

American Opportunity

14 million Americans live in extremely poor neighborhoods

CNNMoney (New York), by Tami Luhby, March 31, 2016: 12:07 AM ET

Nearly 14 million Americans are living in extremely poor neighborhoods, more than twice as many as in 2000, a new report has found.

The economic downturn in the early 2000s, which was followed by slow job growth and then the Great Recession, sent the poverty rate soaring. The growing concentration of poverty is closely linked to the availability of affordable housing, the report from Brookings Institution's Metropolitan Policy Program found.

In 2000, there were just over 2,000 Census tracts with concentrated rates of poverty -- where 40% or more of residents are poor. In the period between 2010 and 2014, that number had grown to nearly 4,200. Brookings compared data from the 2000 decennial Census and from the American Community Survey that looked at 2010 through 2014.

Poverty often becomes concentrated in neighborhoods with blocks of public or subsidized housing. Also, it can happen when middle income families move away, leaving the poor behind, said study co-author Elizabeth Kneebone, a Brookings fellow. Or, working class neighborhoods can slide into concentrated poverty if the local economy goes south and residents lose their jobs.

A growing body of research shows that one's chances of getting ahead in America depends on where one grew up. For instance, young children who moved to better neighborhoods had higher incomes as young adults. This is particularly true for boys, Harvard researchers Raj Chetty and Nathaniel Hendren found.

Suburban neighborhoods fell into deep poverty at more than double the rate of cities, according to Brookings. Almost three times as many people lived in concentrated suburban poverty in 2010-14 than in 2000. Also, a growing number of suburban neighborhoods are on the cusp of extreme poverty.

Lower income Americans have been flocking to the suburbs in recent years, following the jobs in construction, retail and restaurants that relocated there. But the suburbs lack the transportation, social services and affordable housing to help lift poor residents up the income ladder, Kneebone said. And those who lose their jobs become stuck in poverty there.

Blacks and Hispanics are more likely to live in concentrated poverty than whites, the study found.

Whites make up 44% of the nation's poor, but account for just 18% of the poor people living in concentrated poverty. Poor blacks are almost five times as likely to live in extremely poor neighborhoods as whites, and poor Hispanics are more than three times as likely.