

Rising Poverty Threatens Neighborhood Vitality

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High poverty rates, especially among African Americans and Latinos, threaten the well-being of neighborhoods as well as families. Precise numbers on neighborhood-level poverty rates won't be available until after the 2010 Census. But we can anticipate that the number of neighborhoods with dangerously high poverty rates (above 30 or 40 percent) is higher today than in 2000. This represents a tragic reversal of the downward trend in geographically concentrated poverty between 1990 and 2000 (Jargowsky 2003).

When neighborhood poverty rates exceed 30 percent, the viability of community businesses and social institutions is undermined, jobs disappear, young people see few opportunities for success, and disorder, crime, and violence worsen. A substantial body of social science research indicates that living in these high-poverty communities hurts the long-term life chances of families and children (Turner and Rawlings 2009).

Were it not for racial and ethnic segregation, the 0.8 percentage point increase in poverty over the past year would not produce such serious spill-over effects. White families that are poor—or close to the poverty line—are widely dispersed geographically, mostly living in neighborhoods with low poverty rates. Thus, when poverty rises among whites, their neighborhoods are barely affected.

It is racial and ethnic segregation that fuels the geographic concentration of poverty and the severe distress of high-poverty neighborhoods. As Massey and Denton demonstrated in *American Apartheid* (1993), the clustering of minorities (among whom the incidence of poverty is markedly higher than for whites) in a limited selection of neighborhoods yields much higher poverty rates than in white neighborhoods. Thus, the 1.6 percentage point increase in poverty among Latinos puts their neighborhoods at serious risk of being pushed into the danger zone of concentrated poverty.

In recent years, overall levels of black-white segregation have been declining, albeit slowly, while segregation of Latinos has climbed. Although a growing share of U.S. neighborhoods are racially and ethnically diverse, low-income African Americans and Latinos in particular remain highly clustered in predominantly minority neighborhoods (Turner and Fenderson 2006).

Historically, public policies played a central role in establishing and enforcing patterns of racial segregation, alongside discriminatory practices by private sector institutions and individuals. But no single causal process explains the persistence of residential segregation in America today. Discrimination, information gaps, stereotypes and fears, and disparities in purchasing power all interact to perpetuate segregation, even though many Americans—minority and white—say they want more diverse neighborhoods. To ensure the well-being and sustainability of all neighborhoods, public policies must intervene to break the cycle of residential segregation.

References

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