

# Poverty has become more concentrated under Obama

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Under the Obama administration, more Americans have found themselves consigned to economic ghettos, living in neighborhoods where more than 40 percent subsist below the poverty level. Millions more now live in “high poverty” districts of 20-40 percent poverty, according to recently released report by the Brookings Institution.

All in all, more than half of the nation’s poor are now concentrated in these high-poverty neighborhoods. This means that on top of the difficult daily struggle to make ends meet, they face a raft of additional crushing barriers because of where they live.

The Brookings’ Metropolitan Policy Program report, “Concentrated poverty continues to grow post recession,” is authored by Elizabeth Kneebone and Natalie Holmes and scrutinizes this unprecedented shift in the aftermath of the 2008 financial meltdown.

The report, based on an analysis of US census tracts, shows that concentrations of poverty have grown under the Obama administration in all geography types: large metropolitan areas, small cities and rural areas. In fact, the number of poor people living in concentrated poverty in suburbs grew nearly twice as fast as in cities, putting paid to the myth of affluence or even stability in America’s suburbs.

The growth of social and economic distress within large parts of the US is demonstrated by the statistics. Pockets of high poverty exist in virtually every part of the country, including adjacent to the nation’s wealthiest neighborhoods. Since 2000, according to the report, the total number of poor people living in high-poverty neighborhoods has doubled to 14 million Americans. This is five million more than prior to the Great Recession.

Referring to the “double burden” facing the poor when they live in high-poverty neighborhoods, Kneebone and Holmes say, “Residents of poor neighborhoods face higher crime rates and exhibit poorer physical and mental health outcomes. They tend to go to poor-performing neighborhood schools with higher dropout rates. Their job-seeking networks tend to be weaker and they face higher levels of financial insecurity.”

These effects are clearly discernible once a neighborhood’s poverty rate exceeds 20 percent, the report explains. During the study period, between 2005-09 and 2010-14, the number of such high poverty neighborhoods grew by more than 4,300.

## Across many demographics: City and suburb, black and white

Suburbs accounted for one-third of the newly high-poverty neighborhoods, a higher share than cities, rural or small metro areas. The share of poor black and Hispanic suburban residents climbed by 10 percent while poor white residents climbed by eight percent, almost as much.

The palpable effects of the auto industry restructuring, with the Obama administration’s stipulation of a 50 percent cut in wages for new autoworkers, is demonstrated in the growth of poverty in the sprawling auto-dominated Detroit region. Out of metro Detroiters living in poverty, 58 percent now reside in suburban districts, according to a survey by Oakland County Lighthouse.

A recent and similar demographic study by the Century Foundation states that the six-county region has the highest concentration of poverty among the top 25 metro areas in the US by population. This represents 32 percent of the poor living in concentrated tracts.

There has been a staggering growth of poor neighborhoods in and around Detroit, Kneebone told the *Detroit Free Press*, adding that the number “grew almost fivefold between 2000 and 2010-14.” Detroit now has an official poverty rate of 39 percent, the highest in the US among cities with more than 300,000 residents.

“Sadly this report reinforces what we have been seeing year after year in Detroit and across Michigan,” Gilda Jacobs, of the Michigan League for Public Policy told the *World Socialist Web Site*. “Poverty is too high, and where people—especially kids—live has a direct and significant impact on their economic standing, health and other outcomes.”

## From the Rust Belt to the Sun Belt

Detroit, however, is just the most concentrated expression of the national trend. “Among the nation’s largest metro areas, two-thirds (67 percent) saw concentrated poverty grow between 2005-09 and 2010-14,” the Brookings study found. The authors note that some of the “largest upticks included a number of Sun Belt metro areas hit hard by the collapse of the housing

market—like Fresno, Bakersfield and Stockton in California and Phoenix and Tucson in Arizona—and older industrial areas in the Midwest and northeast—like Indianapolis, Buffalo, and Syracuse.”

Eight metro areas now show concentrated poverty over 30 percent: Milwaukee-Waukesha-West Allis, Wisconsin (30.1 percent); Memphis, Tennessee (31.1 percent); Bakersfield, California (31.7 percent); Detroit-Warren-Dearborn, Michigan (32 percent); Syracuse, New York (32.4 percent); Toledo, Ohio (34.9 percent); Fresno, California (43.8 percent); and McAllen-Edinburg-Mission, Texas (52.3 percent).

As the WWSWS has previously reported, all job growth over the last decade has been “temp” or contingency employment, traditionally the lowest wage levels of any job and paying no benefits. This loss of hundreds of thousands of good-paying jobs has impacted communities throughout the US. Concentrated poverty in suburbs has jumped 2.4 points in the wake of the recession, to a record high of 7.1 percent.

### What is the “double burden” of concentrated poverty?

In her remarks to the WWSWS, Gilda Jacobs elaborated on the double burden of concentrated poverty: “So many detrimental factors come with living in high-poverty neighborhoods. There are no viable jobs, public transportation, childcare, or grocery stores. Crime rates are high, there’s blight and abandoned buildings, and the health risks of lead exposure and asthma. Even Detroit’s public schools are unhealthy and even dangerous.

“This is what Detroit kids and other low-income children are dealing with every day, and what they have to try to overcome in improving their futures. These living and learning conditions are all connected, and harm kids’ development and learning, their academic outcomes and their future job prospects. It is called toxic stress when kids are under constant strain. This study reiterates that so many factors affecting poverty are external and environmental, making them nearly impossible to defeat alone,” she stressed.

A series of studies [including George Galster’s “The Mechanism(s) of Neighborhood Effects Theory, Evidence, and Policy Implications” and others] have documented how poor neighborhoods undermine even the most determined individual efforts to escape poverty.

Taken together, these studies demonstrate how the escalating growth of poverty concentration exacts an ever-higher toll on American society, affecting many aspects of life and particularly destroying the potential of the next generation.

**\*Education.** High-poverty neighborhoods exert “downward pressure” on school quality. Data from the Stanford Data Archive has recently shown a staggering effect upon child learning capacities of attending impoverished school districts. Utilizing 215 million state accountability test scores, the study showed that “Children in districts with the highest concentrations of poverty score an average of *more than four grade levels* below children in the richest districts [emphasis added].”

**\*Violence.** Exposure to violence has reached epidemic proportions for low-income youth, particularly among minorities. Parental stress over neighborhood violence is a substantial factor motivating families to move—when they can—from high-poverty neighborhoods, compounded by fears of negative peer influences upon their children. Youth and adults who have been exposed to violence as witnesses or victims suffer increased stress and documented declines in mental health.

**\*Toxic exposures.** Poor areas are chronically associated with higher concentrations of air-, water- and soil-borne pollutants. Lead poisoning is most often associated with older housing stock. Researchers have demonstrated that depression, asthma, diabetes and heart ailments are correlated with living in high-poverty neighborhoods. Additionally, individuals in poor neighborhoods often receive inferior health care and reduced government services.

**\* Other effects of physical decay .** The inability to exercise outdoors is a known factor in the rise of obesity, especially among children. High levels of noise pollution produce stress, and prolonged exposure to run-down surroundings can lead to hopelessness.

**\*The poor pay more.** Prices in poor neighborhoods are notoriously higher and the goods of poorer quality than those in better-off areas. Food and health-care “deserts” are common. The costs of home and car insurance are usually substantially higher.

**\*Lack of social cohesion.** Disorder and lack of social cohesion are associated with both crime and mental distress. Children who live without a cohesive neighborhood network are more likely to have behavioral problems and have lower verbal skills. Those in areas of concentrated poverty are typically more isolated within their households and have fewer educated or employed friends and neighbors. Low levels of employment in distressed neighborhoods also destroy the informal networks crucial for workers to find good jobs.



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