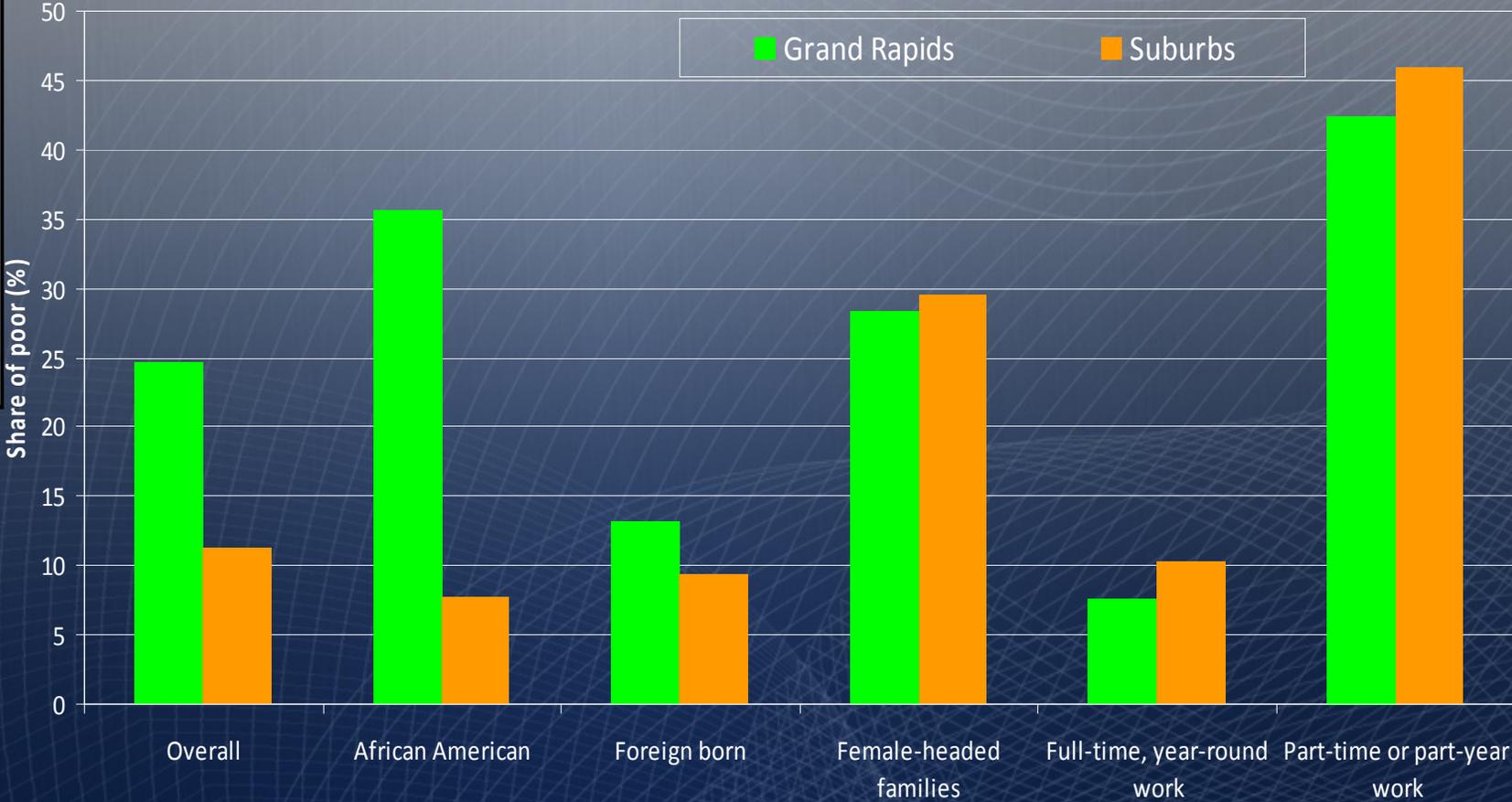
Source: Brookings analysis of 2008 ACS data



Though less so in Grand Rapids

Characteristics of city versus suburban poor, Grand Rapids metro area, 2008

Source: Brookings analysis of 2008 ACS data



Overview

I WHERE do the metropolitan poor live today?

II WHO are the metropolitan poor?

III WHY does this shifting geography matter for public policy?

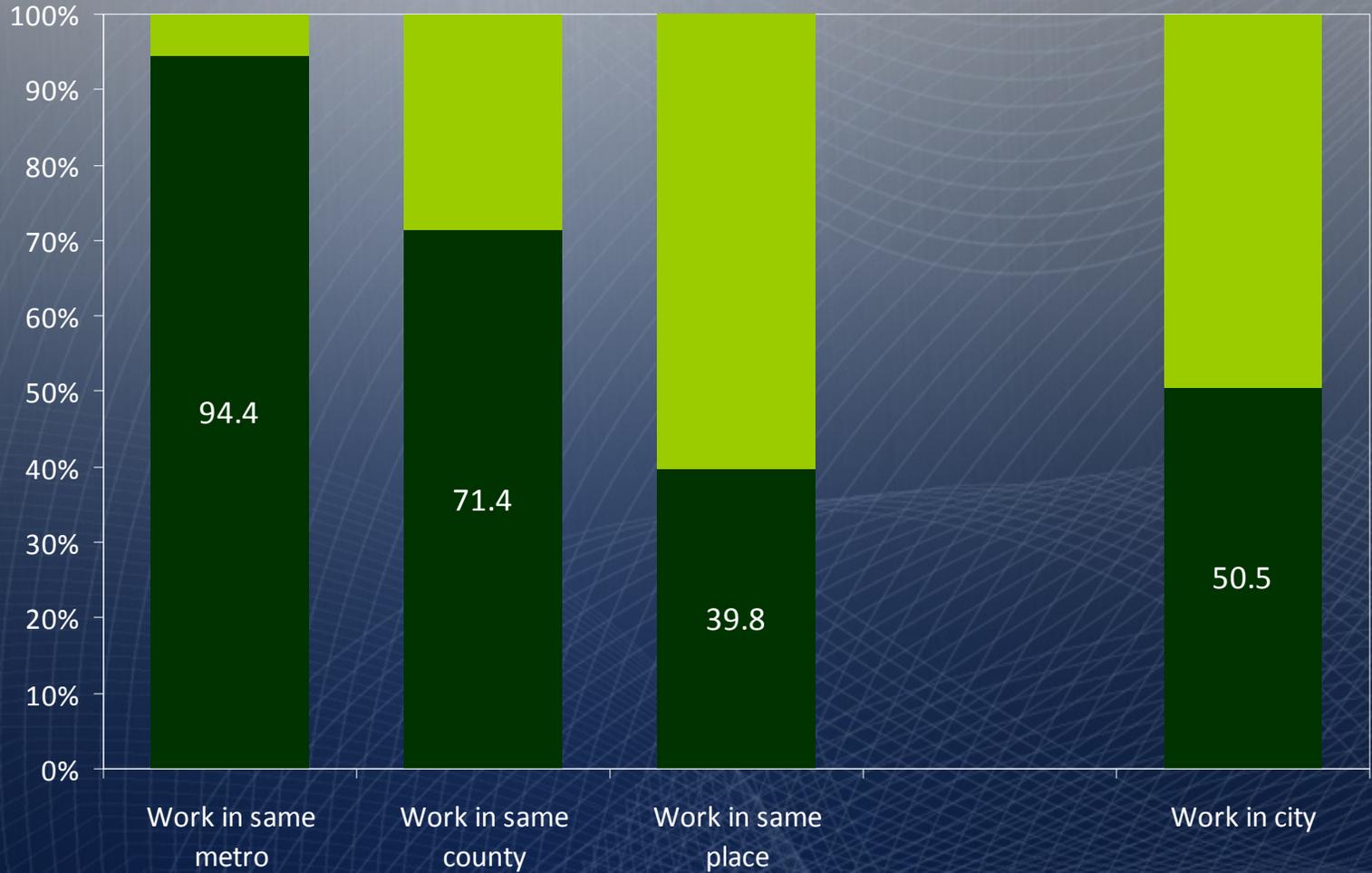
IV HOW has the Great Recession affected these trends?

V WHAT strategies effectively engage this new geography of poverty?

Poverty—and strategies to alleviate it—are bound up more than ever with the labor market, and the labor market is metro

Workplace location relative to residence, workers in 100 largest metro areas, 2008

Source: Brookings analysis of ACS data



Like most major metro areas, Detroit and Grand Rapids have seen jobs decentralize, but under very different circumstances

Detroit

Ring	1998	2006	Change
Within 3 miles of downtown	7.3	7.0	-0.3
3 to 10 miles from downtown	18.5	15.7	-2.8
10 to 35 miles from downtown	74.2	77.4	3.1

Share of jobs by distance from downtown, Detroit and Grand Rapids region, 1998 and 2006

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

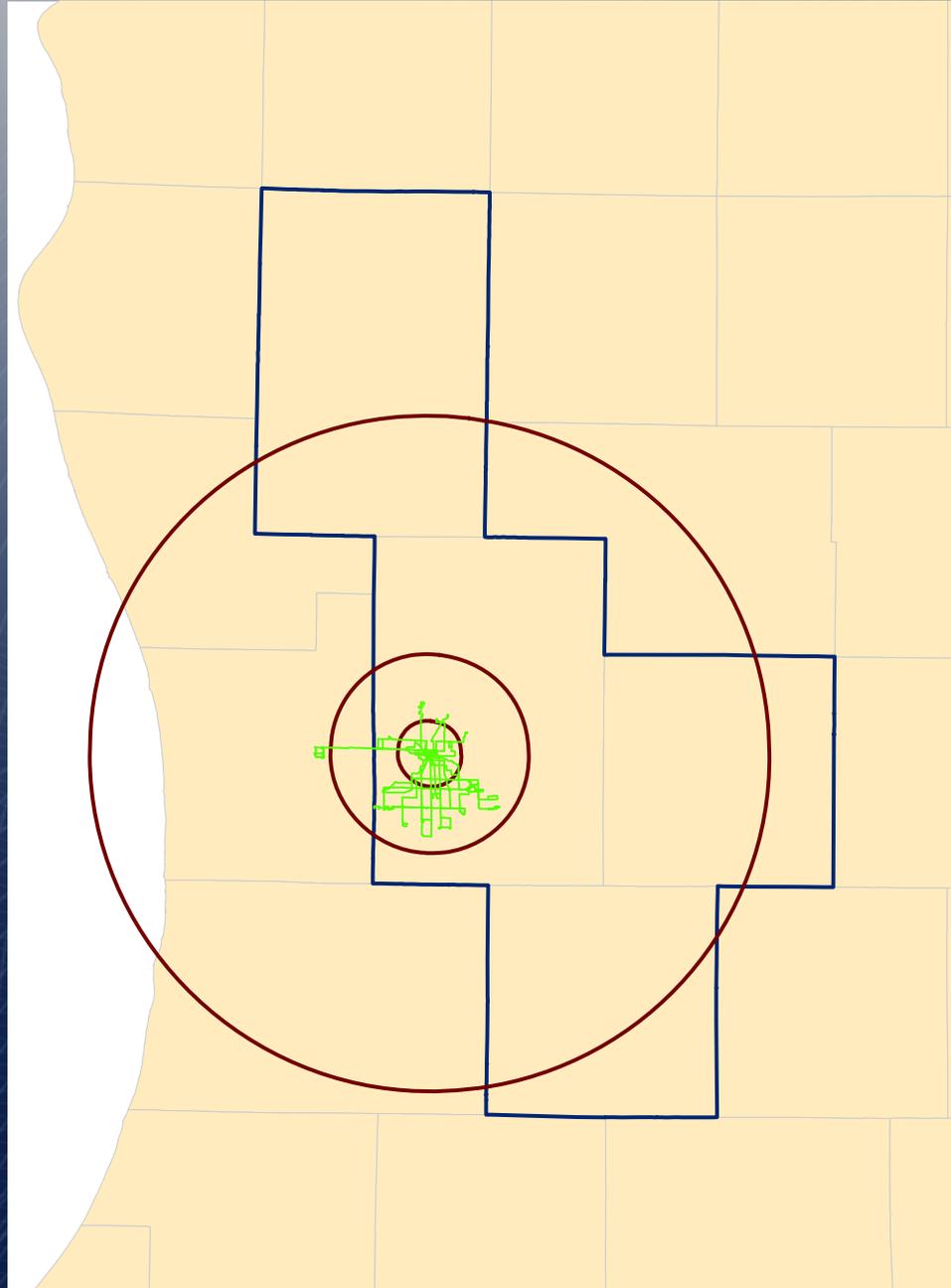
Ring	1998	2006	Change
Within 3 miles of downtown	30.4	27.8	-2.6
3 to 10 miles from downtown	55.5	56.9	1.4
10 to 35 miles from downtown	14.1	15.2	1.2

Grand Rapids

In general the suburban poor are less likely to live in a jobs rich neighborhood compared to higher-income suburbanites, and transit options in the suburbs tend to be limited

Grand Rapids bus routes in comparison to employment zones

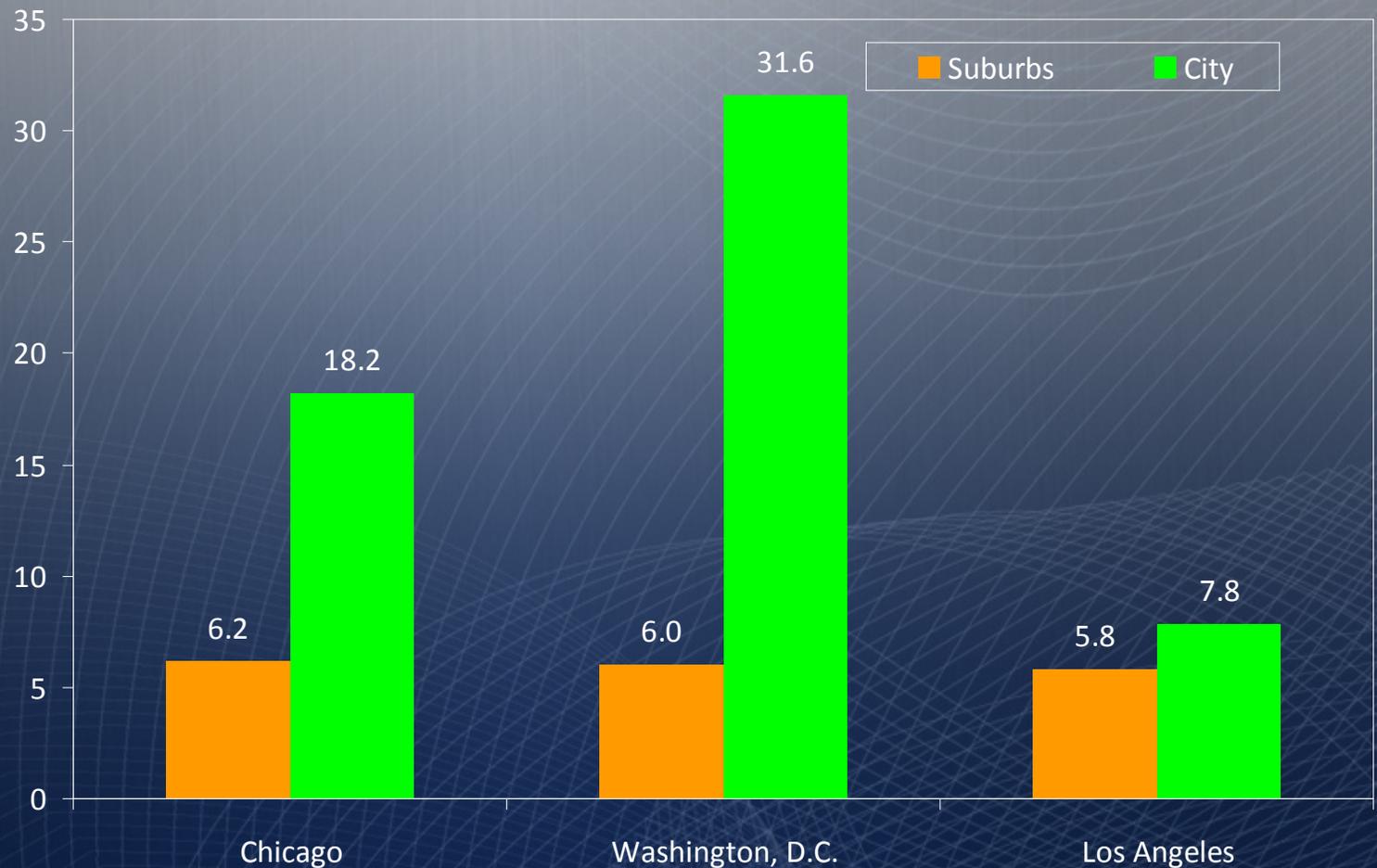
Source: Brookings analysis of U.S. Census Bureau data



The social services infrastructure in diversifying suburbs is generally weaker than that in central cities

Mean number of social service providers within 1.5 miles in neighborhoods with rising poverty rates, selected cities and suburbs, 2003

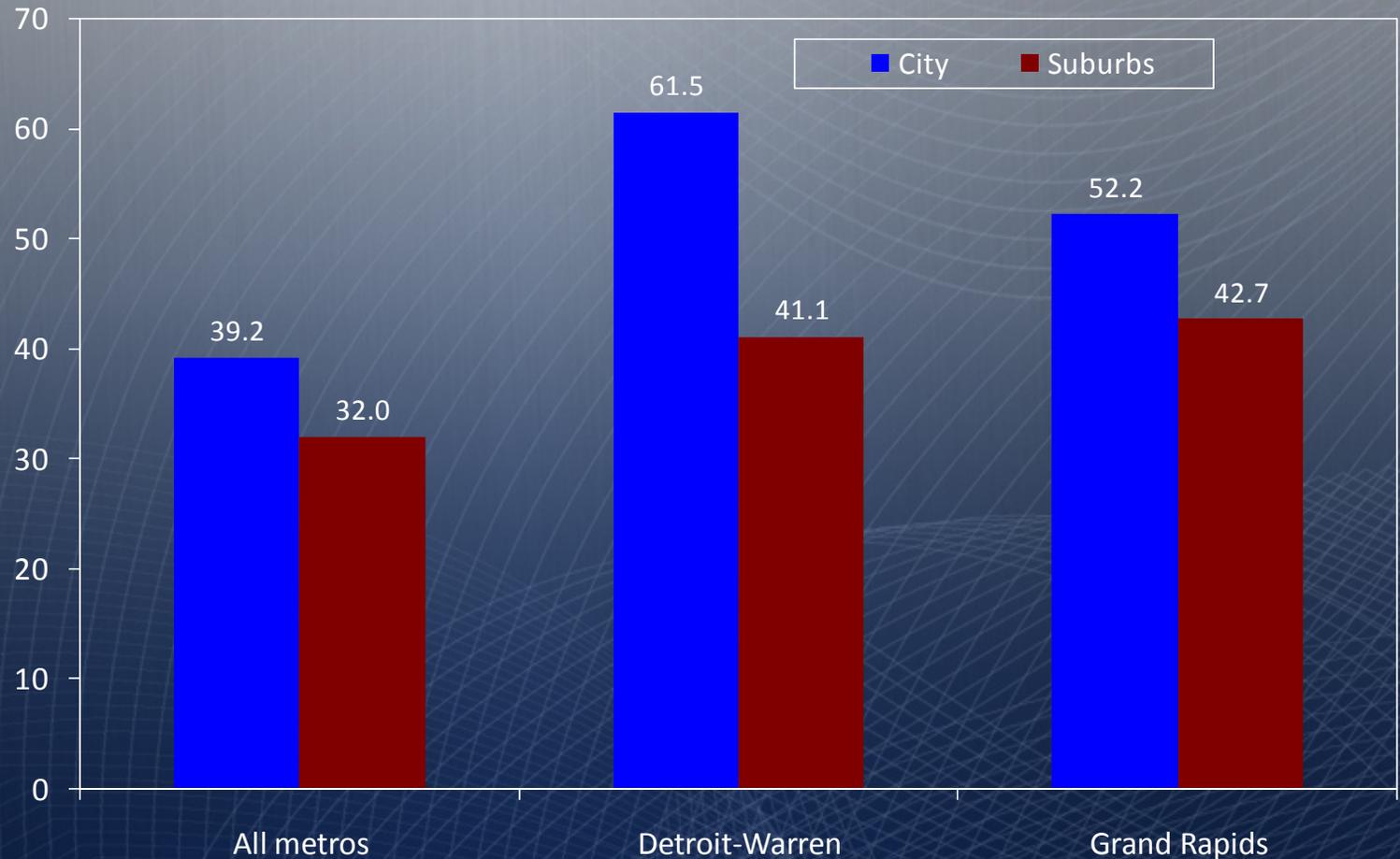
Source: Allard (2004)



Among poor households, suburban residents access food stamps at significantly lower rates than city residents

Share of below-poverty households receiving food stamps, by location, 2008

Source: Brookings analysis of ACS data



Overview

I WHERE do the metropolitan poor live today?

II WHO are the metropolitan poor?

III WHY does this shifting geography matter for public policy?

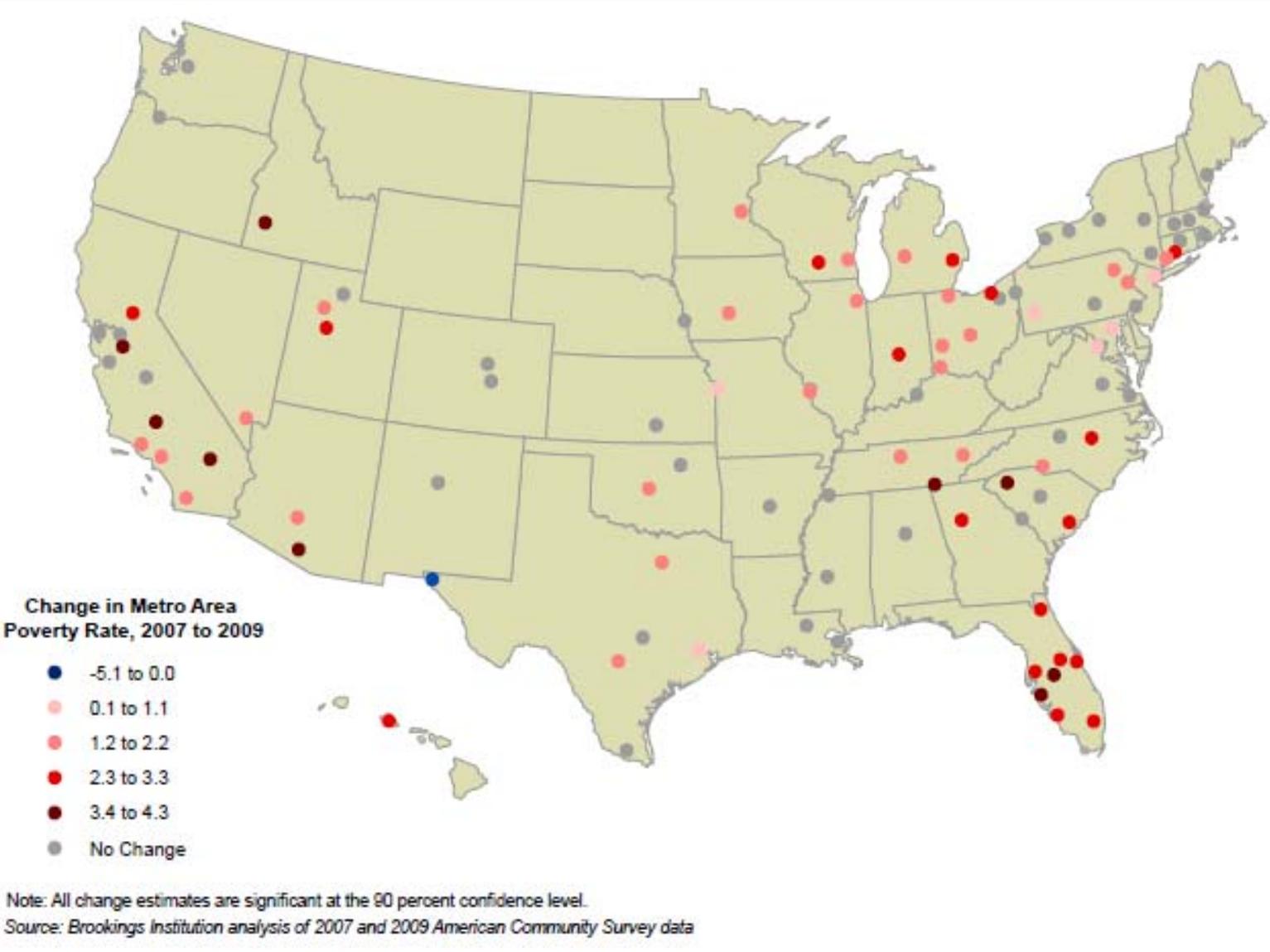
IV HOW has the Great Recession affected these trends?

V WHAT strategies effectively engage this new geography of poverty?

California and Florida dominated the lists of metro areas experiencing the largest increases between 2007 and 2009 due to the effects of the housing crisis

Metro areas experiencing significant changes in poverty rates, 2007-09

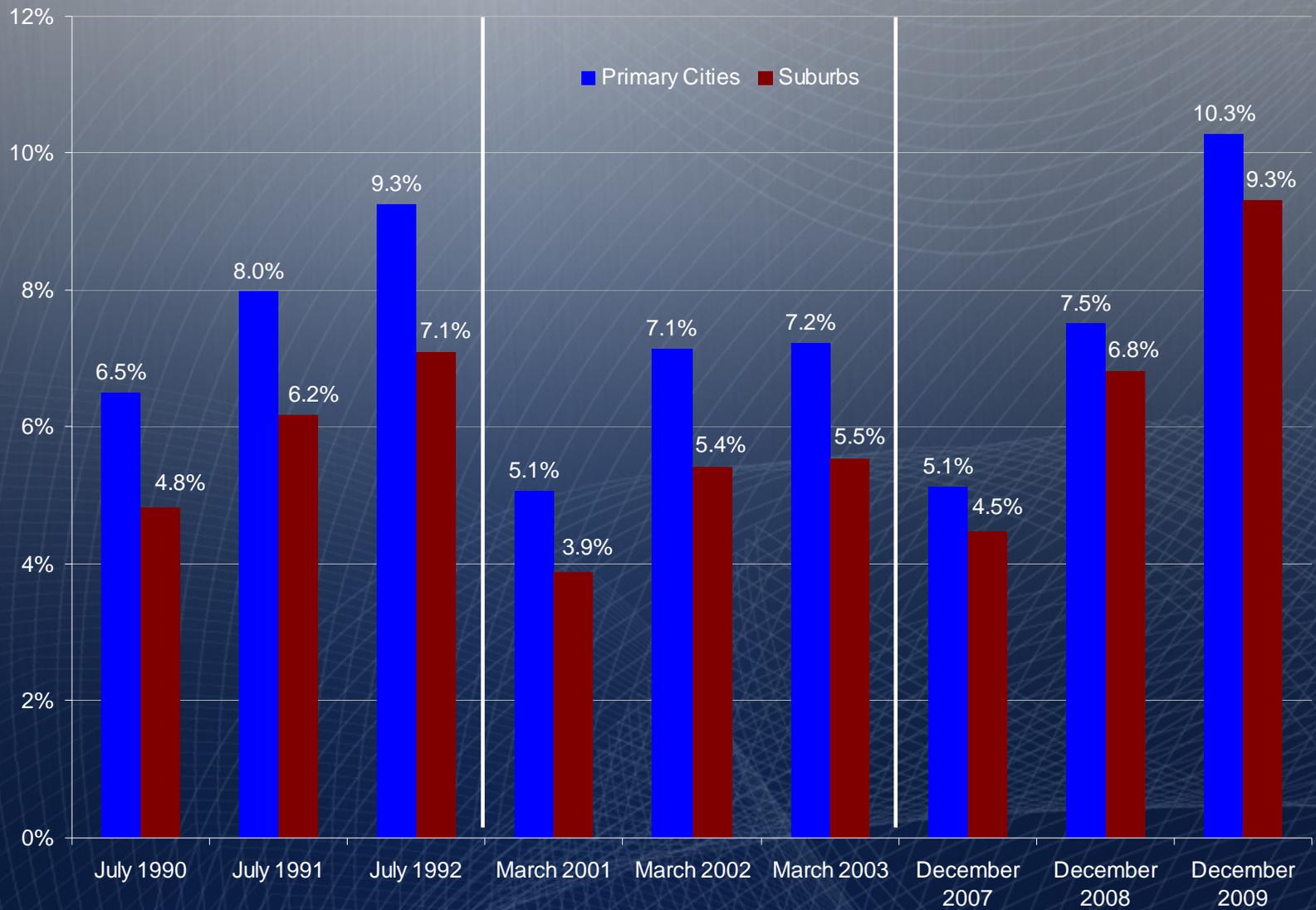
Source: Brookings analysis of ACS data



Unemployment data suggest that cities and suburbs are feeling the effects of this recession in roughly equal measure

Unemployment rate, cities and suburbs, 100 largest metro areas, 12 and 24 months following the start of the 1990, 2001, and 2007 recessions

Source: Brookings analysis of BLS data

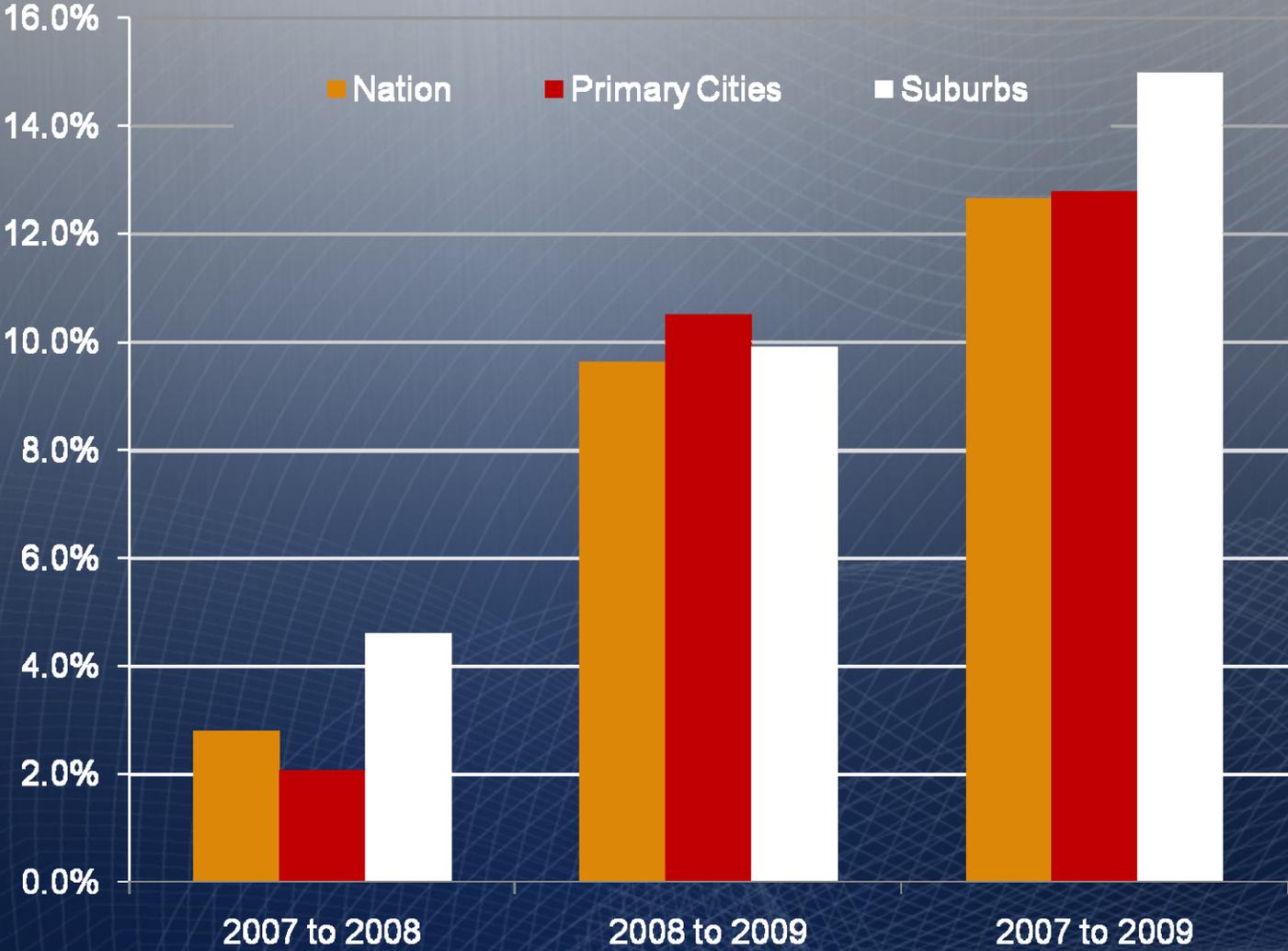


*Data for Indianapolis are not available prior to 1995. Hawaii is excluded from each year because BLS does not report city data separate from the county.

Growth rates among the city and suburban poor populations during the Great Recession show a similar story

Change in poor population, cities and suburbs, 2007, 2008, and 2009

Source: Brookings analysis of ACS data



During the recession, Ottawa was the only West Michigan county to see its poverty rate increase significantly, but all WM counties continue to struggle with high unemployment

Annual average
unemployment rate
by select county, July
2010

Source: Brookings analysis of LAUS
data

Muskegon

14.9%

Ottawa

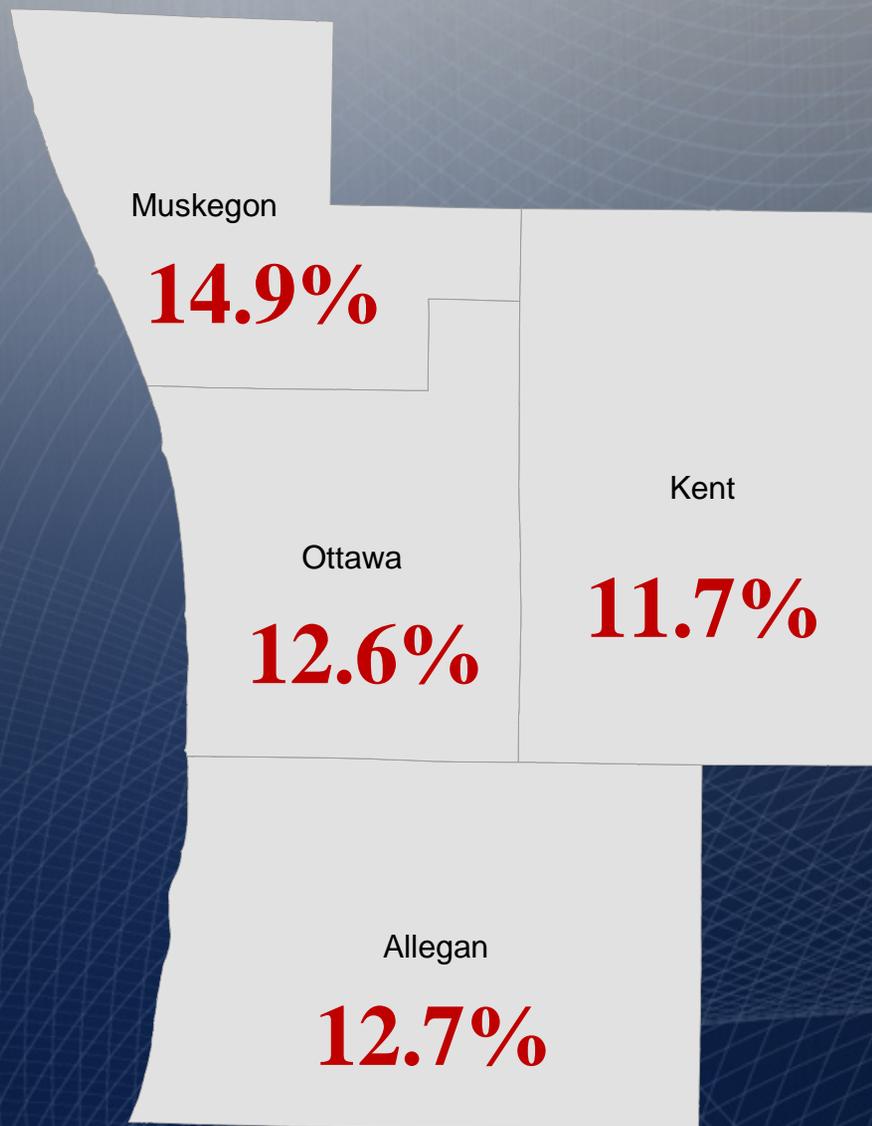
12.6%

Kent

11.7%

Allegan

12.7%



Suburban social services providers are being stretched, demand-wise and revenue-wise, in current environment

Findings from Scott Allard's interviews with suburban service providers in Chicago, Los Angeles, and Washington, D.C.

Suburban safety nets are stretched thin

- Nearly two-thirds run programs in more than one municipality, and one-third in more than one county

Demand is up considerably during the recession

- On average providers saw demand increase 30%, with one-fifth seeing increases of 50% or more
- Three-quarters of nonprofits are seeing more clients with no previous connection to the safety net, and the types of demands are changing too

Revenues are down

- 47% report decrease in key revenue source

Tougher times ahead

- 66% expect cuts in government funding
- 47% expect philanthropic dollars to fall

What are some coping strategies service providers have reported using to face these challenges? Allard found a range of responses...

Cutting back

- 28% cut staff, 22% reduced services, 13% cut caseloads

Making resources stretch

- Collaboration has helped some providers improve quality and efficiency. Others have turned to call centers, tried co-locating services, or fostered partnerships with local (e.g. community colleges) and non-local (e.g., Americorps) institutions.

Recruiting more volunteers

- Some are turning to volunteers to handle previously paid positions. Others are recruiting recently unemployed individuals to volunteer their expertise

Seeking new funding

- Some started a new social enterprise or fee-based program. Others have put more time into private fundraising. Many are working to tap into federal stimulus dollars, government contracts, and foundation grants

Overview

I WHERE do the metropolitan poor live today?

II WHO are the metropolitan poor?

III WHY does this shifting geography matter for public policy?

IV HOW has the Great Recession affected these trends?

V WHAT strategies effectively engage this new geography of poverty?

We are just beginning to wrestle with what these trends imply for policy, practice, and systems

1. Overcoming geographic/informational barriers to delivering work supports



Can more “bricks and mortar” organizations scale operations metro-wide? Would it enhance sustainability?

Do states like Wisconsin that have streamlined access do a better job reaching the suburban poor?

How can agencies use funding, regulatory authority to ease access to programs for harder-to-reach families?

We are just beginning to wrestle with what these trends imply for policy, practice, and systems

2. Enhancing human capital at the regional scale of the labor market



Can institutions work together on a metro-wide basis to serve city and suburban clients effectively?

Do explicitly regional strategies like industry partnerships effectively overcome jurisdictional fragmentation?

Where can federal workforce and higher ed programs usefully encourage enhanced regional collaboration?

We are just beginning to wrestle with what these trends imply for policy, practice, and systems

3. Investing strategically in low-income people and communities at the metro scale



What are the opportunities/challenges in making regional philanthropy more “regional?”

We are just beginning to wrestle with what these trends imply for policy, practice, and systems

4. Meeting housing and transportation needs on a metropolitan basis



Can federal policy “join up” housing and transportation in ways that benefit lower-income households?

Questions?

