

Four new studies on race and poverty trends

Kami Kruckenberg and Philip Tegeler*

Several recent studies on poverty and inequality, using a five year data from the American Community Survey, help to provide context to the 2010 poverty data released this month. Taken together, these studies illustrate the persistent disproportionate racial impact of poverty in America, rising numbers of African American and Latino families living in high poverty neighborhoods, and alarming increases in overall poverty and wealth inequality. We provide some of our own brief summaries from four of these reports below:

Rolf Pendall, Elizabeth Davies, Lesley Freiman, and Rob Pitingolo, *A Lost Decade: Neighborhood Poverty and the Urban Crisis of the 2000s* (The Urban Institute, for the Joint Center on Political and Economic Studies, September 2011), available at www.jointcenter.org/institutes/health-policy:

- 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. This rise since 2000 is a significant setback compared with progress in the 1990s.
- African Americans, Hispanics, and American Indians continue to be substantially more likely to live in high-poverty neighborhoods than white non-Hispanics, and people who live below the poverty line—especially minorities in poverty—are at special risk of living in high-poverty neighborhoods.
- The report also includes interesting insights on the variations in concentrated poverty trends across different metro areas, the increasing racial/ethnic heterogeneity of many high poverty neighborhoods, and an analysis of the racial and economic trajectories, since 1970, of the original “ghetto” neighborhoods identified in the Kerner Commission report in 1968.

Pew Research Center, *Twenty-to-One: Wealth Gaps Rise to Record Highs Between Whites, Blacks and Hispanics*, (July 2011), available at <http://pewsocialtrends.org/>:

- In the wake of the foreclosure crisis, the median wealth of white households is now 20 times that of black households and 18 times that of Hispanic households.

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- This wealth gap between whites and minorities is at a historic high, largely because of the slide in housing prices. From 2005 to 2009, inflation-adjusted median wealth fell by 66% among Hispanic households and 53% among black households, compared with just 16% among white households.
- Hispanics were hit hardest by the meltdown in the housing market. From 2005 to 2009, the median level of home equity held by Hispanic homeowners declined by half -- from \$99,983 to \$49,145 -- while the homeownership rate among Hispanics was also falling, from 51% to 47%.

John R. Logan, *Separate and Unequal: The Neighborhood Gap for Blacks, Hispanics and Asians in Metropolitan America* (Brown University, July 2011) available at www.s4.brown.edu/us2010/

- This study finds that African Americans and Latino families live in substantially poorer neighborhoods than white families, notwithstanding family income levels.
- Overall, Black and Hispanic households live in neighborhoods with more than one and a half times the poverty rate of neighborhoods where the average non-Hispanic white lives.
- The average black or Hispanic household earning more than \$75,000 still lives in a less affluent, resource-rich neighborhood than white household that earns less than \$40,000
- Even Asians, who have higher incomes than blacks and Hispanics and are less residentially segregated, live in somewhat poorer neighborhoods than whites.
- Racial segregation itself is the prime predictor of which metropolitan regions are the ones where minorities live in the poorest and least desirable neighborhoods.

Nancy McArdle, Theresa Osypuk, Erin Hardy, and Dolores Acevedo-García, *Child Segregation Issue Brief* (DiversityData Project, July 2011) available at <http://diversitydata.sph.harvard.edu>

- This study's authors found that segregation levels remain high for black and moderate for Latino children living in the 100 metropolitan areas, although residential segregation declined moderately between 2000 and 2010.
- Black segregation fell substantially in large, highly-segregated Midwestern metros, such as Detroit, Chicago, Minneapolis, and Kansas City, and in smaller metros in Florida and in the West.
- While blacks faced higher segregation rates, black segregation fell in the great majority (83) of the 100 largest metro areas; whereas, Latino segregation fell in only 52 metro areas.
- Increasing segregation of Latino children in many of the small to medium-sized metros in the South and Midwest, which are experiencing some of the fastest Latino growth, bears careful attention.