



ASPE

RESEARCH BRIEF

OVERVIEW OF COMMUNITY CHARACTERISTICS IN AREAS WITH CONCENTRATED POVERTY

Prepared By: Erica E. Meade

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Residents of high poverty neighborhoods experience the negative effects of their surroundings, not just those who are impoverished.

It is well established that living in areas of highly concentrated poverty inhibits opportunity and mobility of poor residents, beyond the obstacles their individual economic circumstances already impose, and it limits the surrounding area's economic potential and social cohesion.ⁱ The outcomes associated with living in areas of concentrated poverty are well documented and extend to non-poor as well as poor residents of these communities. These include: diminished school quality and academic achievement; diminished health and healthcare quality; pervasive joblessness, employment discrimination and reduced employment networks; increased crime, especially violent crime; declining and poorly maintained housing stock and devaluation of home values; and difficulty building wealth and experiencing economic mobility.ⁱⁱ Compounding these problems, individuals living in poverty-saturated areas are less likely to live in the vicinity of non-governmental social service organizations, and proximity to these organizations is a key factor in service utilization.ⁱⁱⁱ There is evidence to suggest that poor individuals who live in more-advantaged areas are, in some regards, "buffered from the most negative impacts of poverty."^{iv}

Researchers most often define concentrated poverty as a significantly high proportion of areas residents living below the poverty level.

The concentrated poverty literature typically uses Census tracts as the geographical boundaries for studying high poverty communities. The Zip Code Tabulation Area (ZCTA) is, on average, a larger boundary, reflective in most cases of actual zip code boundaries, in which several Census tracts may exist. Census tract boundaries are determined based on population and, as such, are inconsistent in physical size, and may not reflect community members' definitions of the local residential area of influence. In most densely populated metropolitan areas Census tracts are smaller than what many would consider a "neighborhood," and generally are smaller than

ZCTAs; but, they often are larger than ZCTAs in less densely-populated areas.¹ Since ZCTA boundaries are determined by physical size rather than population, we can think of these as areas in which services would reach the surrounding community.²

The unit of analysis for this research is the Zip Code Tabulation Area (ZCTA). We use a combination of two criteria to define a ZCTA as an area of concentrated poverty. First, the ZCTA must contain a Census tract with an official poverty rate above 40 percent, which is consistent with the threshold in much of the concentrated poverty literature. The second criterion which must be met for the area to meet our definition as one of concentrated poverty is that a Census tract with poverty rate of 40 percent or higher must be located in a ZCTA where at least 30 percent of residents are poor. For this research, we refer to areas of concentrated poverty as “30/40 ZCTAs” – or ZCTAs with poverty rates over 30 percent that contain at least one Census tract with at least a 40 percent poverty rate. There are 690 ZCTAs that meet these criteria in the 2011 American Community Survey 5-year file.³ Within these 690 ZCTAs are 1,845 Census tracts with poverty rates above 40 percent (see Table 1). This represents 58 percent of all Census tracts with poverty rates exceeding 40 percent.

Table 1: Summary of Concentrated Poverty Areas by Census Boundary Type

<i>Geography</i>	<i>Number of entities</i>	<i>Total Population</i>	<i>Poor Population</i>	<i>Poverty Rate</i>	<i>Under 18</i>	<i>Poor - Under 18</i>	<i>Child Poverty Rate</i>
All ZCTAs	~33,000	298.8 M	42.7 M	14.3%	72.9 M	14.6 M	20.0%
30/40 ZCTAs	690 (2.1%)	12.8 M (4.3%)	4.5 M (10.5%)	34.9%	3.8 M (5.2%)	1.9 M (13.0%)	51.5%
All Tracts	~73,000	298.8 M	42.7 M	14.3%			
Tract Poverty Rate >40%	3,182 (4.4%)	10.4 M (3.5%)	4.7 M (11.0%)	47.3%			
Tract Poverty Rate >40% within ZCTA with Poverty Rate >30%	1,845 (2.5%)	6.1 M (2.0%)	2.8 M (6.6%)	46.5%			

Using this definition of concentrated poverty, roughly 12.8 million people, or four percent of the U.S. population, lived in 30/40 ZCTAs and about 35 percent of residents in these areas had incomes below the poverty line. About one in ten of America’s 42.7 million poor people lived in one of these neighborhoods 2009. Almost all of these individuals lived in metropolitan areas (i.e., central city or adjacent suburbs).

The distribution of America’s poor population is spatially uneven, and impoverished individuals, particularly those who live in areas of highly concentrated poverty, are overrepresented in inner-city urban areas, tribal reservations, and certain isolated rural regions. Each of these settings is unique, with distinct implications for possible poverty-alleviating interventions. This brief

¹ There are roughly 33,000 ZCTAs with an average population of 9,050 and populations ranging from 30 to 114,000. There are 74,000 Census tracts with an average population of 4,090 and a population range of 1,200-8,000.

² With the caveat that nothing is perfect, by using the ZCTA as the geographic unit of analysis, we identify characteristics using a larger geography that may more closely resemble a service delivery area and is more convenient for aligning data on area needs and services.

³ Although 691 ZCTAs met the criteria outlined above, one of those areas has a population of only 75 and is the site of a Veteran’s Affairs Health Center, so it was excluded from the analysis.

focuses on the demographics and community characteristics of the 531 high-poverty ZCTAs that are in metropolitan (urban and suburban) areas, most of which are in the central cities of their metropolitan areas. Later briefs will cover the unique characteristics of rural and tribal areas of concentrated poverty.

CHARACTERISTICS OF METROPOLITAN AREAS OF CONCENTRATED POVERTY AND THE INDIVIDUALS WHO LIVE IN THEM

Areas of concentrated poverty look different from less-impooverished areas across several indicators of individual and community well-being that are analyzed in this brief.

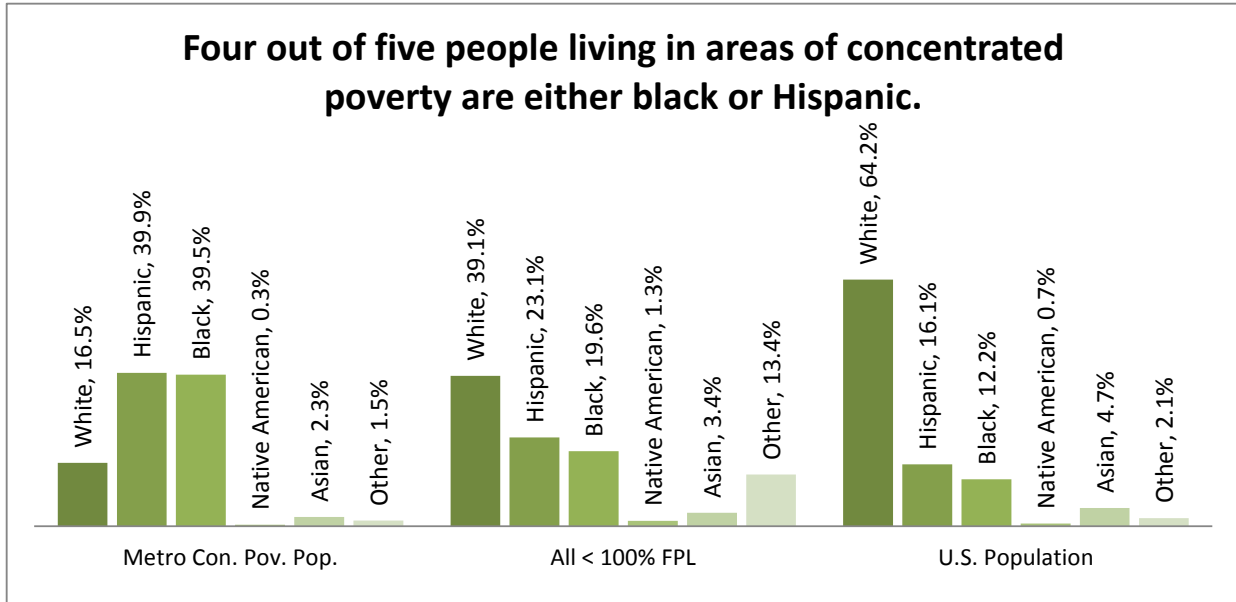
Data for this analysis comes from the U.S. Census Bureau's 2007-2011 American Community Survey (ACS) 5-year estimates. The Zip Code Tabulation Area (ZCTA) is the primary unit of analysis and data were obtained for each of the focal ZCTAs across a number of demographic, social, and economic variables. We examine indicators of racial segregation, economic mobility (e.g., education, employment), immigration (e.g., nativity, citizenship, language proficiency), and family formation (e.g., household structure, birth rates). [In addition to the data highlighted in the brief narrative, supplementary tables and figures are provided in the Appendix].

Racial and ethnic minorities are overrepresented in the concentrated poverty population, and concentrated poor communities in metropolitan areas are often highly segregated.

Less than one-third of the U.S. population is black or Hispanic, yet four out of every five people living in metropolitan concentrated poverty communities are black or Hispanic. Although only 12.2 percent of the U.S. population and 19.6 percent of the poverty population is black, nearly 40 percent of people living in areas of concentrated poverty are black. Similarly, just over 16 percent of the U.S. population and 23 percent of the poverty population is Hispanic, but nearly 40 percent of the total population living in communities of concentrated poverty is Hispanic.

Regional variation in the racial composition of these areas is most dramatic for Hispanic and black populations. For example, over two-thirds of individuals living in areas of concentrated poverty in the West are Hispanic, and only one in 10 individuals in these communities is black. Alternatively, in the Midwest region, black individuals account for 60 percent of the region's high poverty area population, and just over one in 10 individuals is Hispanic.

Figure 1: Racial Distribution by Population Subgroup

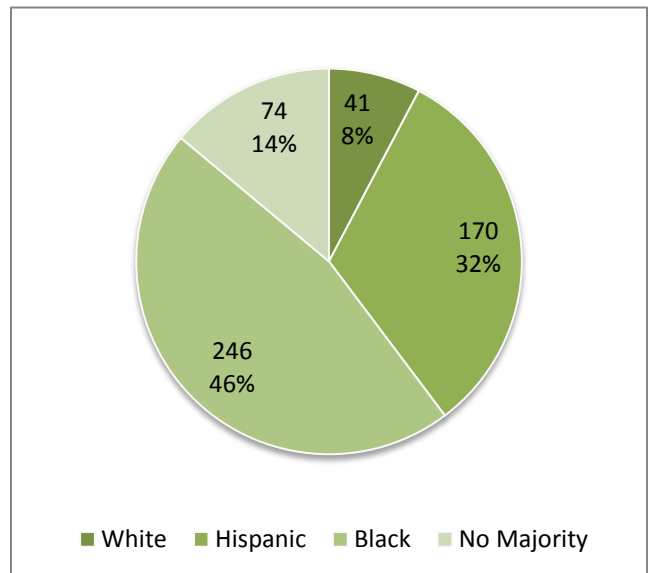


High poverty metropolitan ZCTAs are most likely to be majority black or Hispanic.

Areas of poverty concentration tend to be very racially segregated with over three-quarters of residents in areas with majority minority populations belonging to the racial group that makes up the largest share of the population. Just over 46 percent of concentrated metropolitan poor areas are majority black; 32 percent are majority Hispanic, and nearly 8 percent are majority white. In only 14 percent of the concentrated poverty areas in metropolitan areas is there no single racial or ethnic group that constitutes a majority of area residents.

One out of every five people who live in metropolitan areas of concentrated poverty was born outside of the United States. Most of these 2.4 million individuals live in the West and South regions of the country. Nationally, roughly 13 percent of the population and 16 percent of the poverty population is foreign born.

Figure 2: Predominant Racial Group of Metro ZCTAs



In the average metropolitan area of concentrated poverty, the foreign-born share of the population is about 15.5 percent, roughly proportionate to the poverty rate for foreign-born individuals; so, the foreign-born poor are not disproportionately likely to live in areas of concentrated poverty when they experience poverty.⁴ Immigrants are only slightly more overrepresented in the average high poverty area compared to the national level. But, this varies widely across regions. Compared to other regions, the average share of foreign-born individuals in a high poverty ZCTA is highest in the Western region of the U.S. (34.7%). In the Midwest, the average foreign born share of a high poverty ZCTA is only 7 percent.

In over one-third of households in areas of concentrated poverty, English is not the primary language spoken at home.

One in three individuals in areas of concentrated poverty lives in a household in which English is not spoken at home – and half of those individuals speak English less than “very well”.⁵ Concentrated poverty ZCTAs in the West have the highest saturations of both non-English speaking households and those with limited English proficiency.

Thirty percent of households speak a language other than English at home in the average metro concentrated poverty area. Comparatively, just over 20 percent of U.S. households do not regularly speak English. The average share of households in areas of concentrated poverty in which English is not the primary language varies dramatically by region. In the average Western high poverty area, about three out of five households (58 percent) speak a language other than English at home, which is more than five times the rate in the average concentrated poverty area in the Midwest, where only 11 percent of concentrated poor area residents speak a language other than English at home.

One in nine of all teen births in the United States are to young women who live in metropolitan areas of concentrated poverty.

In the average metropolitan concentrated poverty ZCTA, the teen birth rate is 2.25 times higher than the national rate of 27 births per thousand females ages 15 to 19.⁶ The teen birth rate in high poverty ZCTAs was 63 for every 1,000 young women ages 15 to 19, and in every region it was at least twice the national level, on average. In one quarter of the concentrated poverty areas, the teen birth rate was 87 births for every 1,000 15 to 19 year old females, more than three times

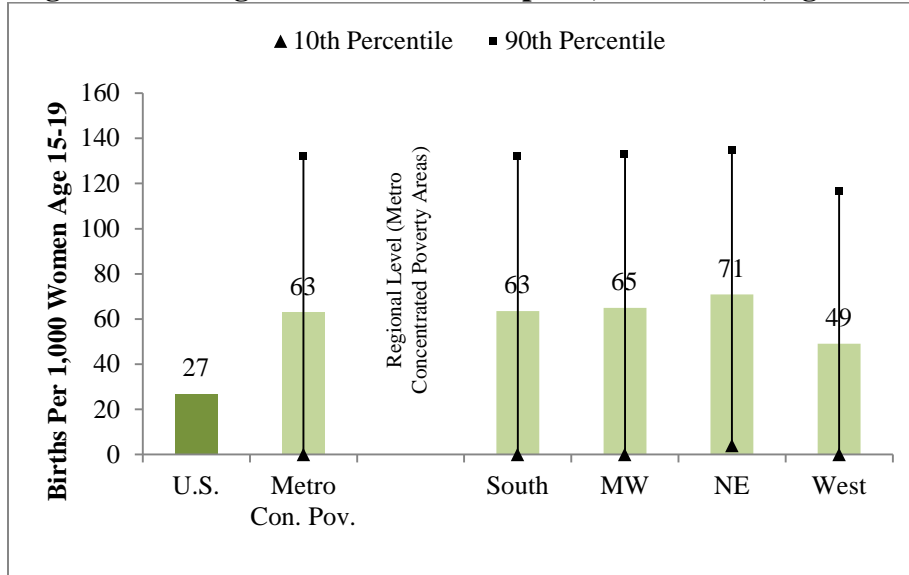
⁴ Three-quarters of foreign-born individuals who live in metropolitan areas of concentrated poverty are not U.S. citizens. These individuals are most prevalent in the Western concentrated poverty ZCTAs. The non-citizen poor are not disproportionately likely to live in concentrated poverty when they experience poverty. The distribution of these individuals is similar to that of all foreign-born individuals living in areas of concentrated poverty.

⁵ Half of households in the average the average concentrated poverty area that speak a language other than English at home speak English less than “very well”, on average. In the average Western high poverty ZCTA, almost one-third of individuals have limited English proficiency. Conversely, in the average Midwestern concentrated poverty area, just over five percent of people do not speak English “very well”; a level that is even below the national one.

⁶ The American Community Survey (ACS) generally produces and undercount of teen births relative to the actual level found in Vital Statistics, which is around 31 births per 1,000 females age 15 – 19 for the most recent year (2011). And thus, these ACS estimates are roughly a bit lower, still, than the actual values for the corresponding 2007-2011 period considering the teen birth rate, as measured by Vital Statistics, declined by 25% during that time period.

the overall teen birth rate. And in 10 percent, or about 53 ZCTAs, teen birth rates exceeded 133 births per thousand young women, almost five times the national teen birth rate, and more than double the overall fertility rate among all women of child-bearing age. These high poverty metropolitan ZCTAs are home to five percent of the Nation’s 15 to 19 year old females. Yet, 11 percent of all births to teens in the United States are to teens in these neighborhoods.

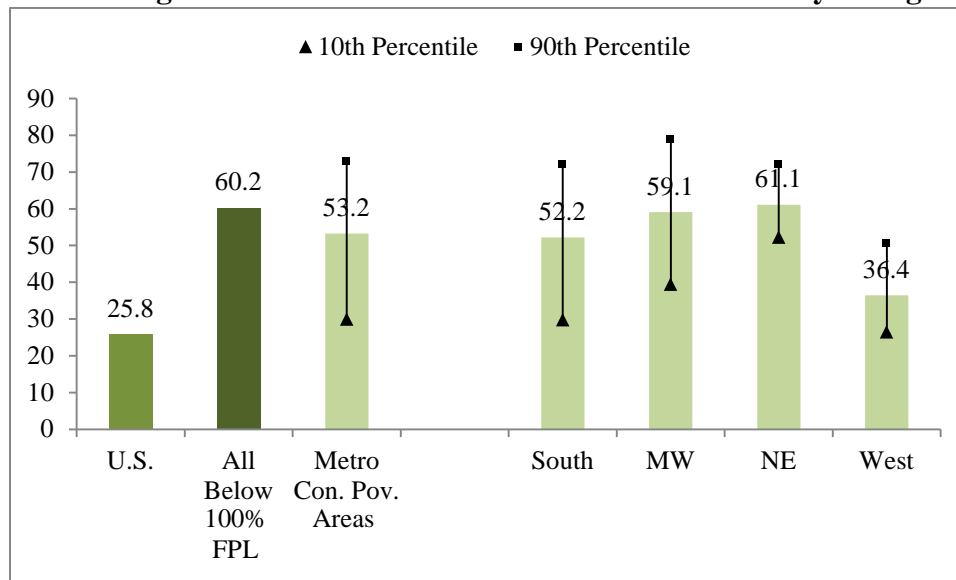
Figure 3: Average Number of Births per 1,000 Women, Age 15-19



Of the 3.2 million women of child-bearing age (15-50) living in metropolitan areas of concentrated poverty, 240,000 reported giving birth in the year prior to survey response, for a birth rate of 75 births per thousand women age 15 to 50. The overall birth rates in these areas do not differ markedly from those for the Nation, particularly when one nets out the effects of the very high differential for teen births. The national birth rate for the same time period was 56 per thousand and the birth rate among all poor women was 98 per thousand.

Children in metropolitan high poverty communities are more than twice as likely to be raised by a single mother than the average child.

More than half of the households with children (53 percent) in metropolitan concentrated poverty areas are headed by single females. This compares to 26 percent of all U.S. households and 60 percent of households living in poverty. Although these zip codes are home to just over four percent of the Nation’s households with children, more than eight percent (or one in 12) of all female-headed households with children in the U.S. are located in these areas.

Figure 4: Average Share of Households with Children Headed by a Single Female

In the average area with concentrated poverty in the U.S., only 36 percent of family households with children are led by two married parents. Comparatively, at the national level, two out of every three family households with children are headed by married parents. Rates of single-mother led families are highest in Northeastern and Midwestern concentrated poverty areas where most households with children are headed by a single female. Conversely, children in the average Western metro area with concentrated poverty are least likely to live in households headed by single females.

Adult joblessness is pervasive in concentrated poverty communities.

In the average metropolitan concentrated poverty area, only 45 percent of the working-age population (age 16 and older) is employed, or looked at differently, the modal adult is jobless (i.e., unemployed or not in the labor force). The national employment-to-population ratio for the same time period (2007-2011) was 59 percent. Among all poor individuals in the United States who are over age 16, roughly 32 out of every 100 are employed.⁷

Nationally, male unemployment is higher than that of females (8.3% vs. 7.6%), the same pattern holds in these high poverty areas, but at more than twice the national levels for men and women. The average male unemployment rate in these areas is 17.3 percent; the average rate for females is 15.6 percent.

On average, household median income in these communities is \$24,800, which is less than half of the national median. Further, none of these areas have median incomes above, or even close to, the national level. Most of the median incomes in these neighborhoods are between \$17,000 and \$31,500.

⁷ This number includes people over the age of 64 and those who are in school, and, as such, is lower than that of the working-age poor population between age 25 and 65.

In the average metropolitan concentrated poverty area, one in three adults older than 25 did not graduate from high school or earn a GED.

Compared to the national average, adults in these areas were twice as likely to not graduate from high school and almost three times less likely to have a bachelor’s degree, on average. These areas are home to less than four percent of the Nation’s population over the age of 24. However, over eight percent of the population older than 24 that did not complete high school or earn a GED lives in these areas. High school completion is even lower in Western concentrated poverty areas where, on average, more than two out of every five adults over the age of 24 did not earn a high school diploma or GED.

Very few adults in the average area of concentrated poverty are college educated. Just over one in 10 adults in these communities earned at least a bachelor’s degree. Rates of college completion are relatively consistent across regions; but, as with high school completion, adults in Western areas of concentrated poverty are least likely to have a college education.

Figure 5: Average Share of Adults over Age 24 without a High School Diploma⁸

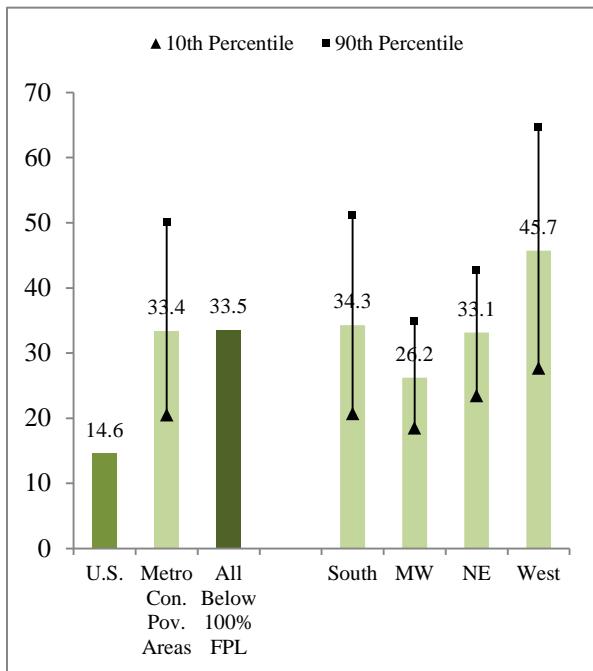
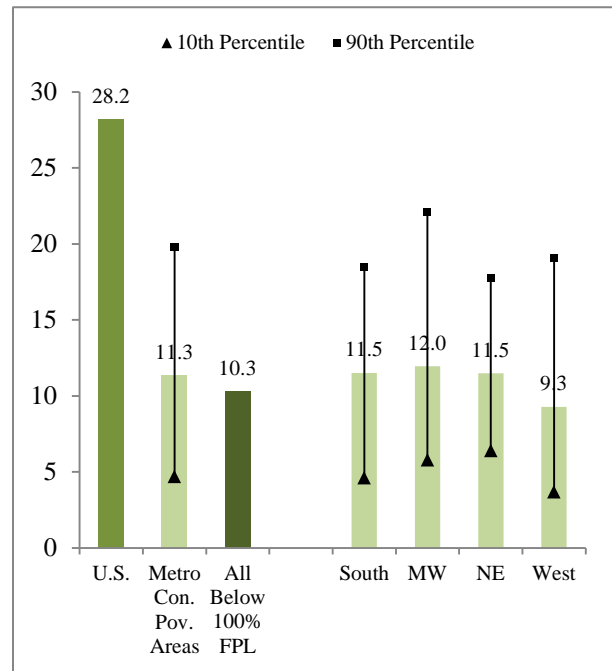


Figure 6: Average Share of Adults over Age 24 with at least a Bachelor’s Degree⁹



⁸ The value for metropolitan concentrated poverty areas includes all people living in that area, not just people who live below the poverty level. It is likely that poor individuals in these areas have even higher rates of not completing high school than those seen in the overall poverty population.

⁹ The value for metropolitan concentrated poverty areas includes all people living in that area, not just people who live below the poverty level. It is likely that poor individuals in these areas have even lower rates of college completion than those seen in the overall poverty population.

The characteristics of communities with concentrated poverty vary across demographic and spatial dimensions.

Research associates several factors with higher concentrations of poverty: economic change from the production of goods to information processing; migration patterns of the non-poor; racial and economic segregation; discriminatory and segregating housing policies; increasing immigration; the rise in births to unwed mothers; and the decline in multigenerational economic mobility, especially for black individuals.^v These factors suggest that trends in concentrated poverty vary across several demographic and spatial dimensions.

Service needs in these areas are, on average, much higher than in communities without concentrated poverty. Existing literature suggests there is less access to services for employment, basic needs, and personal well-being in predominately black and Hispanic Census tracts, compared to those that are not. In some cases, the level of service presence in predominately black and Hispanic Census tracts is half of that in predominately white tracts.^{vi} These findings showing the differences in service availability persist even when controlling for poverty rates and are most pronounced in poor black neighborhoods.^{vii} The possibility that services that are intended to change the economic trajectories of poor individuals and families are not reaching the target population that is cause for concern. Future briefs in this series will explore health care and early childhood service capacity and saturation in these high poverty areas.

APPENDIX

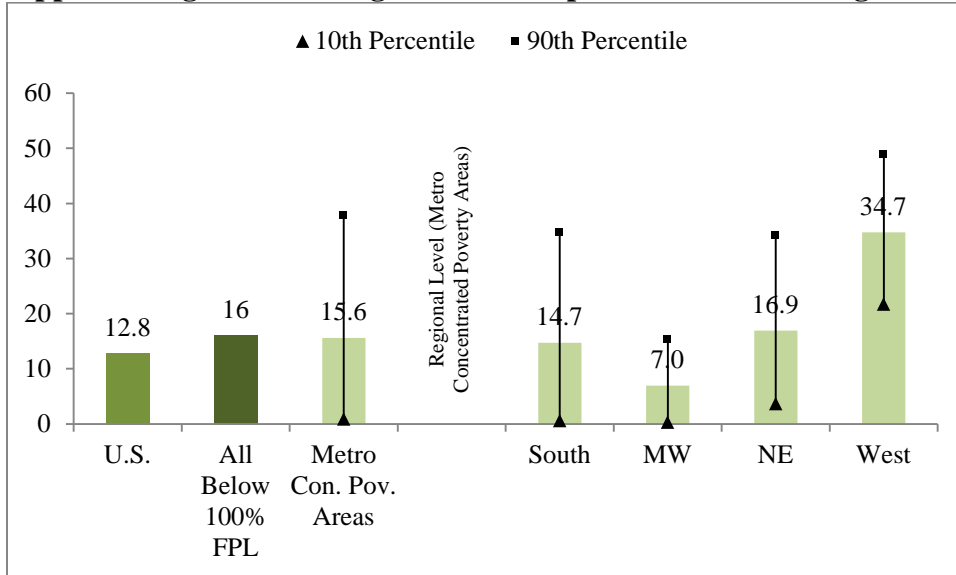
Table 1. Distribution of Indicator Values (ZCTA-level) for Areas of Concentrated Poverty

Indicator (ZCTA-level)	10 th Percentile	25 th Percentile	Median	75 th Percentile	90 th Percentile
Population					
Total	1,465	4,860	13,032	26,841	43,414
Under Age 6	118	426	1,295	2,653	4,806
Below Poverty	579	1,967	4,972	9,477	15,622
Poor Excluding College	553	1,882	4,694	8,940	14,809
Poor Under Age 18	194	715	1,945	3,912	6,668
Poor Under Age 6	69	265	748	1,495	2,506
Poverty					
Poverty Rate	31.4%	33.2%	36.7%	42.5%	49.9%
Child Poverty Rate	43.1%	47.6%	53.7%	60.2%	68.7%
Under Age 6 Poverty Rate	44.0%	50.2%	58.2%	67.4%	78.0%
Demographics					
Hispanic or Latino (of any race)	0.2%	1.4%	6.3%	56.7%	88.3%
White, non-Hispanic	1.5%	4.5%	14.3%	30.9%	50.2%
Black or African American, non-Hispanic	0.0%	2.4%	32.9%	69.0%	87.0%
American Indian and Alaska Native	0.0%	0.0%	0.2%	0.6%	55.4%
Asian	0.0%	0.0%	0.4%	1.3%	3.6%
One or more other races	0.0%	0.3%	1.2%	2.4%	4.0%
Under 18	20.6%	25.7%	29.3%	33.6%	36.9%
Age 19-65	54.1%	56.7%	59.6%	62.7%	67.0%
Age 65+	5.9%	7.6%	10.1%	13.1%	16.1%
Foreign Born	0.1%	1.0%	5.0%	24.4%	35.7%
Non-Citizen	0.0%	0.5%	3.7%	16.5%	25.6%
Speaks Lang Other than English at Home	1.4%	3.4%	15.7%	54.2%	74.7%

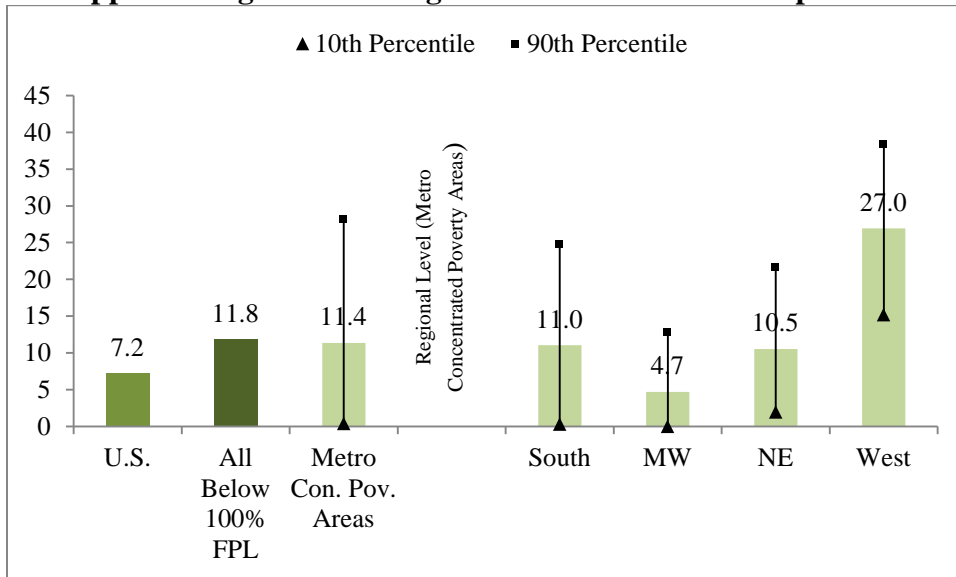
Indicator (ZCTA-level)	10 th Percentile	25 th Percentile	Median	75 th Percentile	90 th Percentile
Speaks English Less Than Very Well	0.2%	1.1%	6.1%	24.1%	35.8%
Family Formation					
Family Households	45.7%	56.2%	63.9%	71.5%	82.0%
Nonfamily households	18.0%	28.5%	36.1%	43.8%	54.3%
Males - Never married	34.2%	41.7%	49.1%	55.7%	61.5%
Males - Married	18.9%	25.3%	32.7%	40.9%	51.5%
Females -Never Married	28.9%	35.0%	42.6%	50.2%	56.1%
Females - Married	16.7%	21.0%	28.1%	37.7%	47.2%
HHDs w/ Children Headed by Female, No Husband Present	28.6%	37.9%	53.2%	64.0%	71.5%
Share of Births to Women Age 15 - 19	0.0%	0.0%	10.7%	19.6%	29.7%
Births per 1000 Women Age 15-19	0	0	47	87	133
Births per 1,000 Women Age 15 to 50	30	53	70	91	114
Economic					
Share of Women in the Labor Force with Own Children Under 18 at Home	24.4%	30.8%	35.8%	41.2%	47.1%
Female Share of the Labor Force	39.7%	45.0%	49.4%	53.6%	56.9%
Unemployment Rate - Men	7.5%	11.7%	16.3%	22.0%	29.5%
Unemployment Rate -Women	6.2%	10.5%	14.9%	20.1%	25.1%
Labor Force Participation	41.3%	48.4%	54.4%	59.1%	63.6%
Employment-to-Population Ratio	32.6%	38.4%	45.0%	49.4%	53.6%
Median Household Income	\$ 16,789	\$ 21,109	\$ 25,097	\$ 28,371	\$ 31,649
Education Attainment (Age 25 and over)					
Less than High School Diploma	20.5%	24.4%	30.8%	40.9%	51.1%
High School Diploma	22.3%	27.1%	32.4%	36.8%	41.2%
Associate's Degree	2.3%	3.6%	4.9%	6.2%	7.8%
High School Graduate or Higher	48.9%	59.1%	69.1%	75.6%	79.6%
Bachelor's Degree or Higher	4.3%	6.7%	9.5%	13.4%	18.6%

Source: ASPE tabulations of U.S. Census Bureau 2007-2011 American Community Survey 5-year data.

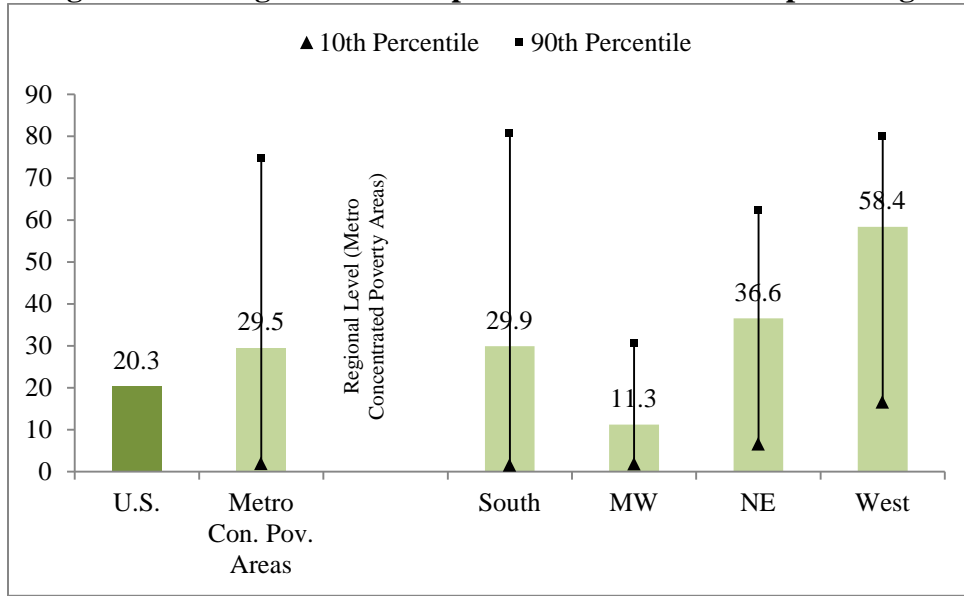
Appendix Figure 1: Average Share of Population that is Foreign Born



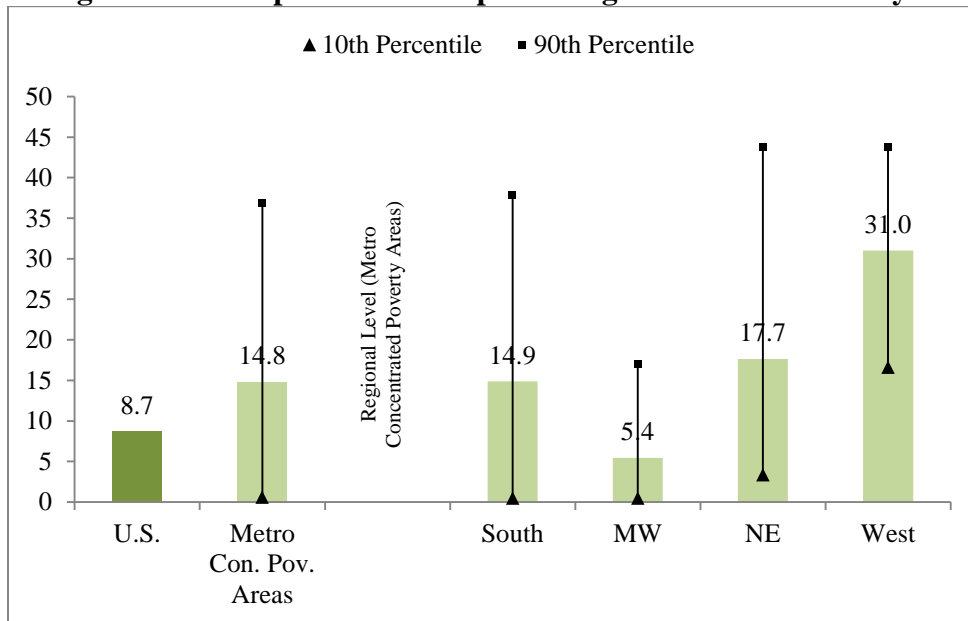
Appendix Figure 2: Average Non-Citizen Share of Population



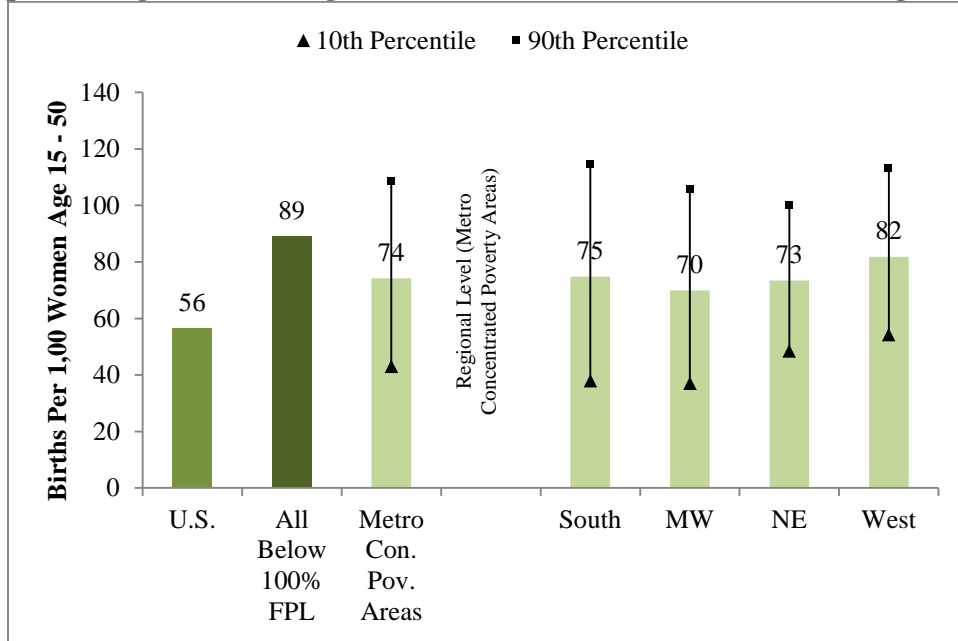
Appendix Figure 3: Average Share of Population that Does Not Speak English at Home



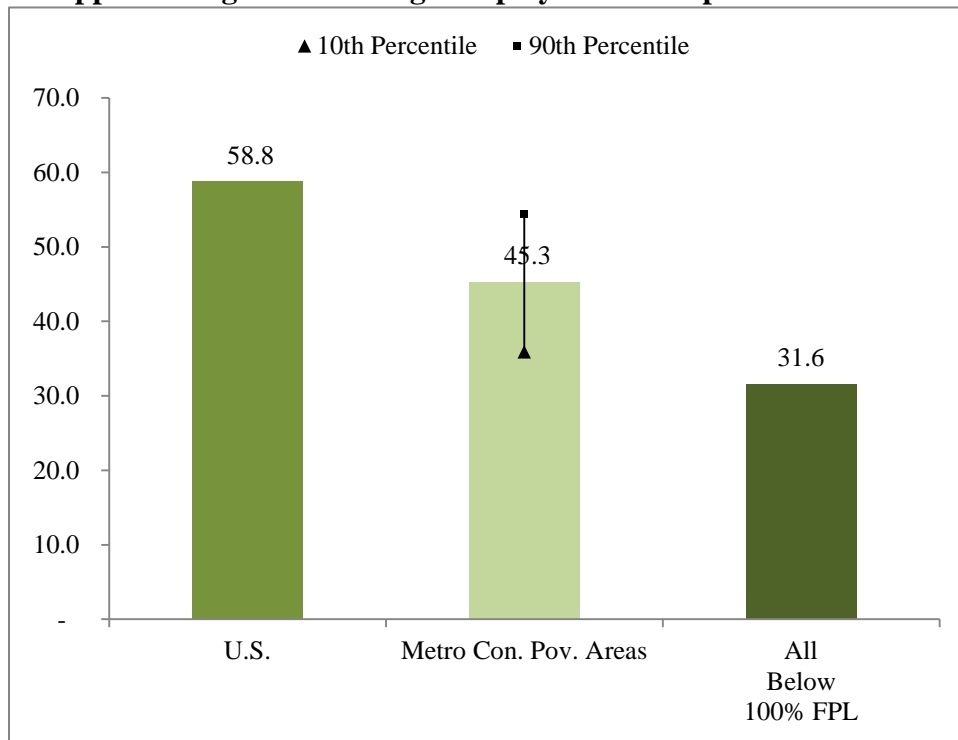
Appendix Figure 4: Average Share of Population that Speaks English Less Than "Very Well"



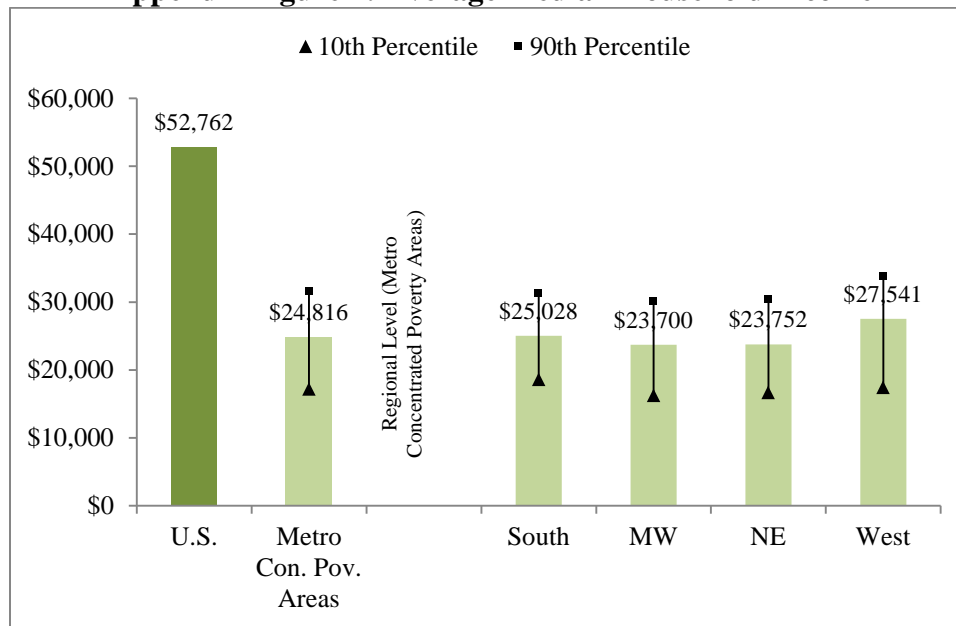
Appendix Figure 5: Average Number of Births Per 1,000 Women, Age 15-50



Appendix Figure 6: Average Employment to Population Ratio¹⁰



¹⁰ The value for metropolitan concentrated poverty areas includes all people living in that area, not just people who live below the poverty level. Please take care when making comparisons to the overall poverty population.

Appendix Figure 7: Average Median Household Income

ⁱ See William Julius Wilson, *The Truly Disadvantaged*. Chicago, IL, The University of Chicago Press, 1987; The Federal Reserve System and The Brookings Institution. 2008 “The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S.” Richmond, VA: The Federal Reserve Bank of Richmond.

ⁱⁱ Ibid.

ⁱⁱⁱ Kissane, Rebecca Joyce. 2010. “We Call it the Badlands: How Social-Spatial Geographies Influence Social Service Use.” *Social Service Review* 84(1): 3-28.

^{iv} Dwyer, Rachel E. “Poverty, Prosperity, and Place: The Shape of Class Segregation in the Age of Extremes.” *Social Problems* 57(1):114-137.

^v The Federal Reserve System and The Brookings Institution. 2008

^{vi} Allard, Scott. 2008. “Place, Race, and Access to the Safety Net”. In Lin, Ann Chih and Harris, David (Eds.) *The Colors of Poverty*. Pp.232-260. Russell Sage Foundation: New York.

^{vii} Ibid.