



## THE EVOLUTION OF CONCENTRATED POVERTY

**41.6% of Davidson County's Census Tracts have more than 20% of the residents in poverty.**

### ***The Enduring Challenge of Concentrated Poverty in America***

In 2008, the Federal Reserve System and Brookings Institution produced *The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S.*

It notes that high poverty communities increased dramatically from 1970 to 1990 with variation since that time. They note that there has been some progress in certain areas, but indicate that poverty may be spreading to impoverished suburbs.

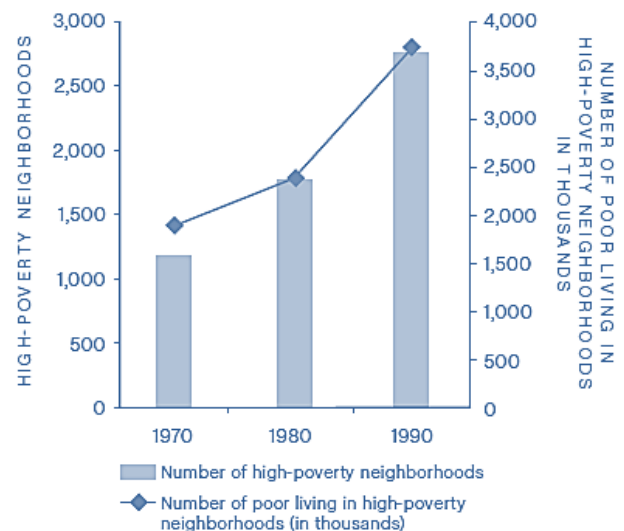
After the dramatic increase in concentrated poverty areas, between 1990 and 2000, the pattern temporarily reversed, possibly because of the strong nationwide and global economy. Following that, the escalation in concentrated poverty continued.

*The Enduring Challenge* noted also that, "Large numbers of low-income and low-skilled households living in the same place makes a community less attractive to mainstream investors, employers, and business location advisers. In turn, this may limit local amenities, job opportunities, and quality housing options and may create a 'spatial mismatch between neighborhood residents and employment centers," along with transportation challenges.

The report focuses on 16 communities of concentrated poverty and found some differences but many similarities across these diverse areas. It notes that there are many detrimental circumstances faced by poor individuals and families (hunger, homelessness, low wages, poor health, etc.). However, by living in areas of concentrated poverty, they experience even greater burdens because of their location that can have broader effects that limit economic potential and social cohesion.

Communities studied included Albany, Georgia; Atlantic City, New Jersey; Austin, Texas; Blackfeet, Montana; Cleveland, Ohio; Crownpoint, New Mexico; El Paso, Texas; Fresno, California; Greenville,

**Trends in concentrated poverty in metropolitan areas between 1970 and 1990**



SOURCE: Paul Jargowsky, *Poverty and Place* (New York: Russell Sage Foundation, 1997), 34.

North Carolina; Holmes County, Mississippi; Martin County, Kentucky; McDowell County, West Virginia; Miami, Florida; Milwaukee, Wisconsin; Rochester, New York and Springfield, Massachusetts.

A section of the report, entitled *Does Neighborhood Matter? Moving Out of Concentrated Poverty*, examined programs created to move people out of areas of concentrated poverty. It noted that some programs reported positive results but others had mixed success. Because of a number of variables, it is difficult to measure the causation of changes. In addition, they noted the possible historical impacts of concentrated poverty and how it may have modified attitudes and behaviors that impair upward mobility.



*The Enduring Challenge* described specific negative factors often related to areas with concentrated poverty:

- The lack of business competition and higher costs of doing business in poor neighborhoods “can raise the prices charged for basic goods and services, such as food, car insurance, utilities and financial services,” and poor residents pay more for items than those who shop in middle-income areas.
- Some employers stigmatize high-poverty locations and are reluctant to hire residents.
- Low workforce participation in distressed neighborhoods often removes them from informal networks that often help workers find better jobs.
- Children who grow up in areas of concentrated poverty, where the vast majority of students are poor, are at greater risk for failure and dropping out of school.
- High-poverty neighborhoods may include challenged schools, increase in premarital childbearing, and likelihood of incarceration.
- Concentrated poverty inner-city areas have higher rates of crime, except for violent crimes. In poor areas, neighborhood peer groups can promote the adolescents’ involvement in drug use or criminal behavior.
- Residents of concentrated poverty areas are more likely to have health problems, because of factors such as environment (unsafe housing, high crime, lead paint, pollution from high traffic roads), but the quality and type of care may be diminished.
- Concentrated poverty can lead to political and societal divisions, thus eroding civic capacity by limiting the ability to find common ground and creating misunderstanding, distrust and negative assumptions in both groups.

These issues “entangle many high-poverty communities in a Gordian knot, where, for example, deficits in residents’ skills frustrate efforts to attract new investment, and the lack of new investment makes it more difficult to move more and more people into work and to improve their skills.” The temporary decline in concentrated poverty during the 1990s and more recent improvement in limited geographic areas suggest that improvement could be achieved. Despite the disadvantages and isolation, many longtime residents of these neighborhoods demonstrate deep commitment to their communities and can be key in making their communities more viable for future residents and businesses.

[http://www.frbsf.org/community-development/files/cp\\_fullreport.pdf](http://www.frbsf.org/community-development/files/cp_fullreport.pdf)



### ***More People Now Live in Concentrated Poverty Areas***

On June 30, 2014, the U. S. Census Bureau released *Changes in Areas With Concentrated Poverty: 2000 to 2010*, which analyzed census tracts that had poverty rates of 20% or more.

The report noted that Tennessee, along with Arkansas, North Carolina and Oregon, had some of the largest percentage point increases for people living in poverty areas.

***Changes in Areas with Concentrated Poverty noted, “The concentration of poverty has surged once again since 2000 . . . and in some ways exceeded the previous peak level of 1990.”***

The 2010 U. S. data found that:

- 25.7% of the U. S. population lived in poverty areas in 2010.
- The number and percentage of people living in poverty areas increased after 2000.
- 45 million people lived in poverty and more than half of those lived in poverty areas.
- Of people living in areas of concentrated poverty, 51.1% lived in central cities of metropolitan areas, 28.6% in suburban areas and 20.4% outside metropolitan areas.

In 2000, 18.1% of people lived in concentrated poverty, which increased to 25.7% in 2010, an increase of 7.6%. Tennessee experienced an increase of 16.0% in the number of people living in poverty areas, 17.3% in 2000 and 33.3% in 2010.

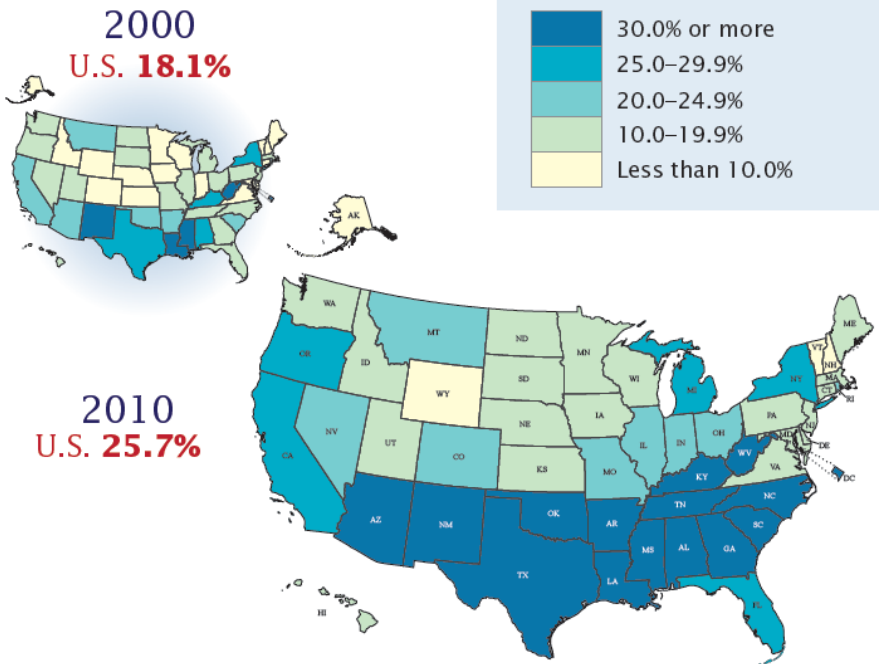
The only state that experienced an increase of more than 16.0% was North Carolina at 17.9%. In some states, there were decreases in the number of people who lived in concentrated poverty, including Louisiana, West Virginia, Alaska, Hawaii and the District of Columbia. The number of Tennesseans who lived in poverty areas increased from 282,876 in 2010 to 625,180 in 2012.

# Living in Poverty Areas

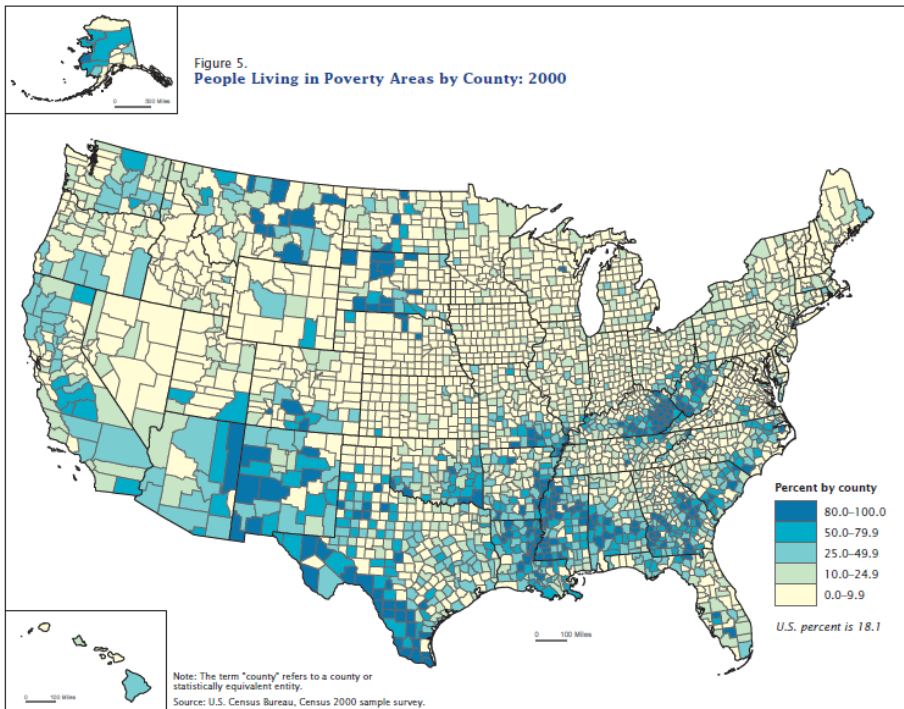
Percent state population living in neighborhoods where 20% or more of people have incomes below the poverty level

Between 2000 and 2010, the percentage of concentrated poverty areas (over 20% poverty rate) increased across several states.

Tennessee increased from the 10.0-19.9% category in 2000 to the category of 30.0% or more in 2010 (compared to 25.7% for the U.S.).

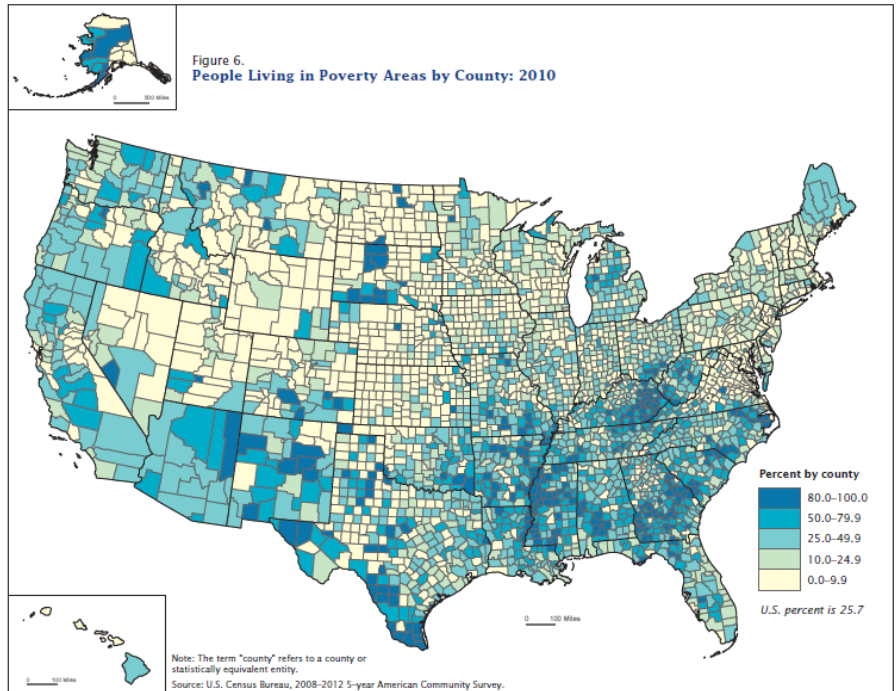


United States™ Census Bureau | U.S. Department of Commerce Economics and Statistics Administration U.S. CENSUS BUREAU [census.gov](http://census.gov) | Source: U.S. Census Bureau, 2000 Census, 2012 American Community Survey 5-year file



In 2000, Davidson County was in the 10.0-24.9% category for people living in concentrated poverty areas, compared to the 18.1% rate for the U.S.

By 2010, Davidson County had moved up to the 25.0-49.9% for people living in concentrated poverty areas, compared to the U.S. rate of 27.5%.



*Changes in Areas With Concentrated Poverty* described the characteristics of those who lived in areas of concentrated poverty.

- Between 2000 and 2010, the number and percentage increased for all three major age groups: under age 18 (increase from 14.4 million in 2000 to 20.3 million in 2010), ages 18-64 (29.9 million in 2000 increased to 48.6 million in 2010) and ages 65 and older (increased from 5.1 million in 2000 to 8.5 million in 2010).
- There were increases in those who lived in concentrated poverty for all races and ethnicities, although the percentages were higher for Blacks, Hispanics, American Indians and Alaska Natives than for Whites and Asians.
- The proportion of people in poverty across all education levels increased from 2000 to 2010 in areas of concentrated poverty.
- In 2000, 20.8 million of the civilian labor force participants aged 16 and over lived in poverty areas, compared to 36.5 million in 2010.
- Between 2000 and 2010, a shift in concentrated poverty areas began with poor people and their communities moving from central cities to the suburbs.

<https://www.census.gov/content/dam/Census/library/publications/2014/acs/acs-27.pdf>

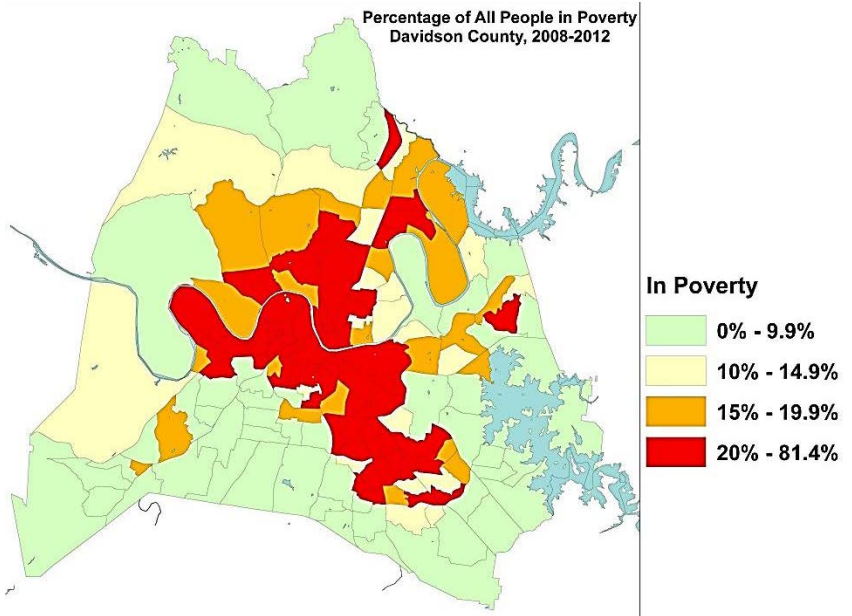
### ***Poverty in Davidson County***

According to the 2012 American Community Survey by the U. S. Census Bureau, 18.9% of Davidson County's 648,000 residents (122,472 people) were in poverty. These impoverished residents are

distributed in a disproportionate way across Davidson County, and the areas with more than 20% poverty have increased between 2000 and 2008-2012, as shown in the following maps.

Davidson County has 161 census tracts, with poverty rates of 20% or more in 67 (41.6%) of those census tracts, as reported in the 2012 American Community Survey. Ten of those census tracts have poverty rates of more than 50%.

[http://www.nashville.gov/Portals/0/SiteContent/SocialServices/docs/plann\\_coord/maps/PovAllPeopCensusTkCounDist-ACS-2008-2012.pdf](http://www.nashville.gov/Portals/0/SiteContent/SocialServices/docs/plann_coord/maps/PovAllPeopCensusTkCounDist-ACS-2008-2012.pdf)



For comparison purposes, below is a map showing census tracts with poverty rates over 20% in 2000.

