

# **UNDERSTANDING DIVERSE NEIGHBORHOODS IN AN ERA OF DEMOGRAPHIC CHANGE**

Margery Austin Turner and Julie Fenderson  
The Urban Institute

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## UNDERSTANDING DIVERSE NEIGHBORHOODS IN AN ERA OF DEMOGRAPHIC CHANGE

Immigration is bringing profound changes to urban and suburban neighborhoods across the country. But research on the racial and ethnic composition of neighborhoods has lagged, still focusing primarily on traditional, two-way measures of residential segregation and on citywide or metropolitan-wide disparities. At the same time, many housing and community development practitioners are working to promote mixed-income communities, so that lower-income households can enjoy greater access to quality public and private services and to mainstream social and economic opportunities. But surprisingly little is known about the extent of mixed-income neighborhoods in urban and suburban communities today, or about their racial and ethnic diversity.

Policymakers and practitioners need new ways to understand patterns of neighborhood diversity (racial, ethnic, and economic) in their communities, and to track changes in these patterns over time. Therefore, this paper uses decennial census data to develop a new set of neighborhood typologies—strategies for grouping census tracts into categories that reflect important differences in the income groups represented, as well as the extent of racial and ethnic diversity. These new typologies certainly do not represent the *only* meaningful way to categorize neighborhoods, but are designed to provide researchers and practitioners with effective tools for describing the extent of neighborhood diversity and for exploring the implications of diversity for families and communities.

In addition to defining these new typologies, this paper documents the prevalence of diverse neighborhoods (of different types), describes their geographic distribution (across cities and suburbs in different regions of the country), and explores how diverse neighborhoods of various types changed between 1990 and 2000, including the extent to which some are stable while others are transitional. These new typologies will be incorporated into DataPlace, which provides easy access to a wide range of housing-related indicators for communities nationwide. The analysis presented here is based on all census tracts in the nation's 100 largest metropolitan areas,<sup>1</sup> which (as of 2000) account for 61.6 percent of the nation's total population and an even larger share of the minority and foreign born populations. As Exhibit 1 illustrates, these metropolitan areas have a higher share of both minority and foreign born residents than all U.S. metros, and substantially higher shares than the U.S. population as a whole. Poverty rates, on the other hand are about the same for the 100 largest metros as for all metros, and slightly lower than for the U.S. population as a whole.

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<sup>1</sup> Annex A provides a list of these metropolitan areas.

## Exhibit 1: Population Characteristics of the 100 Largest Metropolitan Areas, 2000

	100 Largest Metros	All Metros	Total US
Percent minority	36.8	33.3	30.2
<i>Black</i>	14.5	13.4	12.5
<i>Hispanic</i>	15.8	14.2	12.5
<i>Asian</i>	5.7	4.8	4.0
<i>Native American</i>	0.4	0.5	0.7
<i>Other minority</i>	0.2	0.2	0.2
Percent foreign born	15.0	12.9	11.0
Percent poor	11.7	11.8	12.4

Source: Urban Institute tabulations of 2000 Census data.

### Summary of Findings

Both city and suburban neighborhoods today exhibit more diversity—along lines of race, ethnicity, nativity, and income—than is commonly recognized. For example, more than half of all neighborhoods in the 100 largest metro areas nationwide (56.6 percent) are home to significant numbers of whites, minorities, and immigrants, with no single racial or ethnic group dominating the minority population. Six of ten (60.8 percent) are mixed-income—dominated neither by households in the highest income quintiles nor by those in the lowest. And about a third of all tracts (34.9 percent) exhibit substantial diversity with respect to race, ethnicity, *and* income.

But at the same time, a substantial share of neighborhoods remain either *exclusive*—occupied predominantly by affluent, native-born whites—or *isolated*—occupied predominantly by lower income minorities and immigrants. Specifically, almost a quarter of all tracts in the 100 largest metro areas (23.8 percent) are racially and ethnically exclusive (more than 90 percent white), while 16.4 percent are economically exclusive (less than 10 percent low-income with high-income households predominating). Moreover, patterns of racial and ethnic exclusion coincide with economic exclusion; almost all economically exclusive neighborhoods also exclude African Americans, and most neighborhoods in which non-whites predominate are economically isolated as well.

The racial and ethnic diversity of neighborhoods in the top 100 metropolitan areas nationwide increased between 1990 and 2000. Substantially fewer tracts are occupied exclusively by native born whites and more are occupied by a mix of racial, ethnic, and immigrant groups. A majority of tracts were relatively stable over the decade (remaining in the same racial/ethnic or nativity category), but among those that changed, most gained minorities and immigrants. In particular,

one in five census tracts that were predominantly white in 1990 transitioned to become more than 10 percent minority with no single racial or ethnic group dominating the minority population.

These findings—which highlight both the extent and the complexity of neighborhood diversity in metropolitan America today—provide a starting point for ongoing exploration. They offer an overview of the current landscape and a set of tools for further investigation. Other analysts can use the neighborhood typologies developed here to focus in greater depth on patterns of diversity and exclusion in selected metropolitan regions, to assess outcomes for families living in neighborhoods of different types, or to further explore patterns of neighborhood stability and transition over time.

## 1. Categories for Describing Neighborhood Diversity

Our first step is to define and test schemes for categorizing census tracts on the basis of (1) their racial and ethnic composition, (2) their residents' countries of origin, and (3) the extent of income mixing. We develop three separate classification schemes and then explore relationships among them. It is important to note here that we have chosen to use a single set of national definitions for our neighborhood categories rather than allow these definitions to vary with the composition of the city or metropolitan region within which a neighborhood is located. For example, a neighborhood is defined as “predominantly white” if at least 90 percent of its population is made up of non-Hispanic whites, regardless of whether it is in a majority-white suburb in the Midwest or a majority-minority city in the West. We concluded that the categories we have defined are meaningful (intuitively) regardless of the larger context. Moreover, a common set of definitions is simpler and more understandable, and allows for comparable analyses to be conducted across multiple metro areas. Some local analysts, however, may decide to explore different definitions, based on the composition of a particular city or region.

### Racial and Ethnic Diversity

Our goal here is to define a manageable number of categories (mutually exclusive and exhaustive) for classifying census tracts on the basis of the racial and ethnic composition of their population. Based on previous work,<sup>2</sup> we started with four broad categories:

- Predominantly white (population >90 percent non-Hispanic white),
- Majority white (population 50-90 percent non-Hispanic white),
- Majority minority (population 10–50 percent non-Hispanic white),
- Predominantly minority (population <10 percent non-Hispanic white),

and then explored the composition of the minority population within each.<sup>3</sup> Exhibit 2 shows the distribution of all tracts in the 100 largest metropolitan statistical areas (MSAs) across these four categories, as of 2000.

About two-thirds of tracts (68 percent) are predominantly or majority white, and only 12 percent are predominantly minority. The single largest category—majority white—accounts for more than 4 of every 10 tracts (43 percent). Although these categories are very general, they reflect

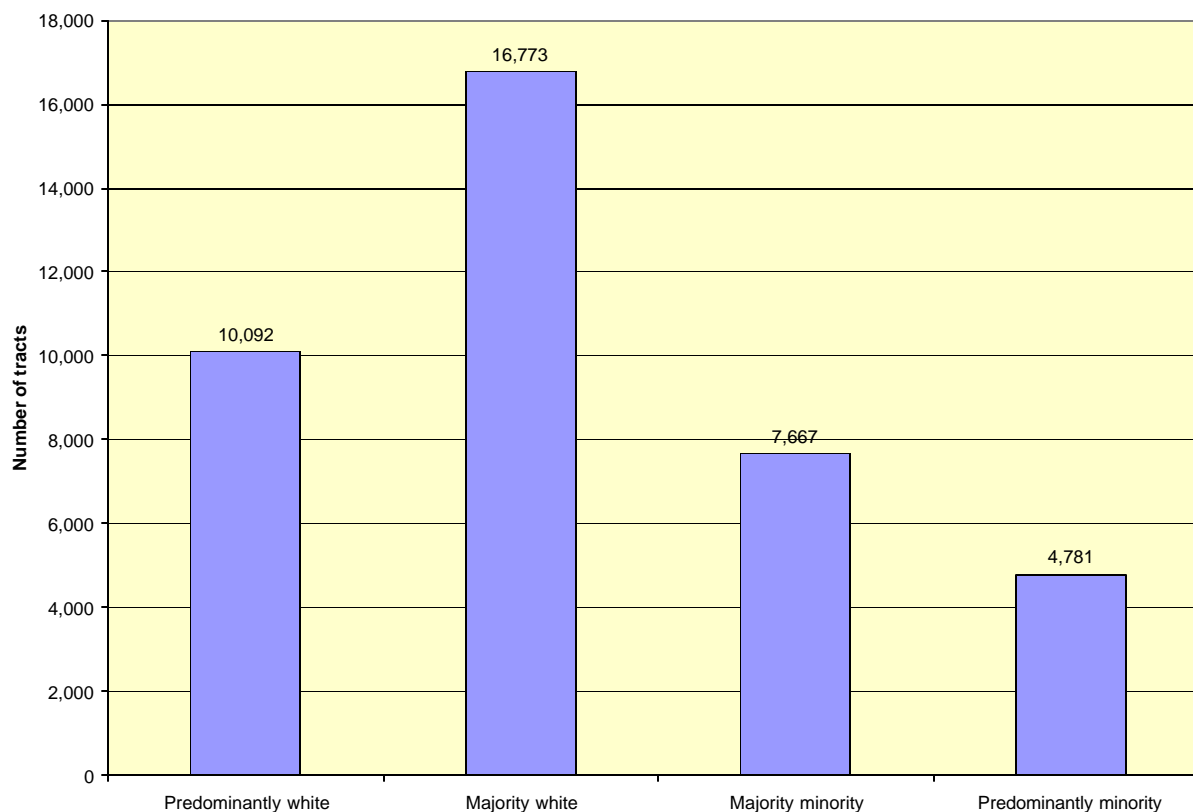
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<sup>2</sup> Rawlings, Harris, Turner 2003.

<sup>3</sup> In the 2000 Census, individuals could specify more than one race. To allow for consistent comparisons to earlier census data, we adopted a methodology implemented in the Neighborhood Change Data Base to reallocate multiracial persons to single-race categories. For details, see Tatian (2003, 4-10 to 4-13).

the extent to which non-Hispanic whites live separately from racial and ethnic minorities in U.S. metropolitan areas.<sup>4</sup>

**Exhibit 1: Number of Tracts by White and Minority Population Shares, 2000**



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

But how diverse are the minority populations within each of these four basic categories? Is it more common for one group to dominate the minority population, or for minority populations to be mixed? We classified tracts as dominated by a particular minority group if that group accounted for more than 60 percent of the total minority population, while tracts where no group accounted for more than 60 percent of the minority population were classified as mixed. Before arriving at this 60 percent cut-off, we experimented with several alternatives, and found that in only a small share of tracts does a single group account for larger percentages of the minority population (see Exhibit 3). We rejected the idea of using a 50 percent cut-off, on the grounds

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<sup>4</sup> For some purposes, analysts may wish to subdivide the “majority white” and “majority minority” categories into narrower ranges. One logical strategy would be to divide the “majority white” category into 10 to 30 percent minority and 30 to 50 percent minority, and to divide the “majority minority” category into 50 to 70 percent minority and 70 to 90 percent minority. It is also worth noting that the minority share of U.S. population has grown since 2000, so the distribution of tracts in some metro areas may already be different today. Data from the American Communities Survey (ACS) indicate that the share of Americans identifying themselves as whites declined from 79.1 percent in 2000 to 77.3 percent in 2004, and that the share identifying themselves as Hispanic rose from 12.6 to 14.2 percent.

that a tract where the largest single group constitutes only half of the minority population (with one or more other groups accounting for another half) really should be considered “mixed.”

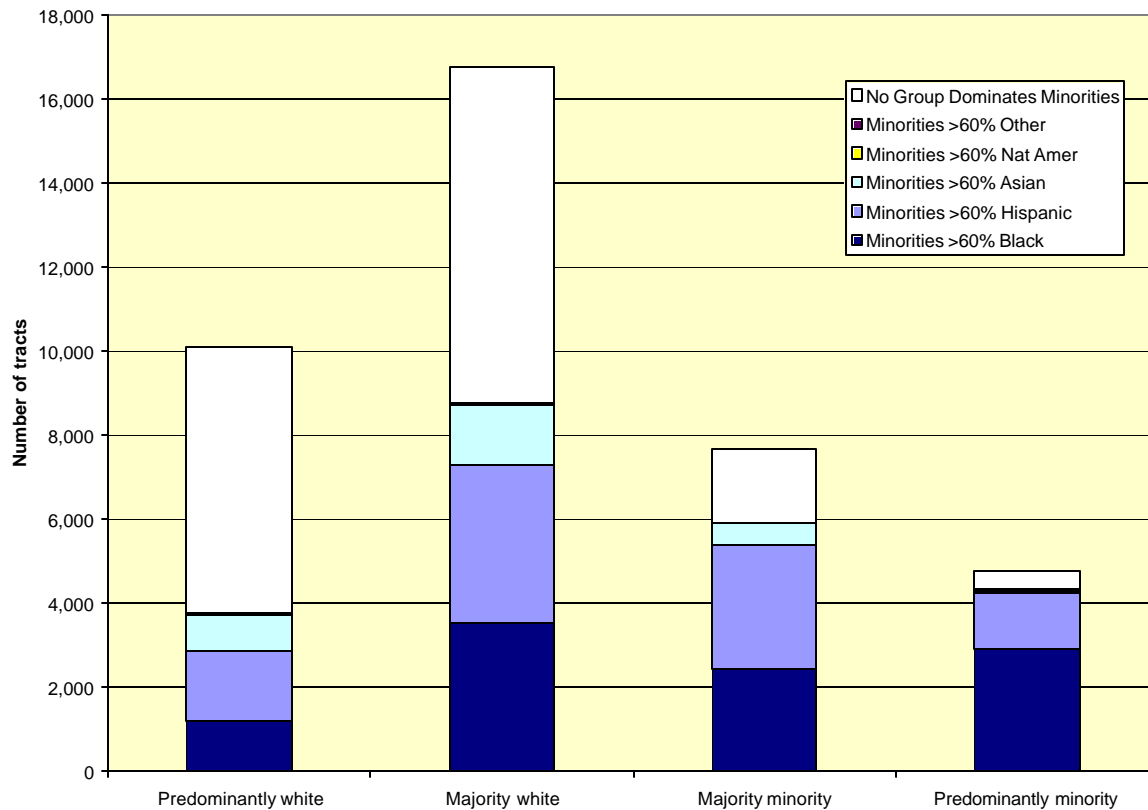
### **Exhibit 3: Distribution of Tracts by Groups’ Shares of Minority Population, 2000**

<b>Tract Quantiles</b>	<b>Percent of Tract's Minority Population That Is:</b>				
	<b>Black</b>	<b>Hispanic</b>	<b>Asian</b>	<b>Nat Amer</b>	<b>Other</b>
Maximum - 100%	100.0	100.0	100.0	100.0	100.0
90%	90.7	80.3	54.2	7.4	2.4
75%	61.0	59.7	32.7	2.4	0.7
Median - 50%	26.1	33.5	13.3	0.4	0.0
25%	9.4	13.6	2.9	0.0	0.0
10%	2.7	2.9	0.3	0.0	0.0
Minimum - 0%	1.0	0.0	0.0	0.0	0.0

*Source:* Urban Institute tabulations of 2000 Census data for the top 100 metro areas

In most tracts that are predominantly or majority minority, the minority population is dominated by a single minority group, while in most predominantly or majority white tracts, the minority population is more likely to be mixed (see Exhibit 4). Specifically, in 90 percent of predominantly minority tracts and 77 percent of majority minority tracts, a single group dominates. In contrast, a single group dominates the minority population in only 37 percent of predominantly white tracts and 52 percent of majority white tracts. In tracts where one group dominates the minority population, that group is almost always either African Americans or Hispanics. Asians dominate the minority population in only 7 percent of tracts (most of which are predominantly or majority white), and other minority groups dominate in less than half of one percent. Overall, the same number of tracts is dominated by African Americans as by Hispanics. But blacks are much more likely to dominate in tracts that are predominantly minority. Specifically, among predominantly minority tracts, blacks dominate the minority population in 60 percent, while Hispanics dominate in only 28 percent.

**Exhibit 4: Number of Tracts by Racial and Ethnic Composition, 2000**

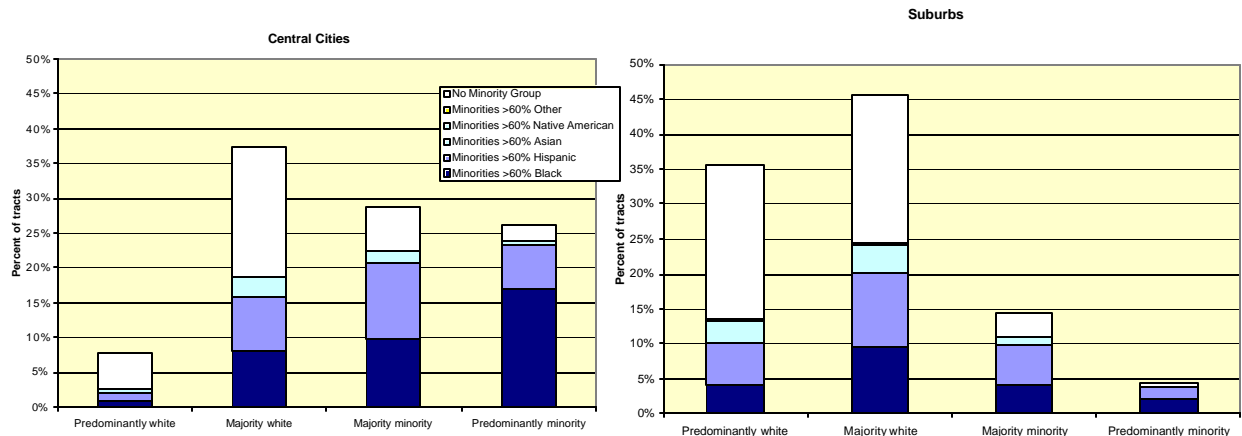


Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

The basic patterns outlined above generally hold true for both central cities and suburbs and across all four regions of the U.S. There are, however, some differences worth noting. Exhibit 5 focuses first on differences between central city and suburban tracts. Central city tracts are much less likely than suburban tracts to be predominantly white, and more likely to be either majority minority and predominantly minority. Within each of these four basic categories, however, patterns of dominance and diversity are essentially the same. In most tracts that are predominantly minority or majority minority, the minority population is dominated by a single minority group, while in tracts that are predominantly white or majority white, the minority population is more likely to be mixed. Moreover, in tracts that are predominantly minority, blacks are the most likely group to dominate.



## Exhibit 5: Percent of Tracts by Race and Ethnicity in Cities and Suburbs, 2000



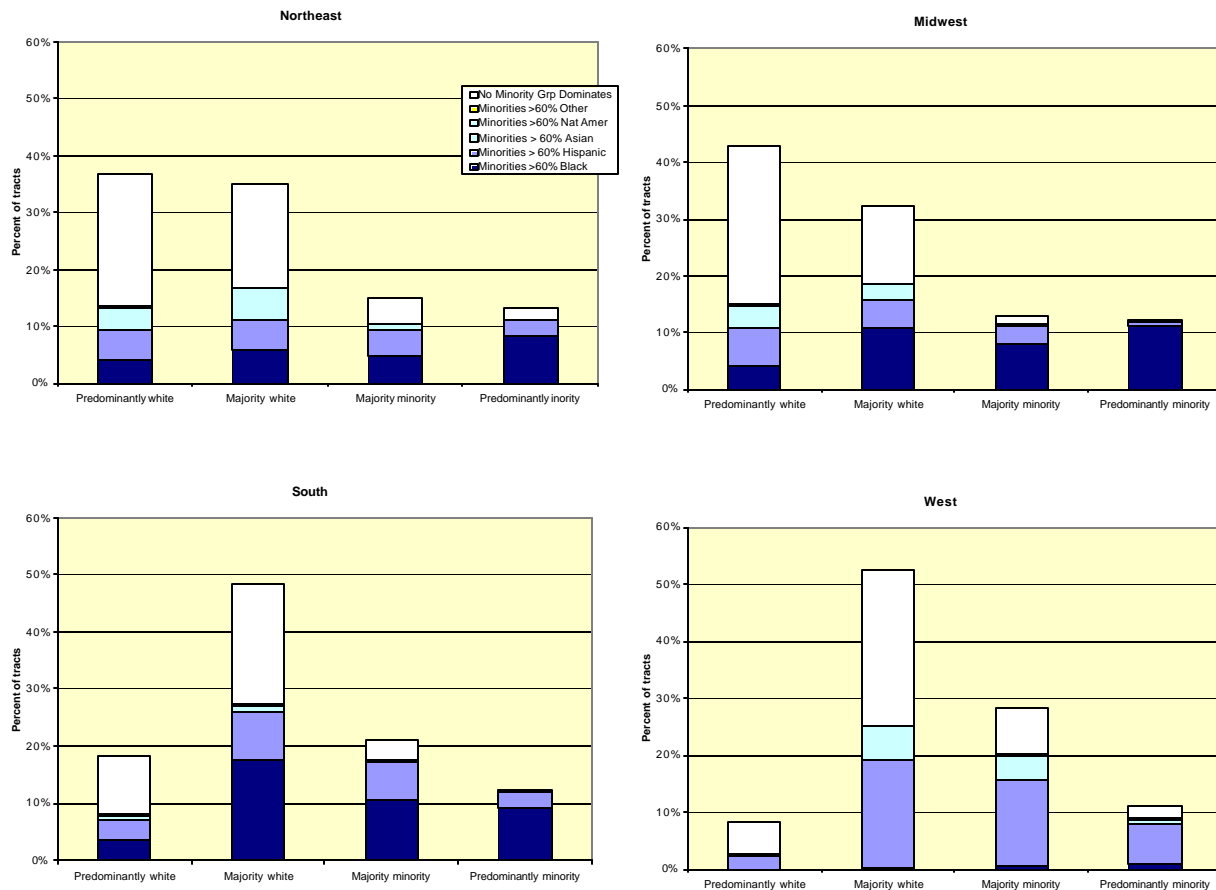
Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

Differences are much more dramatic when we compare the distribution of tracts for metro areas across the four census regions (Exhibit 6). First, the share of tracts that are predominantly white is much lower in the South and West than in the Northeast and Midwest, while the share of tracts that are majority white or majority minority is substantially higher. In particular, in Western metros, only 8 percent of all tracts are predominantly white (compared to 37 percent in the Northeast), while 28 percent are majority minority (15 percent in the Northeast).<sup>5</sup>

Moreover, the composition of minority populations varies considerably across regions. The share of tracts in which Asians dominate the minority population is highest in the Northeast and West, and lowest in the South. Blacks are most likely to be the dominant minority in metro areas of the Midwest and South. And again, Western metros stand out as having virtually no tracts in which blacks constitute the dominant minority group. Instead, Hispanics are the most likely to dominate the minority population.

<sup>5</sup> Note that (in our universe of tracts in the largest 100 metro areas) the Los Angeles metro area accounts for 21.2 percent of tracts in the West, while New York city accounts for 26.1 percent of tracts in the Northeast region.

## Exhibit 6: Percent of Tracts by Race and Ethnicity in Different Regions, 2000



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

The typology outlined above provides a useful framework for understanding the extent of racial and ethnic mixing within census tracts in metro areas across the country. But it may be overly complex for some purposes, since it consists of twenty categories (four basic groupings based on white/minority composition with five subgroups within each based on composition of the minority population). Therefore, we offer the following “reduced form” typology, which consists of ten categories, and may prove more manageable, especially for use in conjunction with other stratifiers:

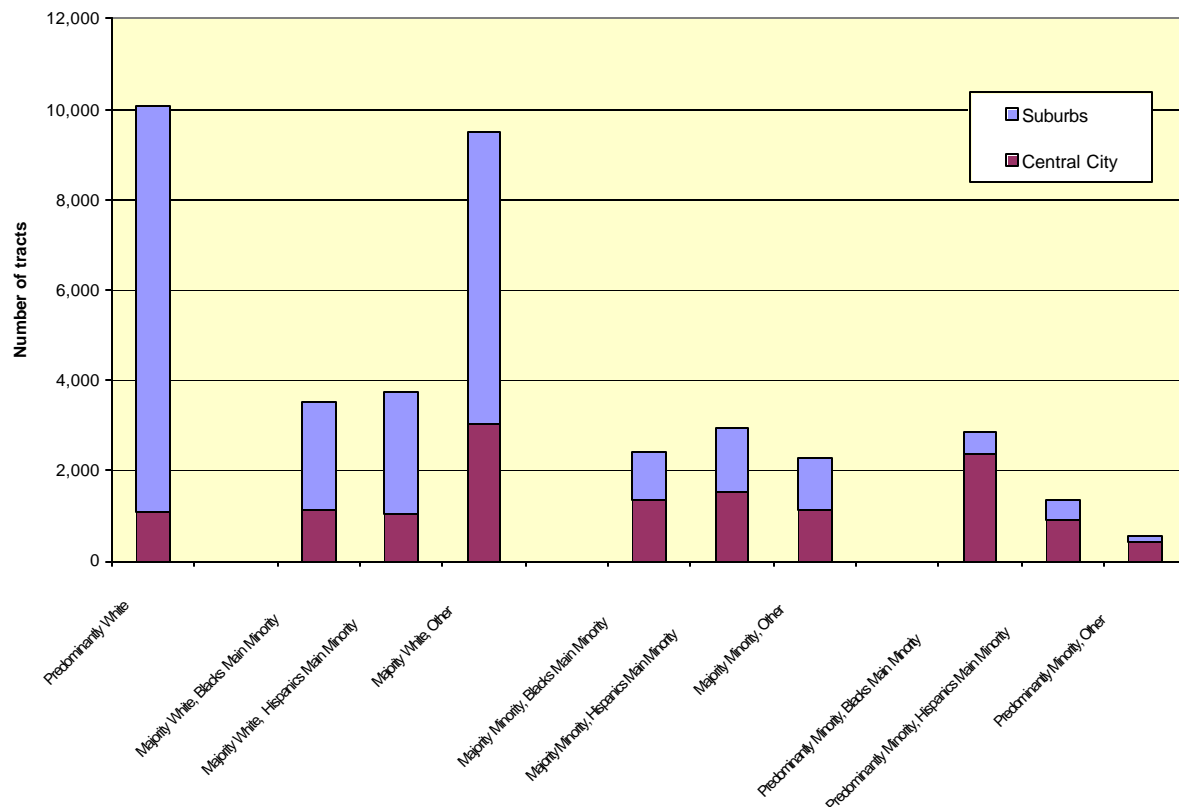
- **Predominantly white**—in almost two-thirds of these tracts, no single group dominates the minority population, and minority populations are (by definition) small, so it seems reasonable to treat all predominantly white tracts as a single category.
- **Majority white with blacks the main minority group.**
- **Majority white tracts with Hispanics the main minority group.**
- **Other majority white tracts**—because Asians dominate the minority population of less than 10 percent of all majority white tracts and other groups dominate in less than 1 percent, we

combine into a single group all majority white tracts in which neither blacks nor Hispanics dominate the minority population. This includes tracts where no group dominates.

- **Majority minority with blacks the main minority group.**
- **Majority minority tracts with Hispanics the main minority group.**
- **Other majority minority tracts**—again, because Asians dominate the minority population of only 7 percent of all tracts and other minority groups dominate in less than 1 percent, we combine all majority minority tracts in which neither blacks nor Hispanics dominate.
- **Predominantly minority with blacks the main minority group.**
- **Predominantly minority with Hispanics the main minority group.**
- **Other predominantly minority tracts**—either blacks or Hispanics dominate the minority population in almost 9 out of 10 predominantly minority tracts, and in almost all of the rest, no single minority group predominates. Therefore, we combine tracts where Asians or other groups dominate as well as tracts where no group dominates the minority population.

Exhibit 7 summarizes the distribution of all tracts for central cities and suburbs in the 100 largest U.S. metro areas across these 10 categories.

**Exhibit 7: Simplified Racial/Ethnic Typology, 2000**



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

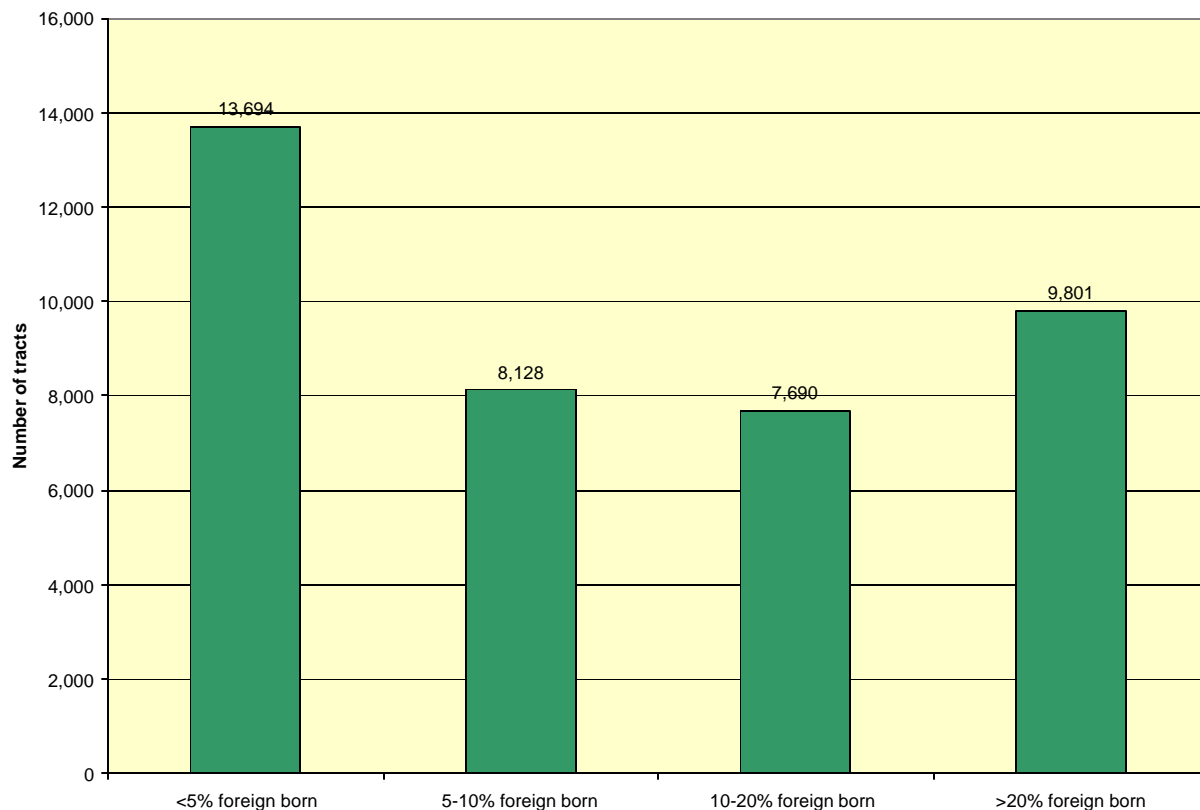
## Country of Origin

Next, we focus on developing a set of categories (again, mutually exclusive and exhaustive) for classifying census tracts on the basis of the share of the population that is foreign born, and the composition of the foreign born. Our starting point is similar to the approach we used to develop the racial and ethnic typology. However, immigrants rarely account for more than half of a tract's population. Therefore, we defined the following four categories (see Exhibit 8):

- Almost No Immigrants (<5 percent foreign born)
- Few Immigrants (5–10 percent foreign born)
- Some Immigrants (10–20 percent foreign born)
- Many Immigrants (>20 percent foreign born)

The upper boundary of the second category (10 percent foreign born) was set to align with the upper bound of the “predominantly white” category in the racial/ethnic typology. We then set the upper bound of the first category at half that level (5 percent foreign born) to differentiate tracts

**Exhibit 8: Number of Tracts by Foreign Born Population Shares, 2000**



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

where almost no immigrants live, and set the upper bound of the third category at 20 percent to identify tracts where the immigrant population has grown to a substantial share of the population. We considered applying a higher upper bound to the fourth category, but found that 90 percent of all tracts in the top 100 metros nationwide are at least 63 percent native born.<sup>6</sup>

The largest of these four broad categories—tracts with less than 5 percent foreign born population—accounts for about one-third of all tracts in the 100 largest metro areas nationwide (35 percent). The two middle categories—5 to 10 percent foreign born and 10 to 20 percent foreign born—each account for about a fifth of all tracts. And finally, one in four tracts in the nation's 100 largest metros is more than 20 percent foreign born.<sup>7</sup>

Just as we explored the diversity of the minority population in tracts that are racially or ethnically mixed, we next explore the diversity of the foreign born population in each of these four basic categories. Is it more common for immigrants from the same region of the world to dominate a tract's foreign born population, or for the foreign born population to come from many regions? We adopted an approach consistent with our approach for determining which (if any) group dominates a tract's racial or ethnic minority population. Specifically, we classified tracts as dominated by immigrants from a particular region of the world if that region accounted for more than 60 percent of the total foreign born population. Exhibit 9 identifies the regions of origin that

#### **Exhibit 9: Regions of Origin and Share of Foreign Born Population, 2000**

<b>Region of Origin</b>	<b>Percent of Households</b>
South or Central America	17.5
Caribbean	3.3
Southeast Asia	1.5
East Asia	1.0
Other Asia	0.6
Eastern Europe	1.0
Other Europe	3.3
Africa	0.6
Other	0.3
None	71.0

Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

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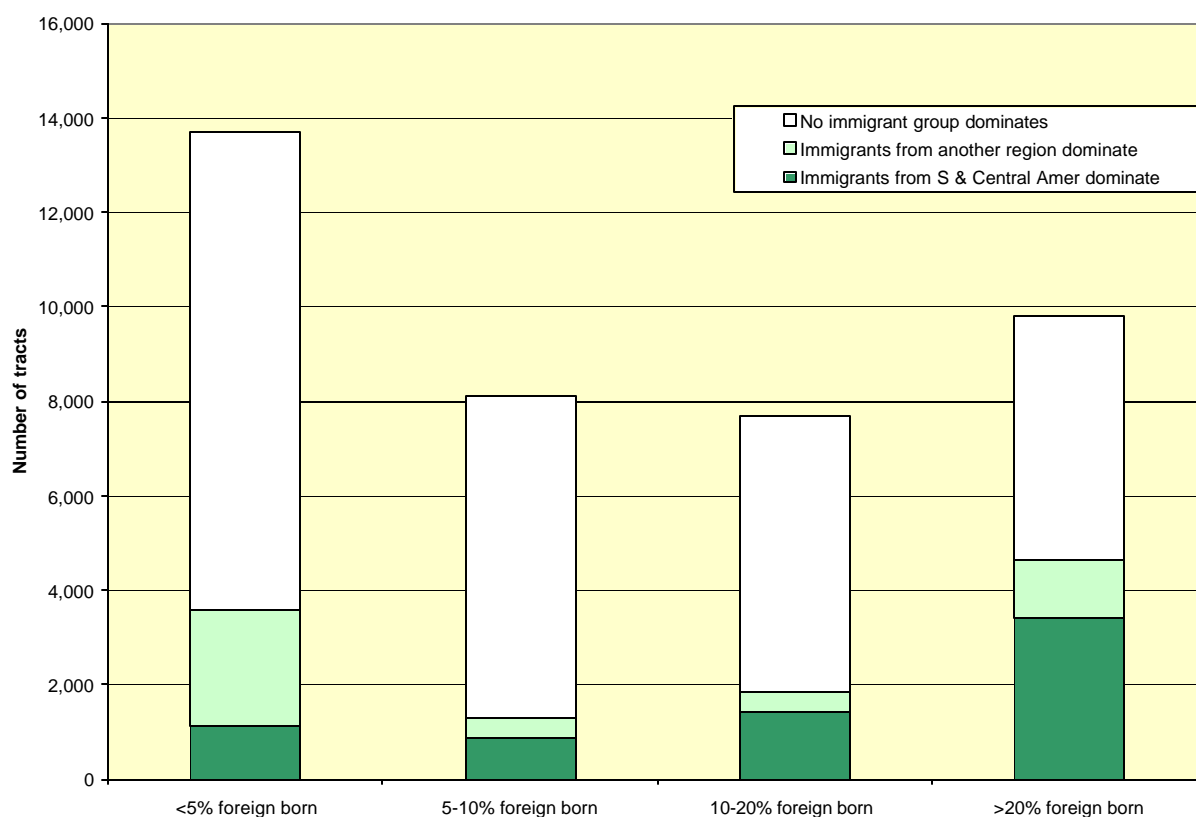
<sup>6</sup> As discussed in the previous section, some analysts may decide to subdivide these categories further or modify the boundary definitions, based on local circumstances. For example, in a metro area with a very large immigrant population, it may make sense to raise the upper bound of the top category, or to add a fifth category for tracts with the highest concentrations of foreign born residents. And again, it is worth noting the change in foreign born population share since 2000. The ACS indicates that in 2004, 12.0 percent of the nation's population was foreign born, up from 11.1 percent in 2000.

<sup>7</sup> Note that tracts with the highest share of foreign born population are quite geographically concentrated. In particular, 18.7 percent of these tracts are in the New York metro area and 16.5 percent are in the Los Angeles metropolitan area.

we differentiated, and the share of tracts in which immigrants from each region dominate the foreign born population. Interestingly, no region of the world except South and Central America dominates the foreign born population in more than 3.3 percent of tracts. Even if we combined region's of origin into larger groupings (such as all of Asia or all of Europe), very few tracts have immigrant populations that are dominated by a single group.

Therefore, we defined only three subcategories for each of our four basic tract groupings: (1) tracts where immigrants from South or Central America account for more than 60 percent of the foreign born population; (2) tracts where immigrants from any other part of the world account for more than 60 percent of the foreign born population; and (3) tracts where no region of origin dominates the foreign born population. Exhibit 10 presents the distribution of all tracts in the 100 largest metro areas nationwide across this expanded set of categories.

**Exhibit 10: Number of Tracts by Size and Diversity of the Foreign Born Population, 2000**



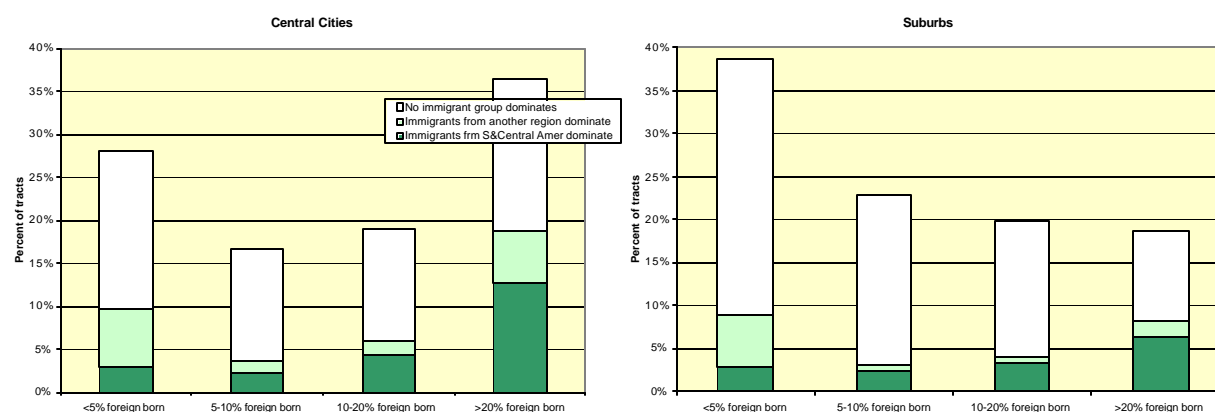
Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

Most tracts have diverse immigrant populations, regardless of the relative number of foreign born residents. More specifically, for each of the four basic categories (based on the foreign-born share of total tract population), less than half the tracts have foreign born populations that are dominated by immigrants from a single region of the world. Tracts with the largest foreign born populations are the most likely to have a dominant immigrant group; 48 percent of tracts in

this category have a dominant immigrant group (in 35 percent, that group is from South or Central America and in the remaining 13 percent, from some other region of the world). In contrast, tracts with the smallest foreign born populations are less likely to have a dominant immigrant group, but when there is a dominant immigrant group it is less likely to be from South or Central America. Specifically, only 26 percent of tracts that are less than 5 percent foreign born have a dominant immigrant group, and in 8 percent, that group is from South or Central America and in the remaining 18 percent, from some other region of the world.

The typology outlined above proves useful in highlighting dramatic differences between central city and suburban tracts, and across the four regions of the United States. Exhibit 11 focuses first on differences between central cities and suburbs. More than a third of central city tracts (36 percent) have substantial foreign born populations, while suburban tracts are more likely to have very small foreign born populations. In addition, the foreign born populations of central city tracts are somewhat more likely to be dominated by immigrants from a single region of the world, while the foreign born populations of suburban tracts are more likely to be diverse. Overall, a single group dominates the foreign born population in 38 percent of all central city tracts, compared to only 24 percent of suburban tracts. In both central cities and suburbs, however, immigrants from Central and South America are the most likely to dominate the foreign born population (if any immigrant group does), and they are more likely to dominate in tracts with larger foreign born populations than in those with the smallest foreign born populations.

**Exhibit 11: Percent of Tracts by Size and Diversity of the Foreign Born Population in Cities and Suburbs, 2000**

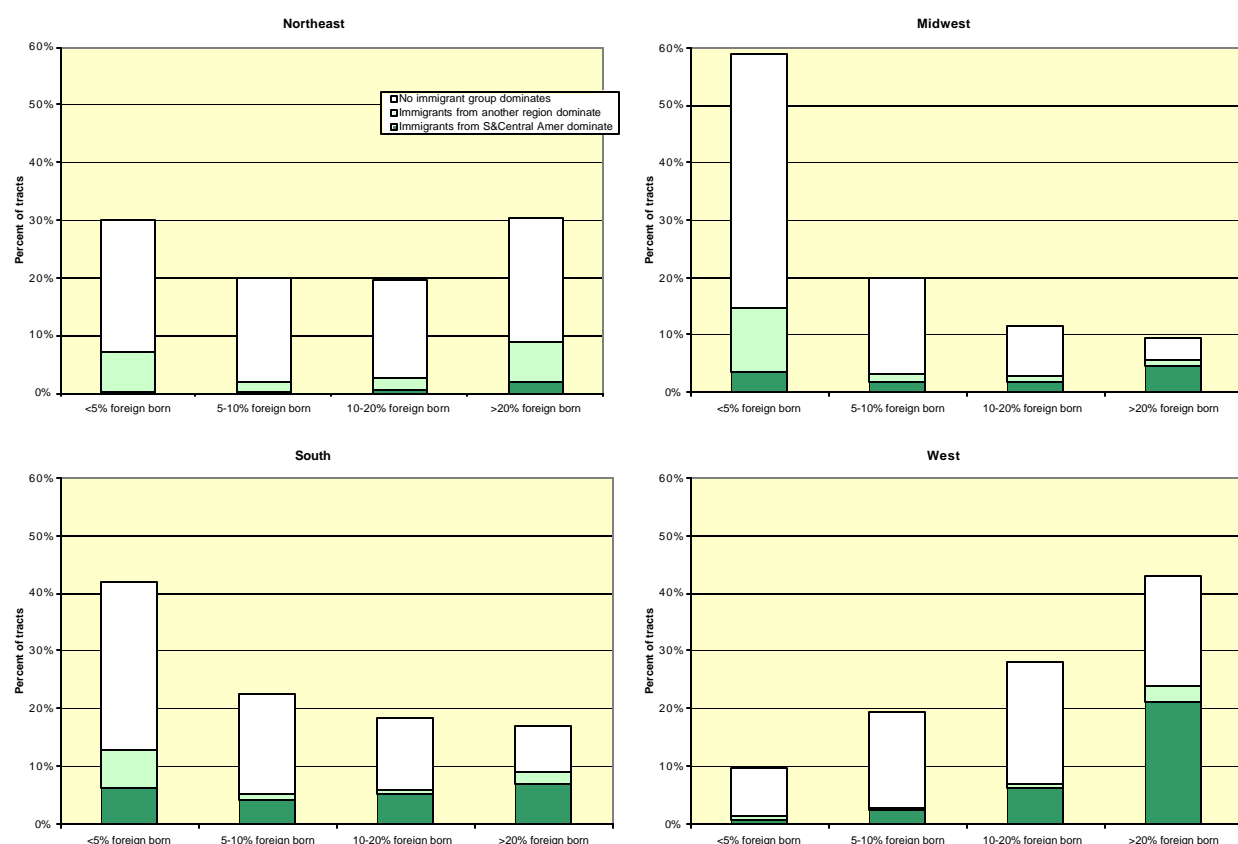


Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

The size and composition of foreign born populations vary even more dramatically across regions of the country (see Exhibit 12). In the Midwest, for example, immigrants account for less than five percent of the population in almost 6 of every 10 tracts (59 percent), while only fewer than 1 in 10 tracts (9 percent) are more than 20 percent foreign born. In contrast, 43 percent of

tracts in the West are more than 20 percent foreign born, and only 10 percent are less than 5 percent foreign born. The Northeast and South fall between these two extremes.<sup>8</sup>

**Exhibit 12: Percent of Tracts by Size and Diversity of the Foreign Born Population by Region, 2000**



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

In all four regions of the country, a majority of tracts have diverse immigrant populations (with no single group dominating). But in the West, immigrants from South and Central America dominate the foreign born population in almost a third of all tracts (31 percent), and in half of tracts with large foreign born populations. Almost no tracts in the Western region have foreign born populations dominated by any other immigrant group. There are almost no tracts in the Northeast, on the other hand, where immigrants from South and Central America dominate the

<sup>8</sup> A disproportionate share of all tracts in the Northeast region that are more than 20 percent foreign born are located in the New York metro area. Specifically, the New York metro accounts for 63.9 percent of tracts over 20 percent foreign born in the Northeast region, compared to only 31.5 percent of all tracts in the region. The Los Angeles metro area also has a large number of tracts that are more than 20 percent foreign born, but does not dominate the West to the same extent. Specifically, the Los Angeles metro accounts for 39.4 percent of tracts over 20 percent foreign born in the West compared to 25.4 percent of all tracts in the region.



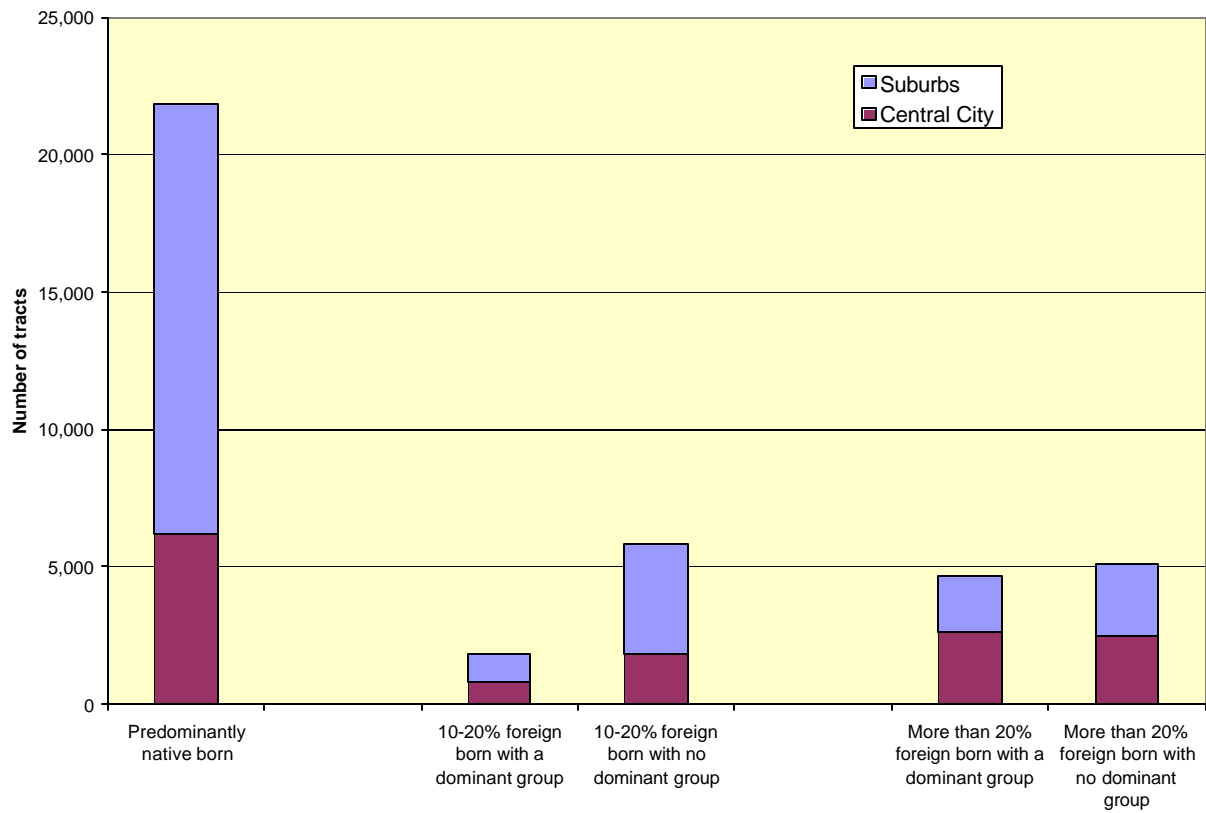
foreign born population. In 80 percent of tracts in the Northeast, no group dominates the foreign born population, and the group most likely to dominate—immigrants from Western Europe—only does so in 6 percent of tracts. In the Midwest and South, immigrants from South and Central America are more likely to dominate tracts' foreign born populations, and no other single group dominates in more than 4 percent of tracts.

This typology—based on the relative size and composition of tracts' foreign born population -- appears to provide an effective framework for further exploring variations within and between metro areas. For some purposes, however, analysts may want a simpler form, with fewer categories. Therefore, we present the following “reduced form” typology, which may prove more manageable for use in conjunction with other stratifiers. In particular, this simplified version may work well in combination with the racial/ethnic typology presented earlier:

- **Predominantly native born**—this category combines all tracts that are less than 10 percent foreign born. This ceiling aligns with the ceiling of the “predominantly white” category in our racial/ethnic typology. And since the immigrant populations are small and for the most part very diverse, it seems reasonable to group all of these tracts into a single category.
- **10–20 percent foreign born with a single group dominating the immigrant population**—although most of these tracts are dominated by immigrants from South or Central America, it seems more useful (in a simplified typology) to distinguish tracts with diverse immigrant populations from those dominated by a single group.
- **10–20 percent foreign born with no dominant immigrant group**
- **More than 20 percent foreign born with a single group dominating the immigrant population**
- **More than 20 percent foreign born with no dominant immigrant group**

Exhibit 13 presents the distribution of all tracts in the 100 largest metropolitan areas across these five condensed categories, as of 2000

**Exhibit 13: Simplified Foreign Born Typology, 2000**



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

## Income Mixing

Our third basic typology classifies census tracts based on the extent of income mixing. The goal here is not simply to categorize tracts as high- or low-income (on the basis of average or median income levels), but to differentiate tracts that are largely high-income or largely low-income from those with significant numbers of households at different income levels.

As a starting point, we define five income ranges, based on income quintiles for all households nationwide (using 2000 PUMS data):<sup>9</sup>

- Very-Low-Income (less than \$20,000)
- Low-income (\$20,000 - \$35,000)
- Moderate-Income (\$35,000 - \$60,000)
- Middle-Income (\$60,000 - \$100,000)
- High-Income (more than \$100,000)

We considered an alternative starting point, based on the income ranges used by the U.S. Department of Housing and Urban Development (HUD) to determine eligibility for various housing assistance programs. The HUD ranges are defined relative to a metropolitan area's median household income (AMI):

- Extremely-Low-Income (less than 30 percent of AMI)
- Very-Low-Income (30-50 percent of AMI)
- Low-Income (50-80 percent of AMI)
- Moderate-Income (80-120 percent of AMI)
- Higher-Income (greater than 120 percent of AMI)

However, tract-level data on the distribution of households by income are reported by the Census in a series of ranges that do not necessarily align well with local cut-offs under the HUD definitions. Therefore, we decided to use national income quintiles rather than the HUD income categories. Analysts focusing on a single metro area (or a small number of metros) may decide that it makes sense to adopt the HUD categories instead.

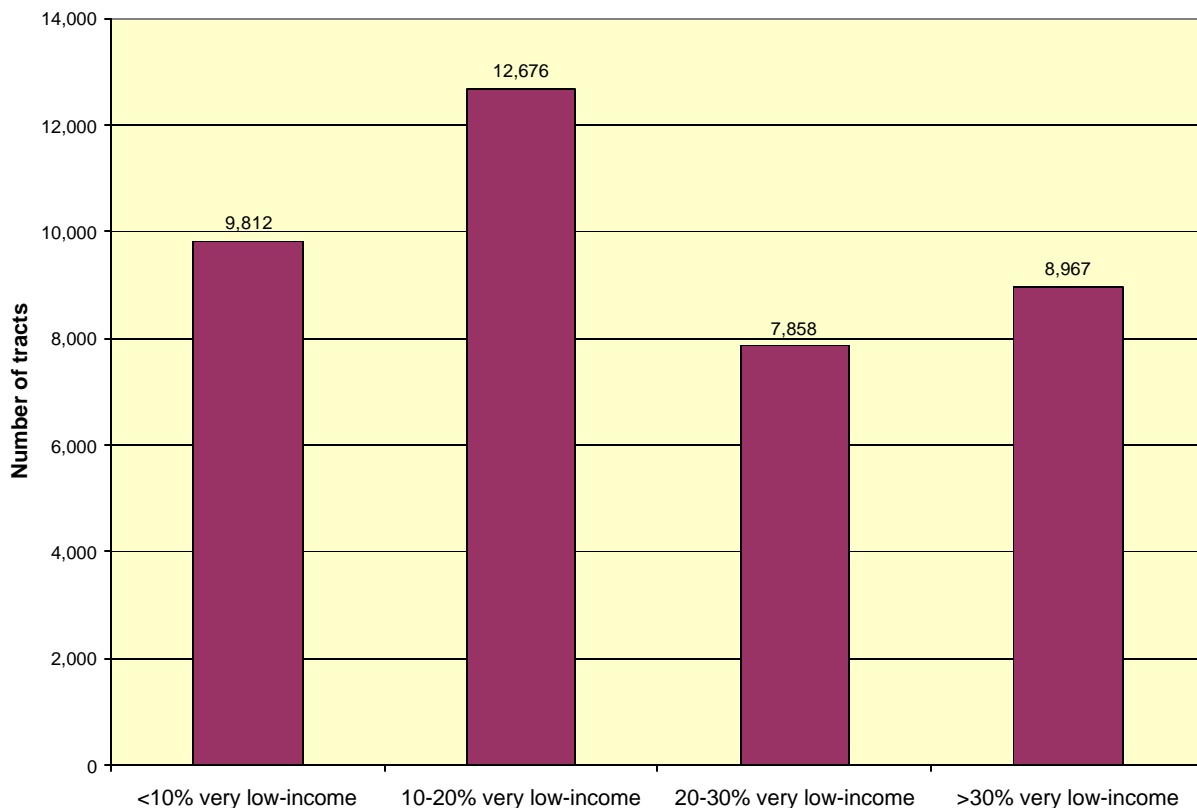
Although we are interested in the extent to which each of our five income categories is represented in a tract's population, the circumstances of households in the lowest income group are of central importance to many researchers and policy analysts. Therefore, the first "layer" of our income-mixing typology groups tracts according to their share of very-low-income households. For this purpose, we have adopted a set of four basic categories comparable to those that are widely used for analysis of tract poverty rates (see Exhibit 14):

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<sup>9</sup> Ceilings for these ranges have been adjusted to align with ranges reported for tract-level data. The actual quintile ceilings are \$19,800, \$35,600, \$60,600, and \$98,200. Note that the ceiling for the lowest quintile is slightly higher than the poverty line for a family of four in (\$17,463).

- Less than 10 percent very-low-income
- 10–20 percent very-low-income
- 20–30 percent very-low-income
- More than 30 percent very-low-income

**Exhibit 14: Number of Tracts by Share of Very-low-income Households, 2000**



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

In the 100 largest metropolitan areas, census tracts are fairly evenly distributed across these four basic categories. The largest share (about one-third of all census tracts) falls into the second category (with 10 to 20 percent of households in the lowest income quintile). One in four census tracts has fewer than 10 percent very-low-income households, and slightly less than one in four have more than 30 percent. About one in five tracts have 20 to 30 percent very-low-income households.

Our next step is to further subdivide each of these basic categories to reflect the extent of income mixing among very-low-income households and other income groups. Interestingly, almost no census tracts are dominated by any one of these income categories. As illustrated in Exhibit 15, a single quintile accounts for more than half of all households in fewer than 5 percent of all tracts nationwide, and every quintile accounts for at least 10 percent of households in

more than three quarters of all tracts. Moreover, among tracts where at least 20 percent of households are in the lowest income category, the highest income category accounts for 15 percent of households on average. In other words, census tracts are far more mixed with respect to income categories than with respect to race, ethnicity, or country of origin.

**Exhibit 15: Distribution of Tracts by Individual Groups' Share of Households, 2000**

Tract Quantiles	Percent of Households in Tract That Are:				
	Very-low-income	Low-income	Moderate-income	Middle-income	High-income
Maximum -100%	100.0	100.0	100.0	100.0	100.0
95%	50.7	29.5	35.0	36.8	44.3
90%	42.0	27.1	32.8	33.8	34.8
75%	28.7	23.2	29.2	28.5	20.4
Median - 50%	17.5	18.3	25.0	21.9	9.7
25%	10.1	12.7	20.0	14.8	4.6
10%	5.9	8.1	15.0	8.9	2.3
Minimum - 0%	0.0	0.0	0.0	0.0	0.0

Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

Given this diversity, we subdivided each of the four basic categories of tracts based on whether the households with incomes above the very-low-income ceiling (\$20,000) were predominantly middle- and high-income (over \$60,000) or predominantly low- and moderate-income (under \$60,000). To be consistent with definitions used elsewhere in this analysis, we applied a 60 percent threshold to determine whether either pair of income categories predominates. Exhibit 16 illustrates the distribution of all tracts across this expanded set of categories.

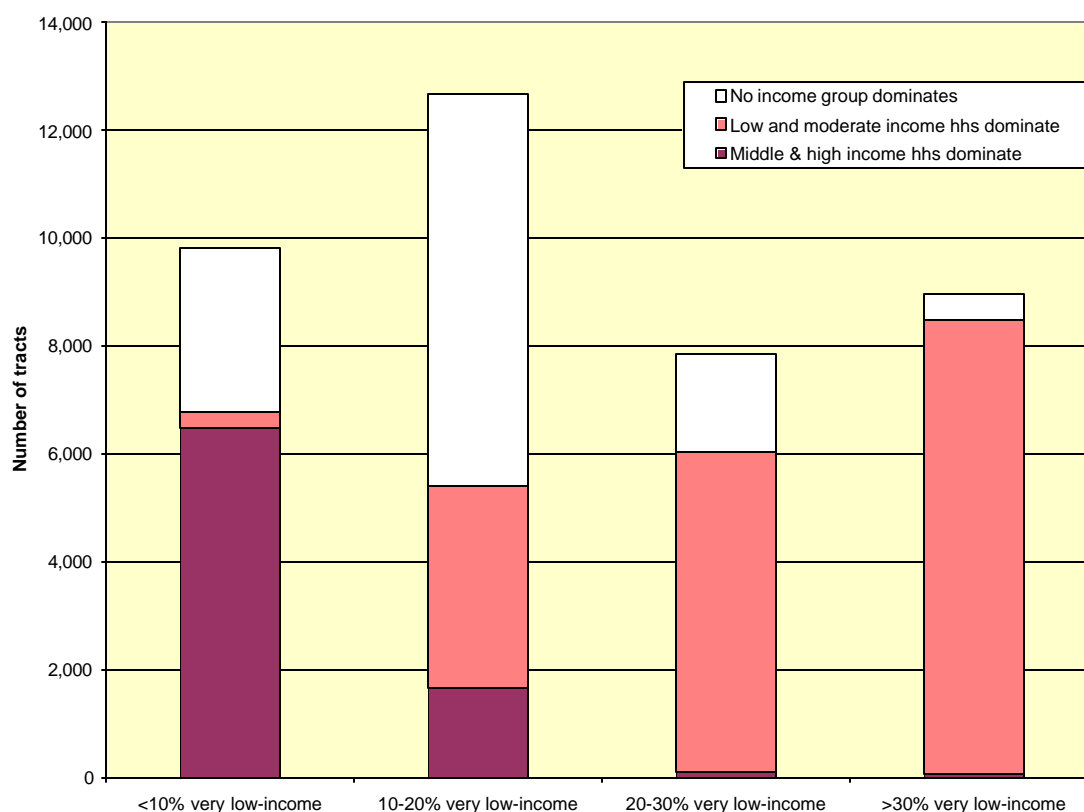
Not surprisingly, middle- and high-income households are most likely to predominate in tracts with the smallest share of very-low-income households. Specifically, among tracts that are less than 10 percent very-low-income, middle- and high-income households predominate in two-thirds; low- and moderate-income households predominate in only 3 percent; and in about one-third, neither income range predominates.

In contrast, low- and moderate-income households are much more likely to predominate in tracts that are more than 20 percent very-low-income. Specifically, three quarters of tracts that are 20 to 30 percent very-low-income and 94 percent of those that are more than 30 percent very-low-income are dominated by households in the low- to moderate-income range. The middle- to high-income range rarely predominates in these tracts.

The tracts that exhibit the greatest income mixing are those with 10 to 20 percent very-low-income households. In 13 percent these tracts, households in the middle- to high-income range predominate, while households in the low- to moderate-range predominate in 30 percent, and

neither range predominates in 57 percent. In other words, 7 out of 10 of these tracts—all of which have substantial very-low-income populations—are also home to significant shares of middle- and high-income households.

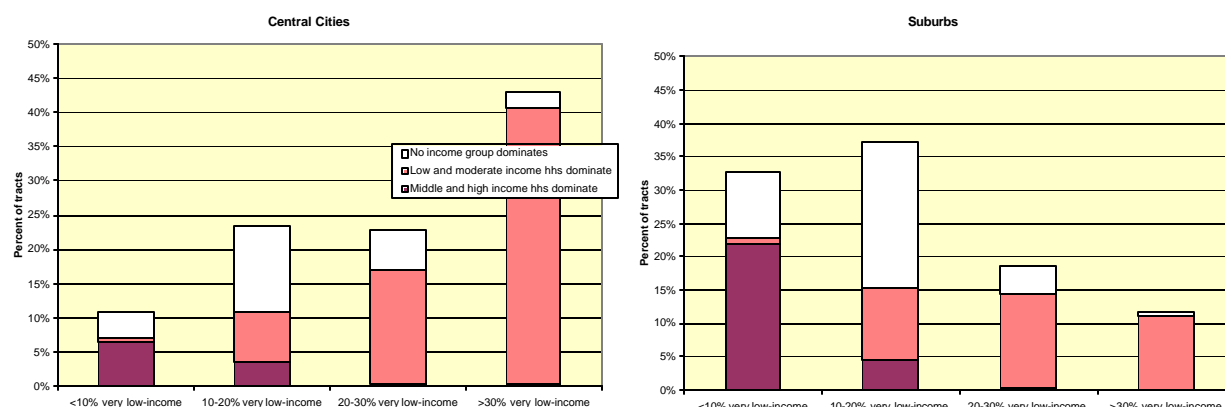
**Exhibit 16: Number of Tracts by Very-Low-Income Share and Extent of Income Mixing**



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

We find that the same pattern applies in both central city and suburban tracts, although a much larger share of suburban tracts are less than 10 percent very-low-income and a much smaller share are more than 30 percent very-low-income (see Exhibit 17). In both central cities and suburbs, the middle- and high-income groups are most likely to dominate among tracts with few very-low-income households, while the low- and moderate-income groups tend to dominate among tracts with substantial numbers of very-low-income households. However, neighborhoods where neither income range predominates are more prevalent in the suburbs (36 percent of tracts) than in central cities (24 percent of tracts).

## Exhibit 17: Percent of Tracts by Very-Low-Income Share and Extent of Income Mixing in Central Cities and Suburbs, 2000

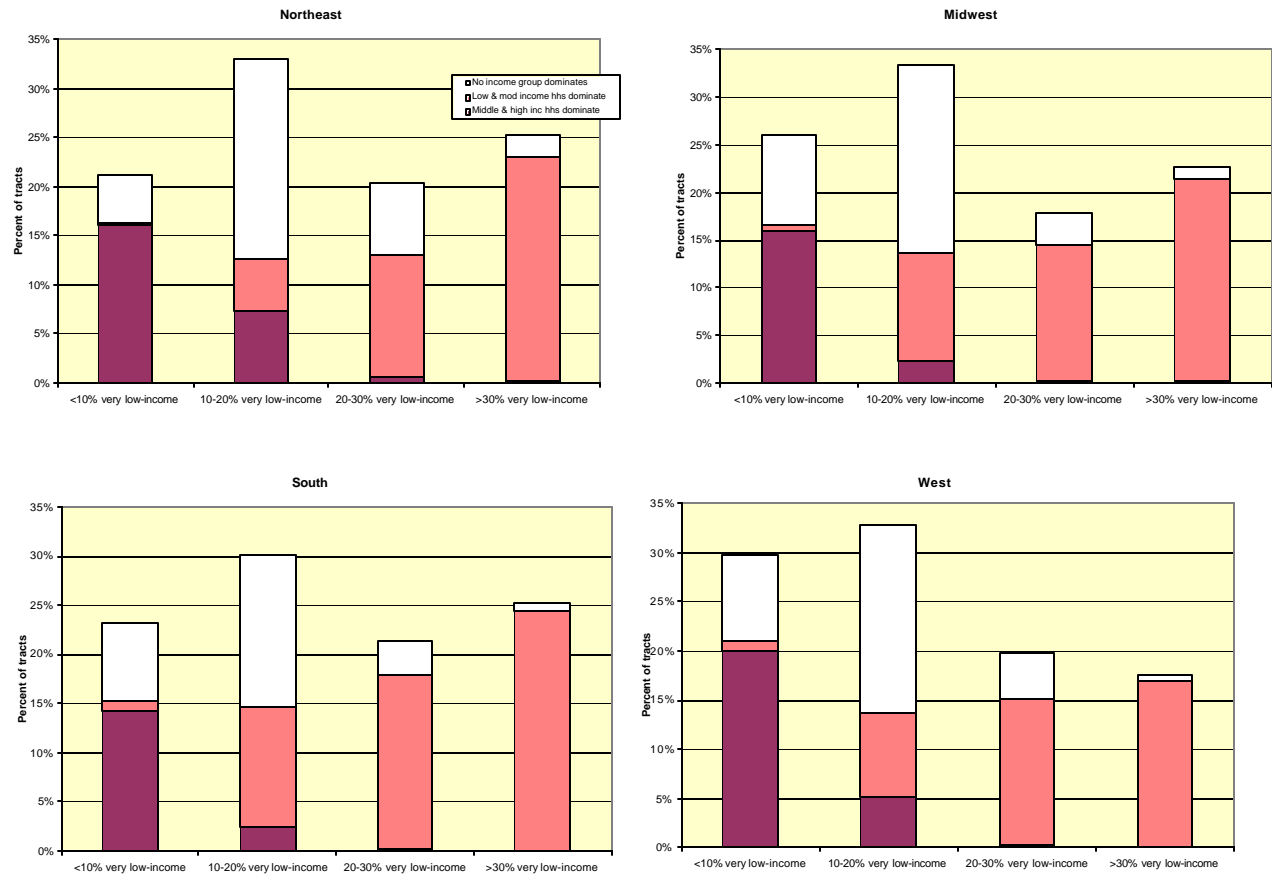


Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

We find relatively few differences in patterns of income mixing for neighborhoods in different regions of the country (see Exhibit 18). In all four regions of the country, a majority of tracts that are less than 10 percent very-low-income are dominated by middle- and high-income households, although the share in which no group predominates is lowest in the Northeast (22.7 percent) and highest in the Midwest (36.2 percent) and South (34.8 percent). Tracts where very-low-income households make up 10 to 20 percent of the population are consistently the most mixed, but households in the middle- to high-income range are most likely to dominate these tracts in the Northeast. And finally, almost no tracts with more 20 percent very low-income households are dominated by the middle- to high-income range. Here, however, the share of tracts in which no group predominates is highest in the Northeast (21.4 percent) and lowest in the South (9.1 percent) and Midwest (11.0 percent).

This typology—which reflects the extent of income diversity in tracts with differing shares of very-low-income households—has the potential to offer new insights for further exploring variations within and between metro areas. As discussed in previous sections, however, some analysts may want a simpler typology with fewer categories, especially if they are interested in comparing the intersection of racial, ethnic, and income diversity at the tract level. Therefore, we present the following “reduced form” typology, which may prove more manageable for use in conjunction with other stratifiers:

## Exhibit 18: Distribution of Tracts by Share of Very-Low-Income Households and Income Mixing by Region, 2000



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

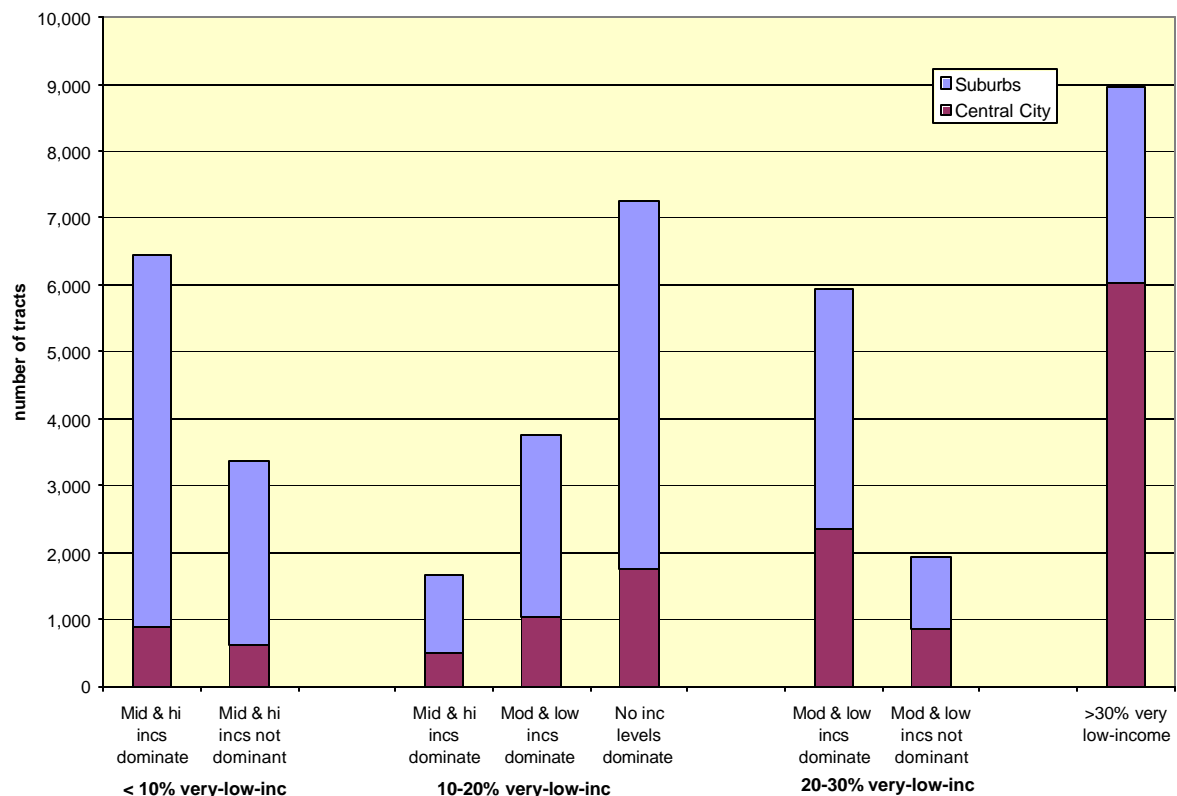
- **Less than 10 percent very-low income, middle- to high-income households dominate**—this category is limited to tracts where less than 10 percent of households fall into the lowest income quintile, and more than 60 percent of the rest are in the top two quintiles.
- **Less than 10 percent very-low income, middle- to high-income households do not dominate**—this category combines all of the remaining tracts where less than 10 percent of households are in the lowest income quintile. In most of these tracts, no pair of quintiles dominates, but rather, the non-low-income population is economically diverse.
- **10–20 percent very-low income, middle- to high-income households dominate**—this category consists of tracts where 10 to 20 percent of households fall into the lowest income quintile, and more than 60 percent of the rest are in the top two quintiles.
- **10–20 percent very-low income, low- to moderate-income households dominate**—this category consists of tracts where 10 to 20 percent of households fall into the lowest income quintile, and more than 60 percent of the rest are in the next two quintiles.



- **10–20 percent very-low income, no income range dominates**—this category consists of tracts where 10 to 20 percent of households fall into the lowest income quintile, and no pair of income quintiles dominates among the remaining households.
- **20–30 percent very-low income, low- to moderate-income households dominate**—this category is limited to tracts where 20 to 30 percent of households fall into the lowest income quintile, and more than 60 percent of the rest are in the next two quintiles.
- **20–30 percent very-low income, low- to moderate-income households do not dominate**—this category combines all of the remaining tracts where 20 to 30 percent of households are in the lowest income quintile. In most of these tracts, no pair of quintiles dominates, but rather, the non-low-income population is economically diverse.
- **More than 30 percent very-low-income**—this category combines all tracts in which more than 30 percent of households fall into the lowest income quintile. In almost all of these tracts, the remaining population is dominated by the next two (low- and moderate-income) quintiles.

Exhibit 19 presents the distribution of all tracts in the 100 largest MSAs across these eight condensed categories, as of 2000. Interestingly, tracts with the smallest share of very-low-

**Exhibit 19: Simplified Income Typology, 2000**



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

income households are most likely to be dominated by the top two income quintiles, while tracts that are between 10 and 20 percent very-low-income are substantially more likely to be economically diverse (with no pair of quintiles dominating). And, not surprisingly, central cities account for a disproportionate share of tracts with more than 30 percent very-low-income households, although a substantial number of these tracts are located in suburban communities as well.

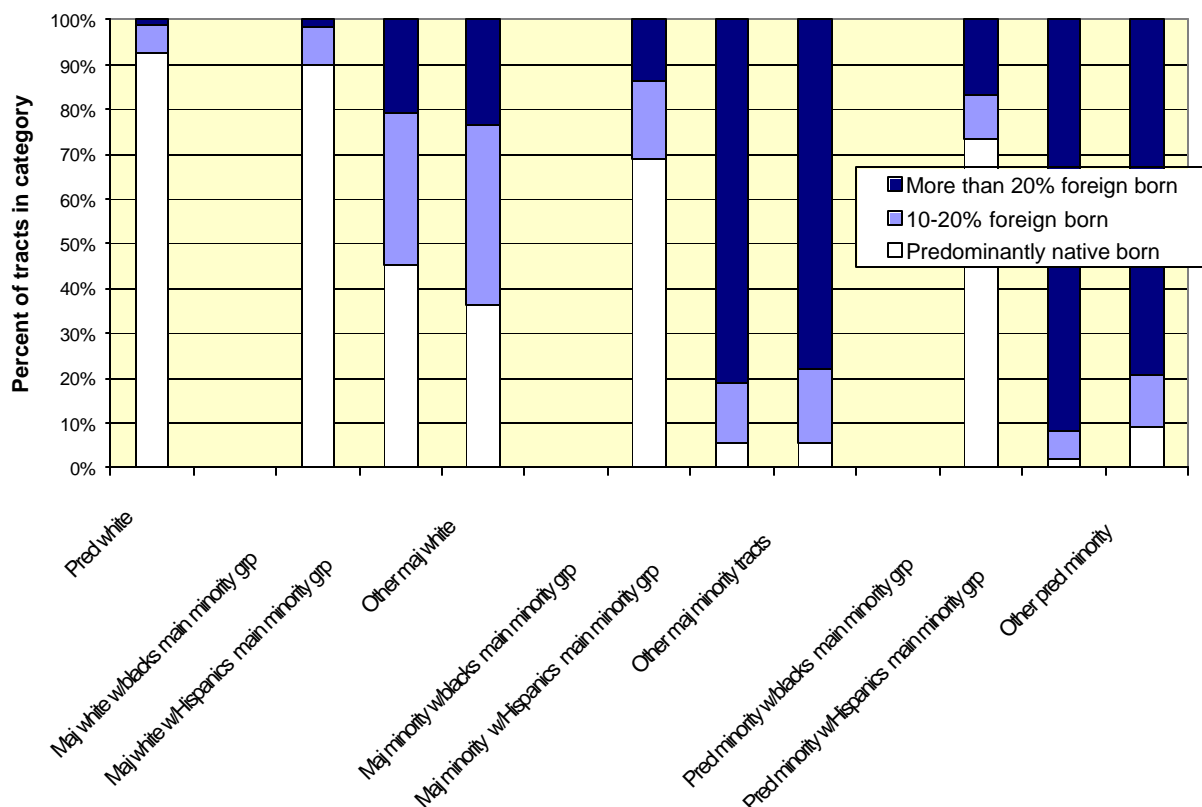
## 2. How Do Different Types of Neighborhood Diversity Interact?

The race, ethnicity, nativity, and income mixing typologies developed above provide quite detailed categories for describing the composition of neighborhoods. They not only differentiate relatively homogeneous neighborhoods from those that are mixed along each dimension, but they also highlight varying patterns of diversity and offer new insights about how these three dimensions of diversity interact. This section explores some of these interactions, and presents a much-simplified composite typology of overall neighborhood diversity.

### Race/Ethnicity and Nativity

Not surprisingly, almost all neighborhoods that are predominantly white are also predominantly native born (see Exhibit 20). Majority white neighborhoods in which blacks dominate the minority population are equally likely to be predominantly native born. Most of the other neighborhood types in which blacks dominate the minority population are also predominantly

**Exhibit 20: Interaction between Race/Ethnicity and Nativity, 2000**



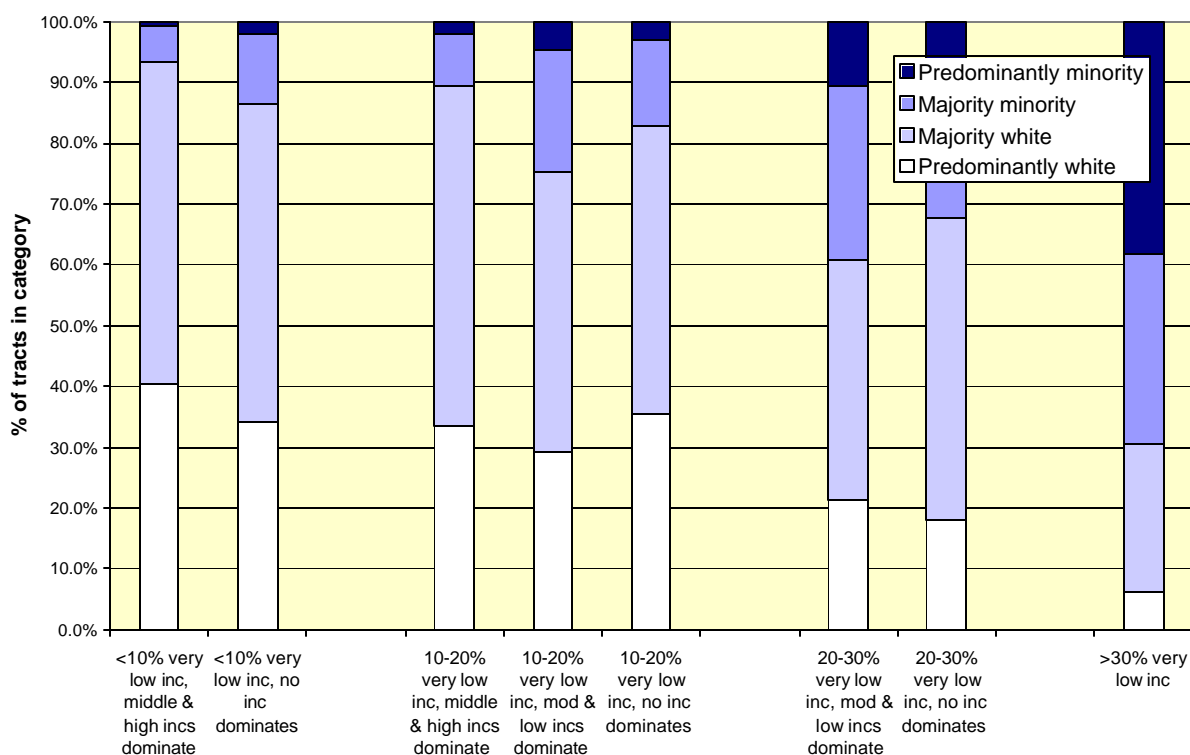
Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

native born. It is in neighborhoods with substantial minority population shares in which blacks do *not* dominate that foreign born populations are more substantial. In particular, only about 5 percent of majority-minority tracts in which blacks do not dominate (and 4 percent of predominantly-minority tracts in which blacks do not dominate) are predominantly native born. Thus, we find a fairly stark distinction between neighborhoods inhabited primarily by native whites and blacks and neighborhoods with substantial foreign born populations.

## Race/Ethnicity and Income

Patterns of interaction between neighborhoods' racial/ethnic composition and their income mix are more complex (see Exhibit 21). At the extremes, the story is relatively clear. Tracts with the smallest shares of very-low-income residents are the most likely to be predominantly white, and only among tracts with the largest shares of very-low-income residents do minorities predominate. Between these extremes, however, we find a wide variety of racial/ethnic combinations within every income category. Focus, for example, on neighborhoods where 10 to 20 percent of households have very low incomes and no pair of income quintiles dominates.

**Exhibit 21: Interaction Between Income Mixing and Race/Ethnicity, 2000**



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

Just over a third of these neighborhoods are predominantly white, almost half are between 10 and 50 percent minority, 14 percent are 50 to 90 percent minority, and 3 percent are predominantly minority. And even among the most economically exclusive tracts (less than 10 percent very low income with middle and high income households dominating), more than half have substantial minority representation, and 6 percent are majority minority.

### Summary Diversity Categories

The level of detail offered by the three neighborhood typologies developed here is important for exploring the possible implications of diversity and for tracking changes over time. However, for some purposes, it may also be useful to consider a much simpler set of categories—categories that essentially distinguish neighborhoods that are “exclusive” (limited primarily to white and/or affluent residents, “isolated” (limited primarily to minority and/or low-income residents), and “diverse” (neither exclusive nor isolated).

Therefore, we collapsed the race/ethnicity and country of origin typologies to create the following four summary categories:

- **Exclusive**—tracts that are both predominantly white and predominantly native born;
- **Native whites and blacks**—tracts that are predominantly native born and between 10 and 90 percent minority, with blacks dominating the minority population;
- **Multiethnic mix**—all other tracts that are between 10 and 90 percent minority;
- **Isolated**—all tracts that are predominantly minority.

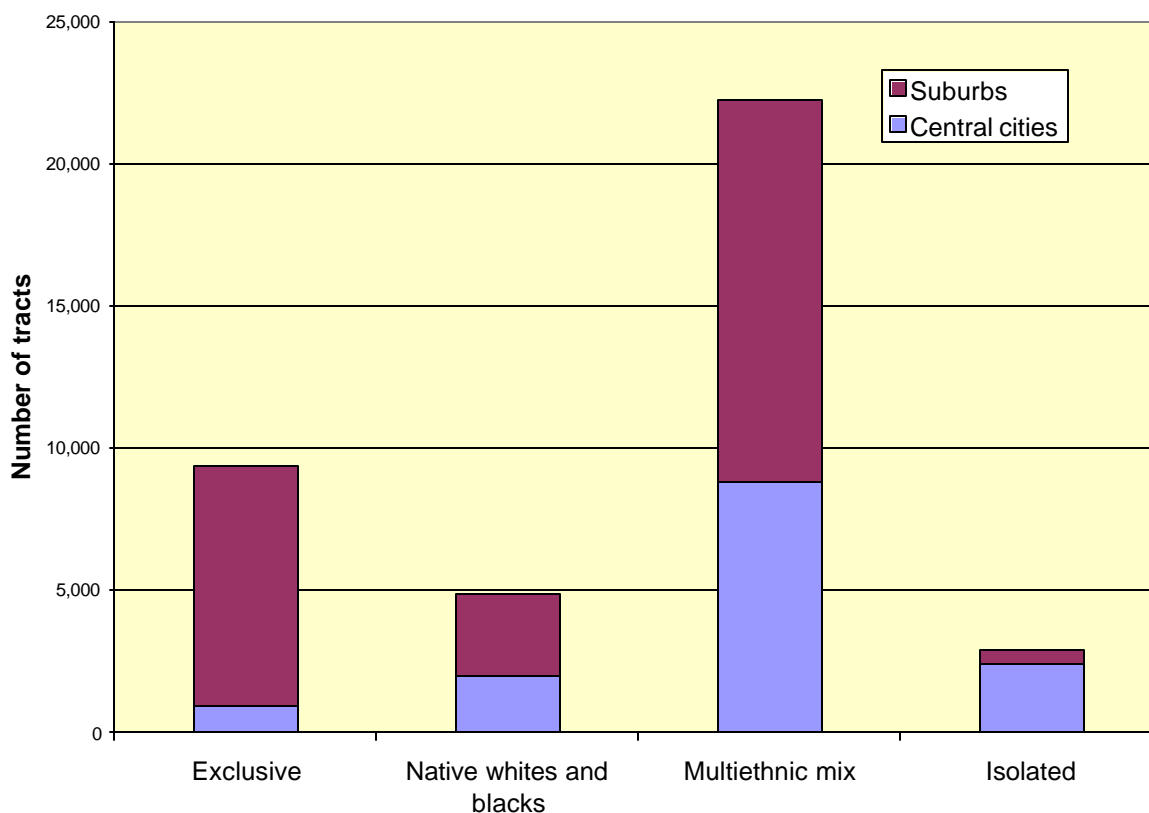
Clearly, these summary categories ignore important differences between tracts, but for some analysis purposes, they may prove useful, especially for highlighting the prevalence of the most exclusive and the most isolated tracts. Exhibit 22 presents the distribution of central city and suburban tracts in the top 100 metro areas nationwide across these four broad categories.

Just under 10,000 tracts—23.8 percent of all tracts in the 100 largest metro areas—are racially exclusive, and the vast majority of these (90.5 percent) are located in suburban communities. A much smaller number of tracts (12.4 percent of the total) are occupied by a mix of native born whites and blacks. Interestingly, well over half of these (59.3 percent) are also located in the suburbs. The largest number of tracts are classified as home to a multiethnic mix of residents. Although this category is very broadly defined, the fact that it encompasses so many neighborhoods—56.6 percent all tracts in the nation’s 100 largest metros—is striking.<sup>10</sup> Six of ten multiethnic tracts are located in suburban communities. Finally, isolated tracts account for the smallest group of neighborhoods in the top 100 metros nationwide (only 7.3 percent of the total), with 82.4 percent of these tracts located in central cities.

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<sup>10</sup> Some analysts might choose to subdivide this category further—possibly distinguishing tracts that are majority white from those that are majority minority. For purposes of this summary typology, we chose to keep the number of categories to a minimum.

## Exhibit 22: Racial and Ethnic Diversity in Central Cities and Suburbs, 2000 -- Summary



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

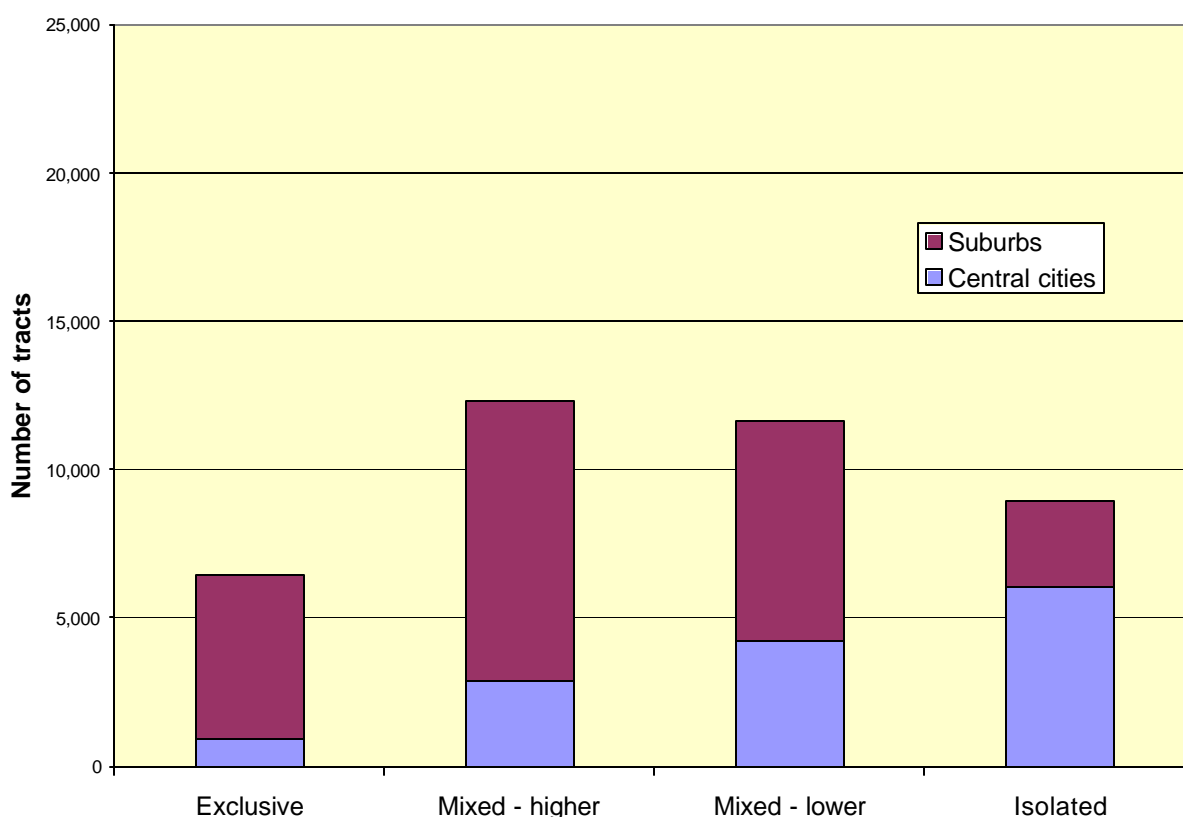
To complement this summary set of race, ethnicity, and nativity categories, we collapsed the income typology discussed above into four parallel categories:

- **Exclusive**—tracts where less than 10 percent of all households are very low income, and the top two income quintiles dominate among the remaining households;
- **Mixed, higher income**—tracts in which less than 10 percent of households are very low income but where the top two income quintiles do not dominate, and tracts that are between 10 and 30 percent very low income, where the top two income quintiles do dominate;
- **Mixed, lower income**—tracts that are between 10 and 30 percent very low income, where the top two income quintiles do not dominate;
- **Isolated**—tracts that are more than 30 percent very low income.

Again, consolidating the income typology in this way blurs important differences between tracts. Nonetheless, these simplified categories are intended to differentiate the most exclusive and isolated tracts from those that can be broadly defined as economically diverse, as illustrated in Exhibit 23.

Economically exclusive tracts constitute the smallest category—accounting for only 16.4 percent of all tracts in the top 100 metro areas. Most of these exclusive neighborhoods (86.3 percent) are suburban. The two economically mixed categories are roughly equal in size, and a majority of tracts in both of these categories are located in suburban communities. However, suburban tracts account for a larger share of the higher income mixed neighborhoods (76.6 percent) than of the lower income mixed neighborhoods (63.8 percent). Finally, economically isolated neighborhoods account for 22.8 percent of tracts in the top 100 metros, with about two-thirds of these neighborhoods located in central cities.

**Exhibit 23: Income Diversity in Central Cities and Suburbs, 2000—Summary**



Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas

Combining these two summary typologies (see Exhibit 24) provides an overall snapshot of the extent of diversity in metropolitan neighborhoods nationwide. Only 6 percent of all tracts in the largest 100 metro areas are *fully exclusive*—both economically and with respect to race, ethnicity, and nativity. And 5 percent are *fully isolated*. Many more neighborhoods can be considered *fully diverse*; 34.9 percent of all tracts in the 100 largest metro areas are classified as both mixed income and mixed race/ethnicity. Thus, the overall picture is of considerable neighborhood diversity. But this picture also highlights the way in which racial and economic exclusion coincide. In almost no economically exclusive neighborhoods do blacks predominate;

these neighborhoods are either predominantly white or multiethnic. Correspondingly; most racially isolated neighborhoods are economically isolated as well. And finally, neighborhoods occupied primarily by native whites and blacks are more likely to be economically isolated than either predominantly white or ethnically mixed neighborhoods.

**Exhibit 24: Neighborhood Diversity in the Top 100 Metros Nationwide**

<b>Race, ethnicity, and country of origin</b>	<b>Exclusive</b>	<b>Mixed - Higher</b>	<b>Income Mixed - Lower</b>	<b>Isolated</b>	<b>Total</b>
<b>Exclusive</b>	6.02	10.02	6.46	1.26	23.76
<b>Native whites and blacks</b>	0.72	3.01	4.45	4.18	12.36
<b>Multiethnic mix</b>	9.62	17.66	17.23	12.03	56.55
<b>Isolated</b>	0.07	0.54	1.39	5.33	7.33
<b>Total</b>	16.43	31.23	29.53	22.81	100.00

Source: Urban Institute tabulations of 2000 Census data for the top 100 metro areas



### 3. Trends in Neighborhood Diversity

During the 1990s, America's metropolitan areas became substantially more diverse overall. The total minority share of population in the 100 largest metro areas climbed from 29.5 to 36.8 percent between 1990 and 2000, with black, Hispanic, and Asian shares all rising. And the foreign born share of population in the 100 largest metro areas rose from 11 to 15 percent. Analysis of residential segregation patterns over the decade suggest that the separation of blacks from whites declined slightly in most metro areas, although it remained very high, while the separation of Hispanics from non-Hispanic whites rose.<sup>11</sup> At the same time, the number of very high poverty neighborhoods declined quite substantially during the 1990s, although in some metro areas—including those experiencing rapid growth in foreign born populations—the number increased.<sup>12</sup>

What do our categories of neighborhood diversity add to the emerging picture of racial, ethnic, and economic change that occurred during the 1990s? To answer this question, we applied the racial and ethnic and country of origin typologies developed in section 1 of this report to 1990 census data for consistently defined census tracts in the same 100 metro areas.<sup>13</sup>

Unfortunately, the income ranges reported by the census at the tract level make it impossible to create income diversity categories that are comparable for 1990 and 2000.<sup>14</sup> This section reports the extent of change in neighborhood diversity, focusing in turn on race/ethnicity and country of origin.

#### Racial and Ethnic Diversity

Between 1990 and 2000, the share of tracts that were predominantly white declined substantially—from 38.1 percent of all tracts in the top 100 metro areas nationwide to only 25.7 percent (see Exhibit 25). The share of tracts that were majority white and dominated by either blacks or Hispanics also declined slightly, while the share of tracts in every other category increased. The biggest increase occurred among tracts that were majority white but not dominated by either blacks or Hispanics. This category climbed from 18.5 percent of all tracts in the top 100 metro areas to 24.2 percent between 1990 and 2000. Other increases were much smaller, but in general, categories where the minority population was not dominated by blacks grew fastest.

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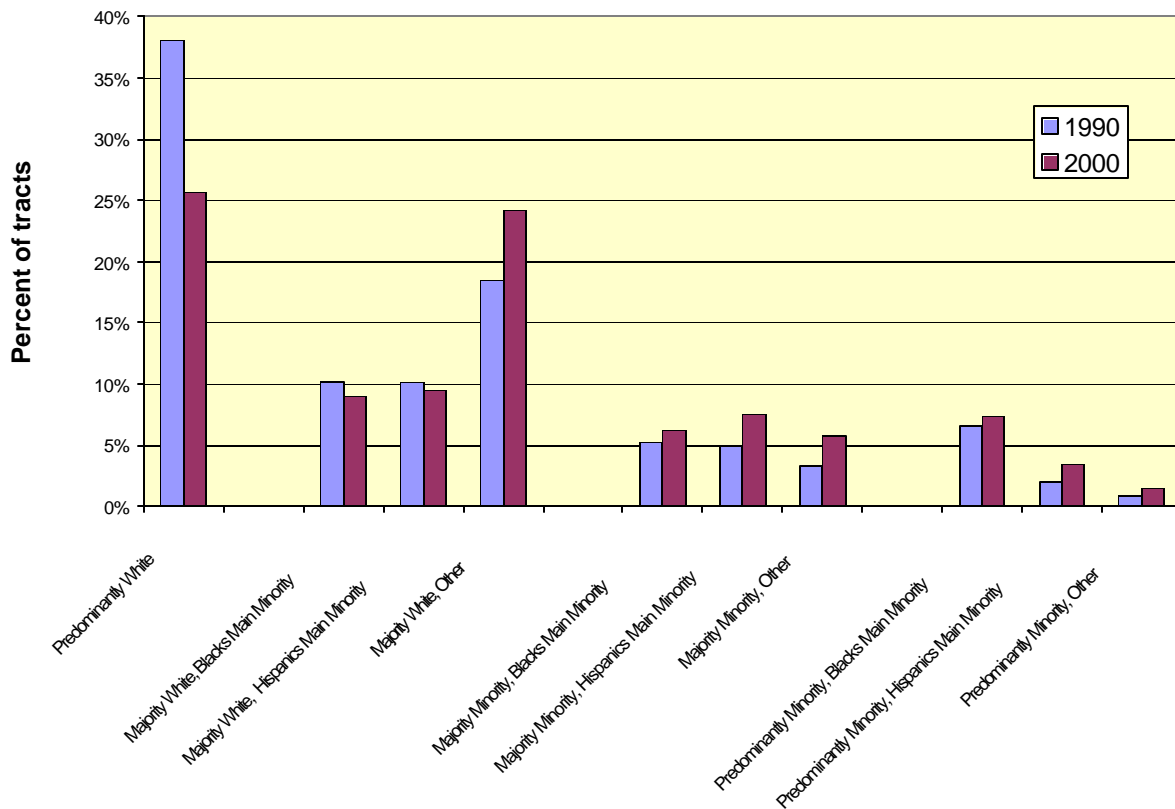
<sup>11</sup> See Logan, Stults, and Farley (2004).

<sup>12</sup> See, for example, Jargowsky (2003) and Kingsley and Pettit (2003).

<sup>13</sup> See Urban Institute (2002) regarding the Neighborhood Change Database, which links data from four decennial censuses, using consistent tract boundary definitions.

<sup>14</sup> We experimented with several different approximations of 1990 household income quintiles, and found that what at first appeared to be shifts in neighborhood income diversity between 1990 and 2000 were artifacts of the category definitions.

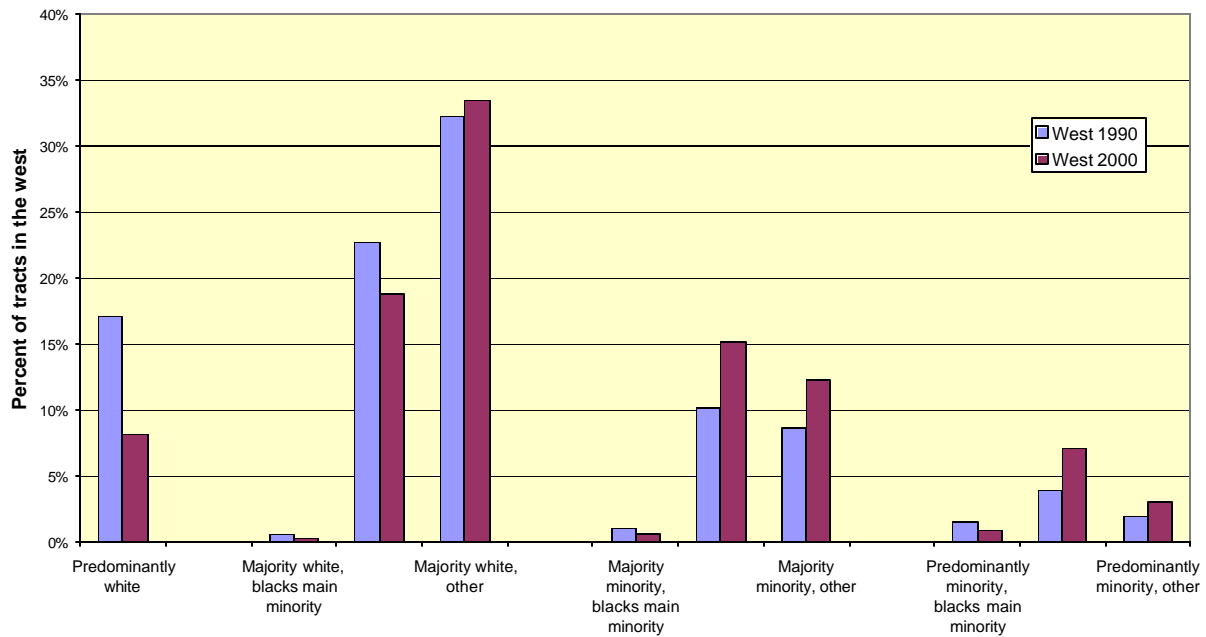
**Exhibit 25: Change in Racial and Ethnic Diversity between 1990 and 2000**



Source: Urban Institute tabulations of 1990 and 2000 Census data for the top 100 metro areas

The same pattern of change occurred both in central city tracts and in suburban tracts nationwide, and in three of the four census regions. Only the West exhibits a different pattern, as illustrated in Exhibit 26. In western metros, the share of majority white tracts remained essentially unchanged, and the share of tracts in which blacks dominate the minority population declined slightly. In contrast, increases occurred among majority minority tracts and predominantly minority tracts in which blacks are not the dominant minority group.

## Exhibit 26: Change in Racial and Ethnic Diversity, 1990 and 2000—Western Metros



Source: Urban Institute tabulations of 1990 and 2000 Census data for the top 100 metro areas

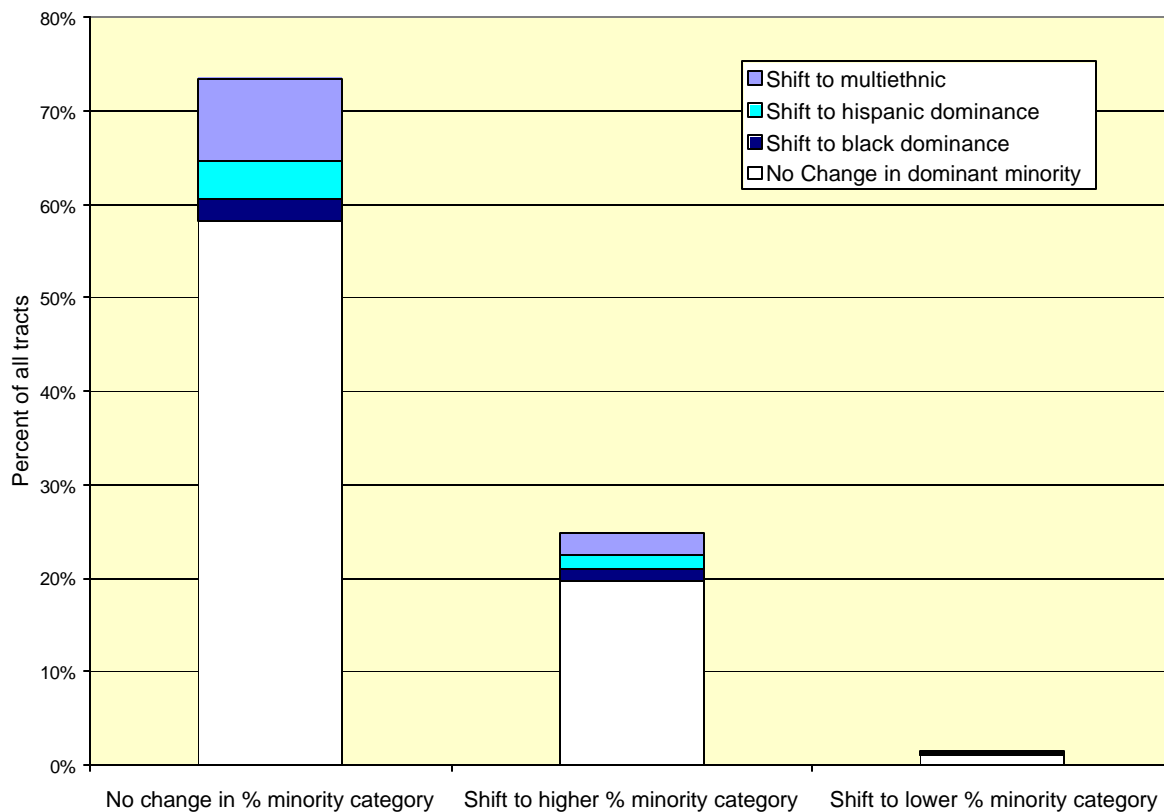
Although the number of predominantly white tracts declined during the 1990s and the number with racially and ethnically mixed populations increased, a majority stayed in the same category of our racial/ethnic typology over the decade. In order to explore change in neighborhood racial and ethnic composition, we categorized tracts based on whether (and how) they shifted between typology categories from 1990 to 2000. More specifically, we created a new typology, based on change in a tract's percent minority and change in the dominant minority group:

- ? No change in percent minority category
  - No change in dominant minority
  - Shift to black dominance
  - Shift to Hispanic dominance
  - Shift to multiethnic
- ? Shift to higher percent minority category
  - No change in dominant minority
  - Shift to black dominance
  - Shift to Hispanic dominance
  - Shift to multiethnic
- ? Shift to lower percent minority category
  - No change in dominant minority
  - Shift to black dominance
  - Shift to Hispanic dominance
  - Shift to multiethnic

It is important to note that because the underlying categories in the racial/ethnic typology are quite broad, neighborhoods could experience considerable change without shifting from one category to another. As discussed earlier, some analysts may want to focus on narrower ranges in order to produce a more nuanced picture of the extent of neighborhood change. Nonetheless, this basic change typology provides an overall picture of the extent to which the racial and ethnic composition of city and suburban neighborhoods shifted during the 1990s.

Almost three quarters (73.6 percent) of all tracts in the 100 largest metro areas nationwide stayed in the same basic category of minority share between 1990 and 2000, while one quarter (24.9 percent) shifted to a higher category and almost none shifted to a lower category (see Exhibit 27). Moreover, only 2 of every 10 tracts (20.8 percent) experienced a shift in the dominant minority group. More than half of all tracts that did experience such shifts shifted to multiethnic status. Only 3.4 percent of tracts shifted to black dominance and 5.9 percent shifted to Hispanic dominance. This same basic pattern of change occurred in both central city and suburban tracts and across all four Census regions.

**Exhibit 27: Shifts in Racial and Ethnic Categories between 1990 and 2000**



Source: Urban Institute tabulations of 1990 and 2000 Census data for the top 100 metro areas

Another way to explore patterns of change is to focus on tracts that fell in a given category in 1990 and look at their distribution across categories in 2000. In other words, what types of transitions between categories occurred over the decade? Exhibit 28 focuses on transitions for four categories of tracts: those that were predominantly white in 1990, those that were majority white with blacks the dominant minority, those that were majority white with Hispanics the dominant minority, and other majority white tracts. Are tracts in these categories simply transitioning to higher percent minority categories or are they changing in more complex ways?

**Exhibit 28: Tract Transitions for Selected Racial and Ethnic Categories, 1990–2000**

Percent in each category in 2000	Category in 1990			
	Predom white	Majority white - blacks dom	Majority white - hispanics dom	Majority white - other
Predominantly white	65.5	3.1	1.6	1.5
Majority white, blacks main minority	6.2	57.7	0.1	3.5
Majority white, hispanics main minority	6.4	0.7	54.1	7.6
Majority white, other	21.5	13.9	15.3	68.8
Majority minority, blacks main minority	0.3	21.1	0.1	1.4
Majority minority, hispanics main minority	0.1	0.5	26.6	3.5
Majority minority, other	0.0	2.9	2.1	13.6
Predominantly minority, blacks main minority	0.0	0.2	0.0	0.0
Predominantly minority, hispanics main minority	0.0	0.0	0.1	0.0
Predominantly minority, other	0.0	0.0	0.0	0.0
Total tracts	14,877	3,975	3,964	7,230

Source: Urban Institute tabulations of 1990 and 2000 Census data for the top 100 metro areas

A majority of tracts that were predominantly white remained essentially the same between 1990 and 2000. Almost two-thirds of all tracts that were predominantly white in 1990 were still predominantly white in 2000. Of those that transitioned, 6 of 10 (62.3 percent) became majority white with neither blacks nor Hispanics dominating the minority population and the remainder were roughly evenly divided between majority white with blacks dominating the minority population and majority white with Hispanics dominating.

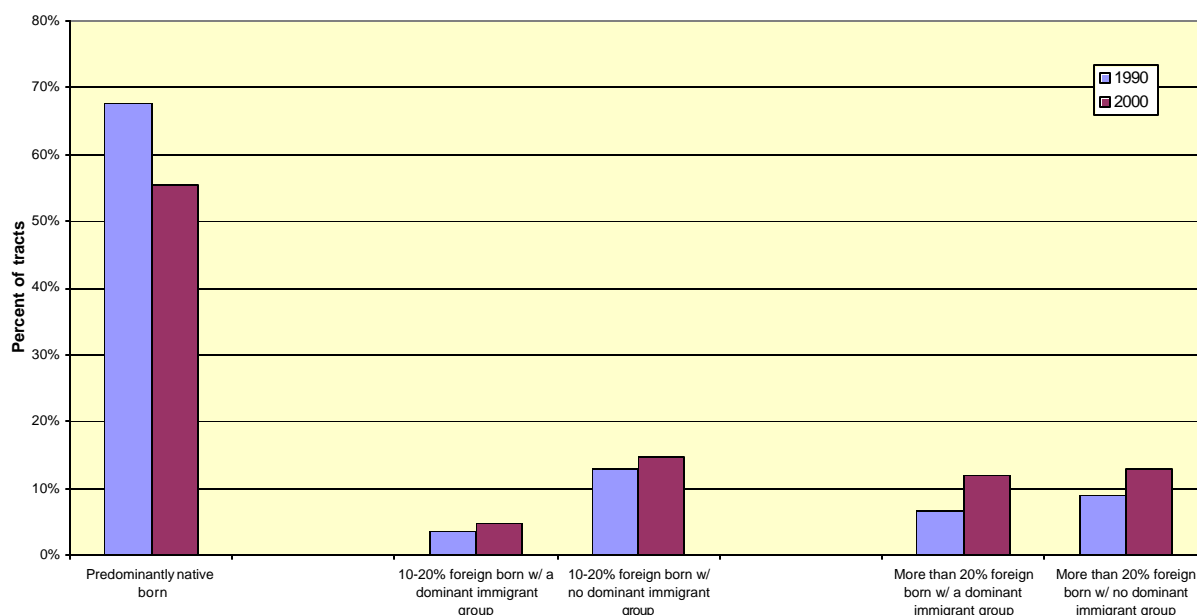
Tracts that were majority white in 1990 with either blacks or Hispanics dominating the minority population, were somewhat more likely to experience transitions by 2000. Specifically, 57.7 percent of majority white tracts with blacks dominating and 54.1 percent of majority white tracts with Hispanics dominating remained in the same category. Of those that transitioned, about one-third remained majority white, but with neither blacks nor Hispanics dominating the minority population. And interestingly, majority white tracts where Hispanics dominated the minority population in 2000 were more likely to transition to majority minority status than were majority white tracts where blacks dominated.

Finally, tracts that were majority white in 1990 with neither blacks nor Hispanics dominating the minority population were the most likely to be in the same category in 2000. Almost 7 of every 10 tracts in this category remained the same over the decade. Among those that changed, about a third (35.6 percent) remained majority white but transitioned to either black or Hispanic dominance of the minority population. Another 15.6 percent became majority minority with either blacks or Hispanics dominating the minority population, and 43.6 percent became majority minority with neither blacks nor Hispanics dominating.

## Country of Origin

Just as the number of predominantly white tracts declined nationwide, so did the number of predominantly native born tracts (see Exhibit 29). In the 100 largest metro areas, the share of tracts that were predominantly native born dropped from 67.7 percent in 1990 to 55.5 percent in 2000. The number of tracts with populations between 10 and 20 percent foreign born increased only slightly. Bigger gains occurred among tracts that were more than 20 percent foreign born. The pattern of change was essentially the same for both central cities and suburbs, and for all four census regions. Metro areas in the south experienced the biggest increases in tracts with 10 to 20 percent foreign born population, while those in the west experienced the biggest increases in tracts with more than 20 percent foreign born populations.

**Exhibit 29: Change in Foreign Born between 1990 and 2000—  
Top 100 Metros**



Source: Urban Institute tabulations of 1990 and 2000 Census data for the top 100 metro areas

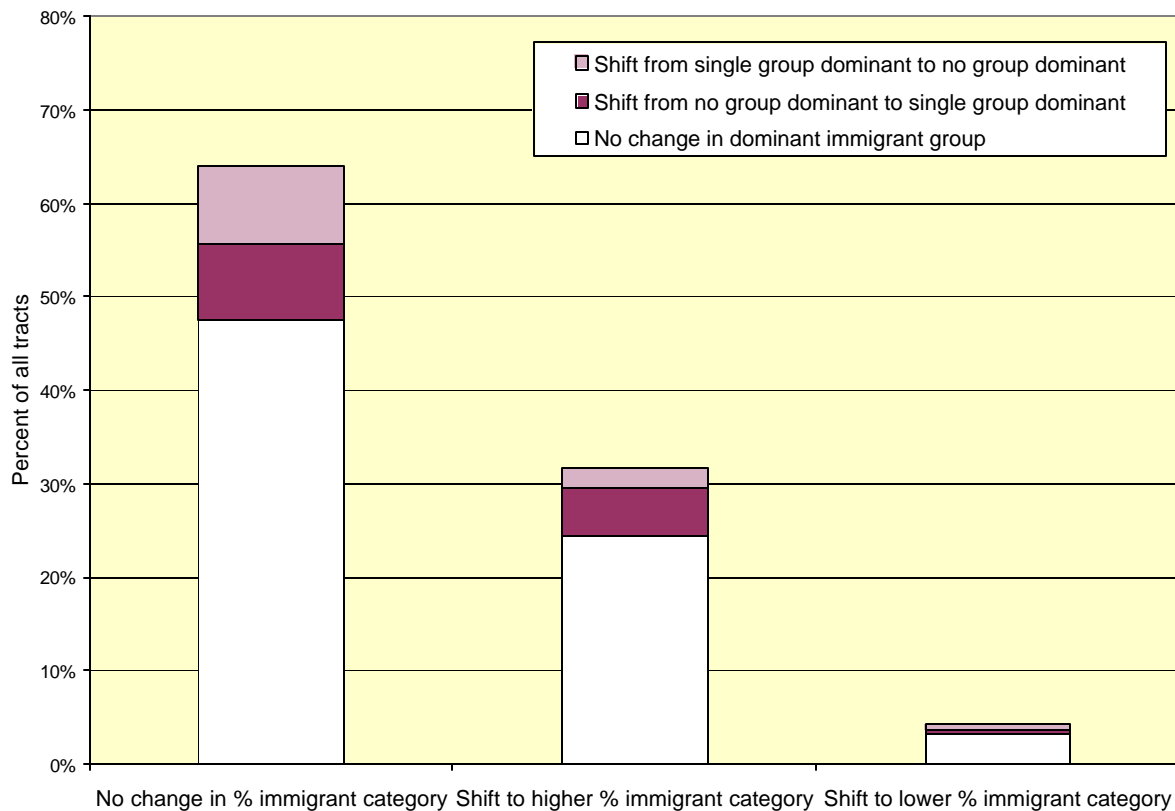
When we focus on the extent to which individual tracts shifted between typology categories we again find more stability than change. Specifically, we created a new typology, based on change in a tract's percent foreign born and change in the dominant immigrant group:

- ? No change in percent immigrant category
  - o No change in dominant immigrant group
  - o Shift to single group dominance
  - o Shift to multigroup
- ? Shift to higher percent immigrant category
  - o No change in dominant immigrant group
  - o Shift to single group dominance
  - o Shift to multigroup
- ? Shift to lower percent immigrant category
  - o No change in dominant immigrant group
  - o Shift to single group dominance
  - o Shift to multigroup

Again, it is important to note that the underlying typology categories are quite broad and neighborhoods could experience considerable change without shifting from one category to another. Some analysts may want to explore the extent of shifting between more narrowly defined ranges.

Nonetheless, using our broad typology, we find that just under two-thirds (64.0 percent) of tracts in the 100 largest metro areas stayed in the same basic category of immigrant share between 1990 and 2000, while slightly less than one-third (31.7 percent) shifted to a higher category and only 4.3 percent shifted to a lower category (see Exhibit 30). A quarter of tracts (24.6 percent) experienced a shift in the dominant immigrant group, with roughly equal shares shifting to and from single group dominance. Again, the same basic pattern of change occurred in both central city and suburban tracts and across all four Census regions.

### Exhibit 30: Shifts in Nativity Categories between 1990 and 2000



Source: Urban Institute tabulations of 1990 and 2000 Census data for the top 100 metro areas

Finally, we explore transitions between categories that occurred over the course of the 1990s, focusing on tracts that fell in selected categories in 1990 and examining their distribution across categories in 2000. Exhibit 31 summarizes transitions for three categories of tracts: those that were predominantly native born in 1990, those that were 10 to 20 percent foreign born with a dominant immigrant group, and those that were 10 to 20 percent foreign born with no dominant immigrant group. Are tracts in these categories simply transitioning to higher percent foreign born categories or are they changing in more complex ways?



### Exhibit 31: Tract Transitions for Selected Nativity Categories, 1990–2000

Percent in each category in 2000	Category in 1990		
	Predom native	10-20% FB - w/dom grp	10-20% FB - no dom grp
Predominantly native born	80.2	9.7	6.5
10-20% foreign born with a dominant group	4.5	23.8	5.0
10-20% foreign born with no dominant group	12.1	10.4	44.3
More than 20% foreign born with a dominant group	1.9	46.7	9.5
More than 20% foreign born with no dominant group	1.4	9.4	34.7
Total Tracts	26,453	1,424	5,079

Source: Urban Institute tabulations of 1990 and 2000 Census data for the top 100 metro areas

Tracts that were predominantly native born in 1990 were more likely to remain in the same category throughout the 1990s than tracts that were predominantly white. Specifically, 8 of 10 tracts that were predominantly native born in 1990 remained in the same category throughout the decade. Most of those that changed (61.1 percent) transitioned to become 10 to 20 percent foreign born with no dominant immigrant group. And a small share (15.7 percent) transitioned to become more than 20 percent foreign born.

Tracts that were 10 to 20 percent foreign born with a dominant immigrant group in 1990 were highly likely to change by 2000. Less than a quarter of these tracts (23.8 percent) remained in the same category throughout the decade. Among those that changed, 6 of 10 (61.3 percent) became more than 20 percent foreign born with a dominant immigrant group. But substantial shares also transitioned to every other category, including predominantly native born (12.7 percent of transitioning tracts), 10 to 20 percent foreign born with no dominant group (13.6 percent of transitioning tracts), and more than 20 percent foreign born with no dominant group (12.3 percent of transitioning tracts). In other words, tracts in this category were not only the most likely to change over the course of the 1990s, but the least likely to change in a predictable direction.

Tracts that were 10 to 20 percent foreign born with no dominant immigrant group in 1990 were somewhat less likely to change during the 1990s, and the changes that occurred were more predictable. More than 4 of 10 tracts in this category (44.3 percent) remained the same throughout the decade, and among those that changed, 6 of 10 (62.3 percent) became more than 20 percent foreign born with no dominant immigrant group. Nonetheless, significant shares also shifted to predominantly native born (11.7 percent of transitioning tracts), 10 to 20 percent foreign born with a dominant immigrant group (9.0 percent of transitioning tracts), and more than 20 percent foreign born with a dominant immigrant group (17.1 percent of transitioning tracts).

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This paper presents a new set of neighborhood typologies—strategies for grouping census tracts into categories that reflect important differences in the income groups represented, as well as the extent of racial and ethnic diversity. These new typologies certainly do not represent the *only* meaningful way to categorize neighborhoods, and in fact, we suggest a number of ways in which researchers focused on particular dimensions of neighborhood diversity or on individual metropolitan areas may want to modify them. Nonetheless, we offer these classification schemes as a tool that researchers and practitioners can use to describe the extent of neighborhood diversity and how it is changing over time, to document the availability of resources and opportunities in neighborhoods of different types, and to explore the implications of neighborhood diversity for families and communities.

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## Annex A—100 Largest Metropolitan Areas

Metropolitan Area	Number of Tracts
Akron, OH PMSA	166
Albany-Schenectady-Troy, NY MSA	230
Albuquerque, NM MSA	185
Allentown-Bethlehem-Easton, PA MSA	140
Ann Arbor, MI PMSA	170
Atlanta, GA MSA	660
Austin-San Marcos, TX MSA	256
Bakersfield, CA MSA	140
Baltimore, MD PMSA	624
Baton Rouge, LA MSA	120
Bergen-Passaic, NJ PMSA	248
Birmingham, AL MSA	196
Boston, MA-NH PMSA	701
Buffalo-Niagara Falls, NY MSA	300
Charleston-North Charleston, SC MSA	117
Charlotte-Gastonia-Rock Hill, NC-SC MSA	300
Chicago, IL PMSA	1,864
Cincinnati, OH-KY-IN PMSA	405
Cleveland-Lorain-Elyria, OH PMSA	707
Columbia, SC MSA	121
Columbus, OH MSA	372
Dallas, TX PMSA	699
Dayton-Springfield, OH MSA	241
Denver, CO PMSA	511
Detroit, MI PMSA	1,269
El Paso, TX MSA	126
Fort Lauderdale, FL PMSA	279
Fort Worth-Arlington, TX PMSA	351
Fresno, CA MSA	177
Gary, IN PMSA	136
Grand Rapids-Muskegon-Holland, MI MSA	225
Greensboro--Winston-Salem--Hi Pt, NC MSA	263
Greenville-Spartanburg-Anderson, SC MSA	210
Harrisburg-Lebanon-Carlisle, PA MSA	140
Hartford, CT MSA	289
Honolulu, HI MSA	212
Houston, TX PMSA	773
Indianapolis, IN MSA	339
Jacksonville, FL MSA	197
Jersey City, NJ PMSA	157
Kansas City, MO-KS MSA	496
Knoxville, TN MSA	139
Las Vegas, NV-AZ MSA	381
Little Rock-North Little Rock, AR MSA	140
Los Angeles-Long Beach, CA PMSA	2,047
Louisville, KY-IN MSA	241

<b>Metropolitan Area</b>	<b>Number of Tracts</b>
McAllen-Edinburg-Mission, TX MSA	80
Memphis, TN-AR-MS MSA	272
Miami, FL PMSA	345
Middlesex-Somerset-Hunterdon, NJ PMSA	264
Milwaukee-Waukesha, WI PMSA	416
Minneapolis-St. Paul, MN-WI MSA	744
Mobile, AL MSA	137
Monmouth-Ocean, NJ PMSA	257
Nashville, TN MSA	247
Nassau-Suffolk, NY PMSA	583
New Haven-Meriden, CT PMSA	124
New Orleans, LA MSA	394
New York, NY PMSA	2,466
Newark, NJ PMSA	480
Norfolk-Va Beach-Newport News, VA-NC MSA	363
Oakland, CA PMSA	489
Oklahoma City, OK MSA	330
Omaha, NE-IA MSA	222
Orange County, CA PMSA	577
Orlando, FL MSA	328
Philadelphia, PA-NJ PMSA	1,314
Phoenix-Mesa, AZ MSA	692
Pittsburgh, PA MSA	702
Portland-Vancouver, OR-WA PMSA	421
Providence-Fall River-Warwick, RI-MA MSA	259
Raleigh-Durham-Chapel Hill, NC MSA	211
Richmond-Petersburg, VA MSA	252
Riverside-San Bernardino, CA PMSA	585
Rochester, NY MSA	268
Sacramento, CA PMSA	366
St. Louis, MO-IL MSA	524
Salt Lake City-Ogden, UT MSA	284
San Antonio, TX MSA	316
San Diego, CA MSA	605
San Francisco, CA PMSA	381
San Jose, CA PMSA	341
Sarasota-Bradenton, FL MSA	143
Scranton--Wilkes-Barre--Hazleton, PA MSA	183
Seattle-Bellevue-Everett, WA PMSA	527
Springfield, MA MSA	120
Stockton-Lodi, CA MSA	121
Syracuse, NY MSA	209
Tacoma, WA PMSA	158
Tampa-St. Petersburg-Clearwater, FL MSA	547
Toledo, OH MSA	163
Tucson, AZ MSA	198
Tulsa, OK MSA	250
Vallejo-Fairfield-Napa, CA PMSA	107
Ventura, CA PMSA	155

<b>Metropolitan Area</b>	<b>Number of Tracts</b>
Washington, DC-MD-VA-WV PMSA	1,032
West Palm Beach-Boca Raton, FL MSA	265
Wichita, KS MSA	137
Wilmington-Newark, DE-MD PMSA	142
Youngstown-Warren, OH MSA	157