



# Pulling Apart: Economic Segregation among Suburbs and Central Cities in Major Metropolitan Areas

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*“Economic segregation among municipalities is rising, but trends vary significantly across time and in different regions of the country.”*

## Findings

An analysis of census income data for cities and suburbs in the nation’s 50 largest metropolitan areas between 1980 and 2000 shows that:

- **The overall per capita income gap between central cities and suburbs remained unchanged between 1990 and 2000, in stark contrast to the widening gaps in the previous two decades.** However, the city and suburban income gaps in the Northeast and Midwest are still wide and growing while smaller gaps in the South and West are narrowing.
- **The proportion of poor and affluent suburbs (to middle-income suburbs) increased rapidly in the 1980s but leveled off during the 1990s.** As a result, only just over 60 percent of suburban residents live in middle-income suburbs today versus nearly 75 percent 20 years ago.
- **The gap between the richest and poorest suburbs increased rapidly during the 1980s and more slowly in the 1990s, although patterns of inequality vary widely across the country.** Generally, the suburban income gaps are largest in the Sun Belt metro areas such as Phoenix, Los Angeles, and Houston. In Northeastern metropolitan areas such as Buffalo, Rochester, and Hartford, per capita incomes between suburbs are more similar.
- **Most of the growth in the number of poor and affluent places occurred because middle-income places became poorer or more affluent.** An important exception is that the growth in poor places in the 1990s occurred entirely in counties annexed by metropolitan areas. Using fixed 1990 boundaries for metropolitan areas, the number of poor places actually declined in the 1990s.

Even though the prosperous 1990s improved the per capita incomes of cities and suburbs, the decade did not reverse or eliminate the income inequalities across locales that emerged during the past three decades.

## Introduction

This survey marks the first Census 2000 examination of municipal economic segregation. Although not as widely studied as racial segregation, economic segregation—the degree to which different economic classes live spatially apart from one another—has become an important focus of research in the past 20 years.

The publication of William Julius Wilson's *The Truly Disadvantaged* in 1987 sparked interest among researchers in the degree to which the poor have become concentrated in neighborhoods, segregated from the rest of society. From 1970 through 1990, poverty became increasingly concentrated. The news became more encouraging beginning in the 1990s, with what one researcher called a “dramatic decline” in the number of people living in areas of concentrated poverty in the 1990s.<sup>2</sup>

Concentrated poverty is an important topic for research and policymakers because the quality of life is significantly lower for poor people living in areas where most of their neighbors are also poor compared with poor people who live in mixed-income neighborhoods. Research has linked living in high-poverty areas (independent of individual characteristics) with such negative outcomes as dropping out of school early, teen pregnancy, unwed births, unemployment, and crime victimization. Areas of concentrated poverty often lack job opportunities, health care services, good shopping, decent schools, and adequate municipal services. Further, concentrations of poverty violate the fundamental American value of equal opportunity.<sup>3</sup>

The flipside of concentrated poverty is concentrated wealth, and just as many poor people live “worlds apart” from the rest of society, so, too, do many affluent people. When affluent households segregate themselves in

exclusive suburban enclaves, they sever the social relations that provide low- and moderate-income communities with job networks, roles models, and even political clout. The damaging effects of the “secession of the successful,” as Robert Reich has called it, are more pronounced when the affluent move not only into separate neighborhoods, but also into separate municipalities and school districts, siphoning off fiscal and political resources.<sup>4</sup>

Most researchers studying economic segregation have focused on neighborhoods, typically defined as census tracts.<sup>5</sup> Our research focuses on municipalities. We look at how people with different incomes are spatially sorted among political jurisdictions, that is, central cities and their suburbs. When most poor people lived in central cities, it made more sense to study neighborhoods, most of which were contained within one political jurisdiction. By 2002, however, nearly as many poor people lived in suburbs (13.31 million) as in central cities (13.78 million).<sup>6</sup> Poor families living in suburbs encounter a political environment very different from central cities, one often divided into hundreds of separate municipalities and school districts. The sorting of economic classes into suburban municipalities and school districts affects access to affordable, high-quality public services, especially schools.

Research on economic segregation must take into account both the broader trends in the economy and the local area conditions. Thus, we expect the level of spatial economic segregation to reflect the overall level of economic inequality in society. At the same time, however, spatial segregation is also affected by many other factors, including local zoning codes and racial discrimination in housing markets.<sup>7</sup>

During the period of this study, 1980–2000, economic inequality worsened in the United States.

Between 1979 and 2000, the share of income held by the bottom 20 percent of families fell from 5.4 to 4.3 percent, while the share of family income held by the top 5 percent increased from 15.3 to 21.1 percent.<sup>8</sup> Therefore, although the nation prospered from 1980 to 2000, the prosperity was not equally shared. A disproportionate share of the nation's economic growth benefited those in the top income brackets.

National statistics such as these give us a good idea of trends in economic inequality. However, people do not live their lives in the nation as a whole but in specific communities. These local contexts have a significant effect on the quality of their lives. Economic segregation, especially among local jurisdictions in the same metropolitan area, may exacerbate economic inequalities.

This report analyzes trends in economic segregation among municipalities in 50 major metropolitan areas. We attempt to answer the question, have the cities and suburbs in metropolitan areas become more equal as represented by the incomes of their residents or have they become more unequal, with rich and poor increasingly living in different jurisdictions? We begin by examining the economic differences between central cities and their suburbs, taken as a whole, and then examine economic segregation among suburbs. Our research confirms that economic segregation among municipalities is rising, but we also find that trends varied significantly across time and in different regions of the country.

## Methodology

Economic segregation can be studied in many ways. The most common method is to examine the spatial distribution of the poor using a poverty threshold as defined by the federal

government. The federal poverty standard, however, has a number of flaws that limit its usefulness.

One problem is that over time the federal standard has tended to undercount the number of families unable to purchase the basic necessities of life.<sup>9</sup> From the viewpoint of our study, a more serious problem is that the federal poverty line ignores differences in the cost of living across metropolitan areas. As a report by the National Research Council showed, by using the same poverty cut-off for every region in the country, the federal standard pulls poverty out of its regional context.<sup>10</sup> A family of three has a much more difficult time making ends meet on a poverty-level income (\$13,738 in 2000) in New York City than, say, in Grand Rapids, Michigan. In a wealthy region, affluent households bid up the cost of living, especially for housing, making it more difficult for the poor to make ends meet.<sup>11</sup>

By using an absolute standard, the federal poverty line also fails to capture the spatial and economic gap between rich and poor within a metropolitan area. Poor places may lose middle-class residents, jobs, and investment not just because of the “push” of social and economic deterioration, but also because of the “pull” of privileged places elsewhere in the region. David Rusk once postulated that if the per capita income of a central city falls below 70 percent of its suburbs, it has reached a “point of no return”: the city is “no longer a place to invest or create jobs.”<sup>12</sup> Although the 70 percent figure is somewhat arbitrary, there is little doubt that if places fall far enough behind, people and businesses will hesitate to move or invest there, accelerating its decline.

For all these reasons, we employ relative definitions of poverty and affluence, comparing suburbs to one another and to central cities. We use sample (“long form”) data from the 1980, 1990, and 2000 censuses, focusing primarily on per capita

income. Per capita income is a first approximation of the tax base of a municipality, and research shows that having large numbers of low-income people, and thus low per-capita income, puts significant spending pressures on local governments.<sup>13</sup>

To assess the gap between central cities and suburbs, we compute the ratio of the central city’s per capita income to the per capita income of the remainder of the metropolitan area (the suburbs). To measure inequality among suburbs, we compute the number of poor and affluent suburbs. We define poor suburbs as those whose per capita incomes fall below 75 percent of the regional per capita income, and we define affluent suburbs as those whose per capita incomes exceed 125 percent of the regional figure. Middle-income suburbs include those with per capita incomes in between these extremes. Our goal is to evaluate the resources available to a municipality, via per capita income, as well as how that municipality compares with surrounding jurisdictions. We are interested not only in the number of places that are poor, middle income, and affluent, but in the number of people living in these different kinds of places.

We also examine the gap between the lowest- and highest-income suburbs by computing the ratio between the suburb at the 5th percentile in per capita income (95 percent of all suburbs have less per capita income than those in the 5th percentile) and the suburbs at the 95th percentile, near the bottom. This ratio offers a clear picture of the spread, or inequality, of incomes among suburbs. A ratio of 5.0 means that the suburb at the 5th percentile had a per capita income that was five times as much as the suburb at the 95th percentile.

### A. Geographic Definitions

Our sample is drawn from the 50 largest metropolitan areas in the country. The Census Bureau defines several

different types of metropolitan areas. Metropolitan statistical areas (MSAs) are stand-alone metropolitan areas. Because in many parts of the nation metropolitan areas are very large, or have sprawled to meet one another, the Census Bureau defines primary metropolitan statistical areas (PMSAs) as parts of larger areas called consolidated metropolitan statistical areas (CMSAs). A good example is the New York City CMSA, which stretches from Connecticut to New Jersey.<sup>14</sup>

In choosing our sample of metropolitan areas, we begin with the 50 largest CMSAs and MSAs according to Census 2000. The CMSAs are so large, however, that they do not represent unified housing and labor markets. Therefore, within CMSA, we examine the largest PMSA. For example, we examined the Dallas, TX, PMSA, which had a 2000 population of 3.5 million people, considerably smaller than the Dallas-Fort Worth, TX, CMSA, which had a population of 5.2 million.<sup>15</sup>

The unit of analysis in our study is the *metropolitan area*, not the municipality. Rather than follow a cohort of municipalities over time, we measure the degree of economic segregation within metropolitan areas. For this reason, we allow our metropolitan areas to expand geographically over time, as the federal Office of Management and Budget (OMB) adds counties from one census to the next to reflect metropolitan population and economic growth.<sup>16</sup>

In 2000, our 50 metropolitan areas had a total population of 113,290,617, representing 40.3 percent of the total U.S. population. For the most part, however, our analysis only includes the population in what the Census Bureau designates as “places.” In 2000, for example, the Census Bureau counted 4,871 total “places” in the 50 metropolitan areas we studied, with a total population of 95,080,768. Within these metropolitan areas, 16.1 percent of the population lived outside municipi-

palties and “census designated places” (see below) in 2000. For our analysis, central cities are defined as the largest city in the metropolitan area. In 2000, these cities had a population of 38,668,168.

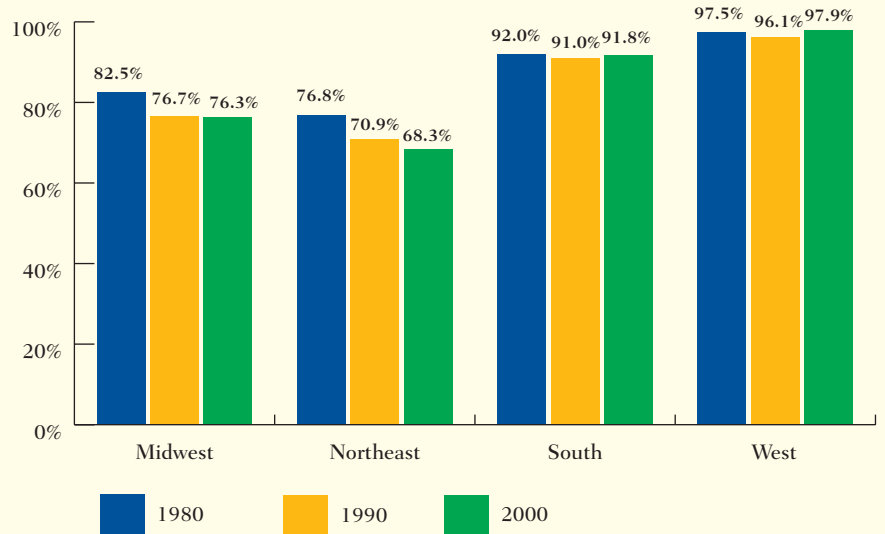
Our sample of places includes areas that are not incorporated as municipalities. Census designated places (CDPs) are unincorporated communities that are similar to municipalities (and may become municipalities in the future), but do not have a general-purpose local government. The CDPs represented 21.2 percent of all places in this study in 1980, 23 percent in 1990, and 26.3 percent in 2000.<sup>17</sup> Presumably, residents of poor CDPs do not face the same fiscal stress and accompanying public service fiscal issues that residents of poor municipalities face, because local services are not funded from the tax base of the CDP alone.<sup>13</sup> Residents of poor CDPs, however, may be subject to the same social and economic problems, such as high crime and low levels of private investment, as residents of poor municipalities.

## Findings

**A. The overall per capita income gap between central cities and suburbs remained unchanged between 1990 and 2000, in stark contrast to the widening gaps in the previous two decades.**

A study of 85 large metropolitan areas found that, in 1960, the per capita income of central cities, on average, was slightly higher than the per capita income of the suburbs. By 1980, the per capita income of central cities had fallen to only 89 percent of suburban per capita income, and the downward trend continued throughout the 1980s.<sup>19</sup> For our sample of 50 metropolitan areas, the per capita income of central cities relative to their suburbs fell from 86.3 percent in 1980 to 85.4 percent in 1990. In the 1990s, how-

**Figure 1. Central City per Capita Income as a Percentage of Suburban per Capita Income by Region, 1980, 1990, and 2000**



ever, this downward trend ceased, and held steady at 85.5 percent through 2000.

Clearly, the 1990s were better for cities than the 1980s. In the 1980s, all three of the cities in our study that were below Rusk’s “point of no return” (70 percent of the suburban per capita income) at the beginning of the decade fell further behind. In the 1990s, four of the ten cities that were below the 70 percent standard at the beginning of the decade improved their standing by 2000 (Chicago, Cleveland, Detroit, and Miami).<sup>20</sup>

Overall during the 1990s, 22 of 50 central cities improved their income relative to the suburbs (compared with 16 of 50 during the 1980s). By 2000, nine central cities had per capita incomes exceeding those of their suburbs (see Appendix A). The most advantaged cities relative to their suburbs were Charlotte and Seattle, which had per capita incomes 24.8 percent and 21.8 percent higher, respectively, than their suburbs. All of the central cities with higher per capita incomes were in rapidly growing

metropolitan areas in the South or the West. Many fit Rusk’s definition of “elastic” cities, which expand their boundaries as their metropolitan area grows, annexing growing suburban areas.<sup>21</sup>

Despite this improvement, the ratio of city to suburban income fell in a majority (28) of the 50 metro areas during the 1990s. Although improvement over the 1980s, when 34 cities fell farther behind their suburbs, it is hardly evidence of a dramatic comeback.<sup>22</sup> In 2000, nine cities’ per capita incomes were less than 70 percent of the per capita income of their suburbs, and one—Hartford—fell below 50 percent. All nine of these cities are located in the Northeast or Midwest.

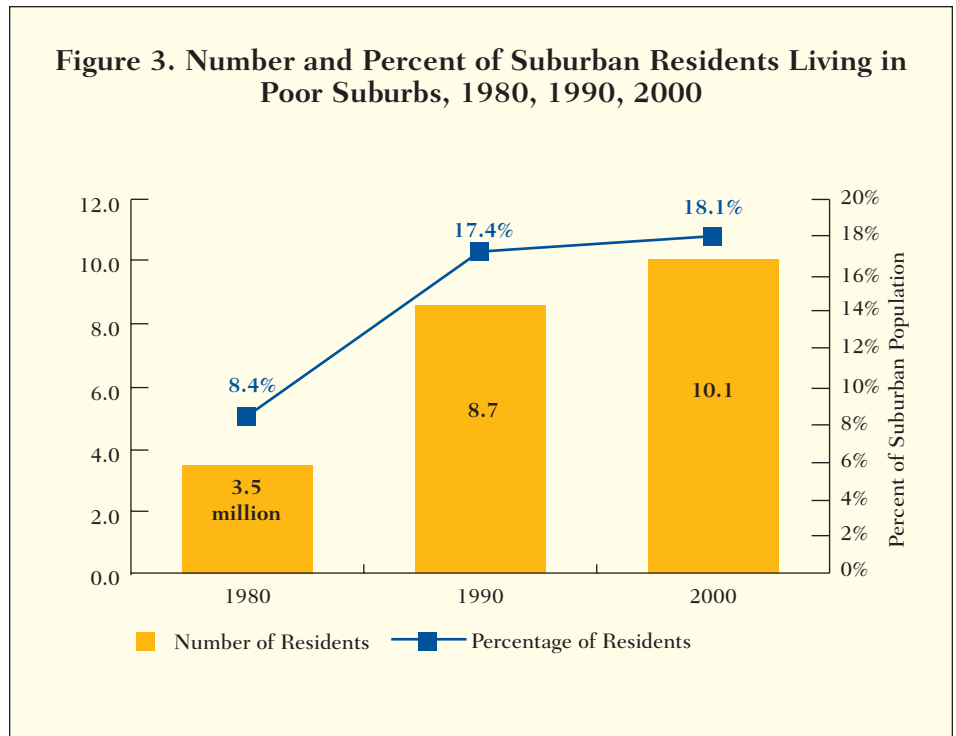
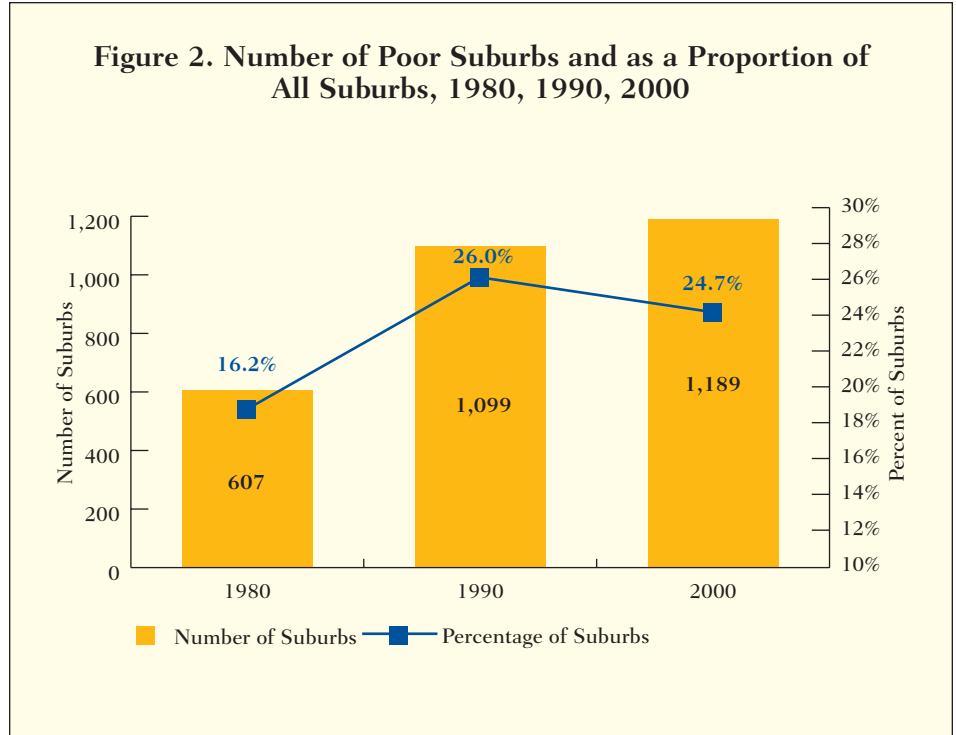
Clearly, national trends can mask the fact that the gap between central cities and suburbs varies significantly by region. Figure 1 shows that the city-suburban income gaps in the Northeast and Midwest are still wide and growing, while the smaller gaps in the South and West are narrowing. The city-suburban gap is widest in the Northeast, and it continued to widen

from 1990 to 2000. In the Midwest, on the other hand, the gap increased only slightly from 1990 to 2000.

Per capita income measures, of course, cannot capture the significant spatial inequalities that exist within cities. In most central cities, older neighborhoods near downtowns are still losing population.<sup>23</sup> Although the number of neighborhoods with extreme levels of poverty declined in most cities during the last decade, these inner-city neighborhoods still have poverty rates that far exceed those in their suburbs.<sup>24</sup> Increases in cities' incomes relative to their suburbs could, in part, reflect a shift of poverty to the suburbs, not an improvement in the standing of lower-income city residents. If the poor end up in poor suburbs that lack the good schools and job opportunities, they may be no better off than before. Finally, in some cities, gentrification may play a role in relative income improvements. Although most cities have not witnessed large increases in the number of affluent households, the 1990s clearly saw a resurgence of gentrification in cities such as San Francisco, Seattle, and Boston, where soaring housing prices squeezed low-income families out of downtown neighborhoods, in some cases to less expensive suburbs or substandard accommodations.<sup>25</sup>

**B. The proportion of poor and affluent suburbs (to middle-income suburbs) increased rapidly in the 1980s but leveled off during the 1990s.**

We define as "poor" a suburb with per capita income lower than 75 percent of its metro area. Based on that definition, the number of poor suburbs in our 50 metro areas increased dramatically during the 1980s (from 607 to 1,099) and continued to increase during the 1990s, reaching 1,189 by 2000. Of course, as metro areas grow, the number of suburbs in our study grows. As a proportion of all suburbs, therefore, poor suburbs increased sig-



nificantly in the 1980s (from 16.2 to 26 percent), and then fell slightly in the 1990s to 24.7 percent (Figure 2).

As the number of poor suburbs grew in the 1980s and 1990s, an increasing

share of metropolitan population lived in these places.<sup>26</sup> Figure 3 shows that in the 1980s, the number of people (poor and nonpoor alike) living in America's poor suburbs more than

doubled, from 3.5 million to 8.7 million, and the proportion of suburbanites living in poor suburbs more than doubled, from 8.4 to 17.4 percent. During the 1990s, the number of people living in poor suburbs grew by about 1.5 million (to 10.2 million), and their proportion of the metropolitan population grew modestly to 18.1 percent.

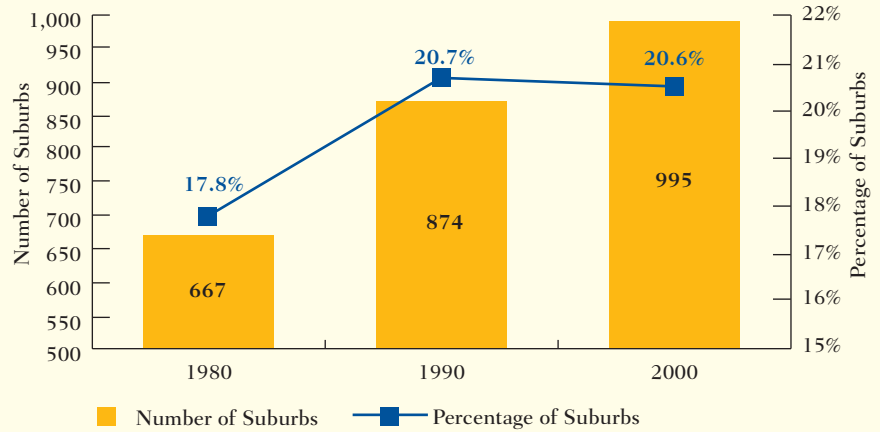
Obviously, not all the people living in poor suburbs are poor, but they likely experience greater disadvantage by living in municipalities with low per capita incomes, fiscal stress, and the various economic and social problems that result.

Our analysis suggests that poor suburbs did not experience Rusk's point of no return in their decline. Per capita income in suburbs considered poor in 1980 (those with per capita incomes below 75 percent of their metro areas) grew at about the same rate (unweighted average of 100.8 percent) between 1980 and 2000 as per capita income in their metropolitan areas.<sup>27</sup>

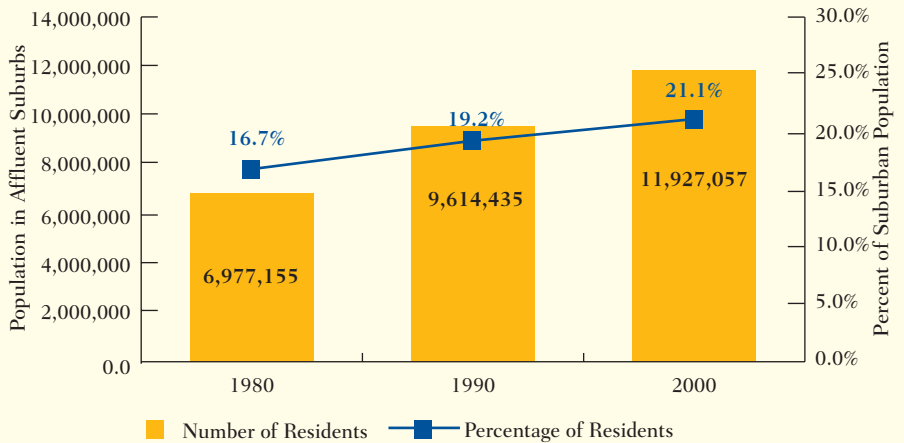
The trend in affluent suburbs mirrored that for poor suburbs. In the 50 metropolitan areas studied here, the number of affluent suburbs (those with per capita income exceeding 125 percent of that in their metro area) increased steadily throughout the period (Figure 4). In the 1980s, affluent suburbs as a proportion of all suburbs increased from 17.8 percent to 20.7 percent, and remained at that level during the 1990s. Overall, however, we identify somewhat fewer affluent suburbs in 2000 (995) than poor suburbs (1,189).

However, a somewhat larger share of the metropolitan population lives in affluent suburbs than in poor suburbs, and the trend continues upward. Residents of affluent suburbs increased steadily in number, from 7 million in 1980 to 9.6 million in 1990, finally reaching 11.9 million in 2000 (Figure 5). This translates to a consistent rise in the proportion of metropolitan residents living in these suburbs, from

**Figure 4. Affluent Suburbs, Number and Proportion of all Suburbs, 1980, 1990, 2000**



**Figure 5. Number and Percent of Suburban Residents Living in Affluent Suburbs, 1980, 1990, 2000**

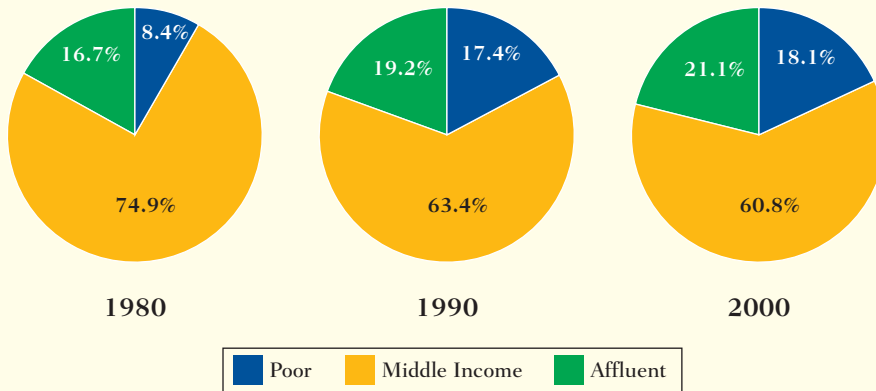


16.7 percent in 1980 to 21.1 percent in 2000.

Again, not all the people living in affluent suburbs are themselves affluent, but the quality of their lives is

enhanced by living in municipalities with high per capita incomes, fiscal health, and higher performing schools. It seems that the successful are increasingly seceding into separate

**Figure 6. Percentage of Suburban Residents Living in Poor, Middle Income, and Affluent Suburbs, 1980, 1990, 2000**



Source: U.S. decennial census data.

suburban jurisdictions with very different conditions from poor suburbs.

By definition, the growth of poor and affluent suburbs has accompanied a decline in the number of middle-income suburbs. In 1980, 74.9 percent of suburban residents lived in middle-income suburbs; by 1990, 63.4 percent did, and the proportion reached 60.8 percent in 2000 (Figure 6).

***C. The gap between the richest and poorest suburbs increased rapidly during the 1980s and more slowly in the 1990s, although patterns of inequality vary widely across the country.***

Not only are the number of suburbs increasing that inhabit the extremes of the per capita income distribution, but the extremes themselves have grown farther apart. An examination of the very richest and poorest suburbs indicates growing polarization along income lines. As noted above, to measure the gap between poor and affluent suburbs, we computed the ratio of the per capita income of the suburbs in

the 95th percentile and 5th percentiles. Again, the suburbs rated as poor in 1990, experienced about average income growth overall through 2000. This suggests that the widening gap between the top and the bottom is not because the poorest suburbs are declining more but because wealthy suburbs are pulling farther away from the others. This is consistent with the data discussed earlier that show that the wealthy benefited disproportionately from the economic prosperity of the 1980s and 1990s.

The economic polarization of suburbs varies significantly across the country, with the 95th:5th ratio in 2000 varying from a high of 9.92 in the West Palm Beach–Boca Raton, FL, metropolitan area to a low of 1.44 in the Norfolk, VA, metro area. Appendix B ranks the metropolitan areas from the highest to lowest levels of suburban inequality.

Many of the regions that have the least suburban inequality are older cities in the Northeast, such as Buffalo, NY; Hartford, CT; and Providence, RI. Conversely, most regions

with the widest gaps between rich and poor suburbs are booming areas in the Sun Belt, such as Phoenix, Los Angeles, Miami, and Houston. In fact, on average, only 13 percent of suburbs in Northeastern metropolitan areas are classified as poor, whereas 29 percent of Southern suburbs are.<sup>28</sup> Notably, though, many of the poor suburban places in the South and West are CDPs, which may not face the same fiscal disadvantages as poor Northeast and Midwest municipalities.

The most fragmented metropolitan areas, those with more municipalities relative to population, tend to be in the Northeast and the Midwest.<sup>29</sup> These are the areas where the inequality gap between the central city and the suburbs is the greatest. The fact that most low-income families are confined to central cities may be a major reason why the degree of suburban inequality is not greater in these highly fragmented metropolitan areas.

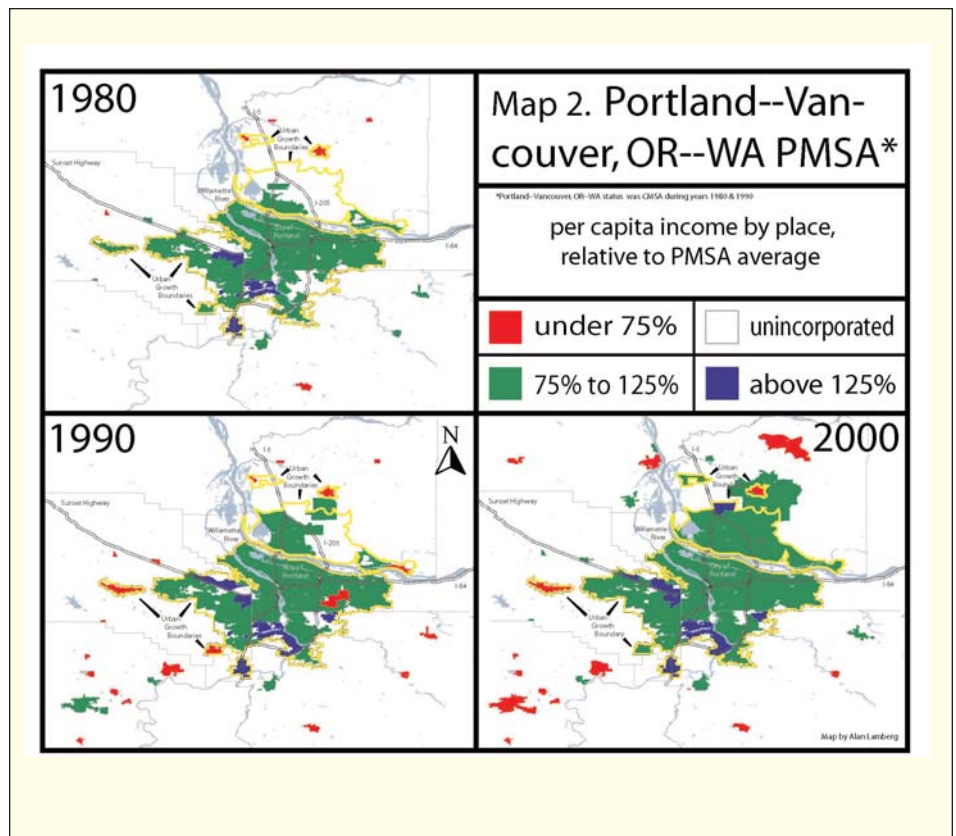
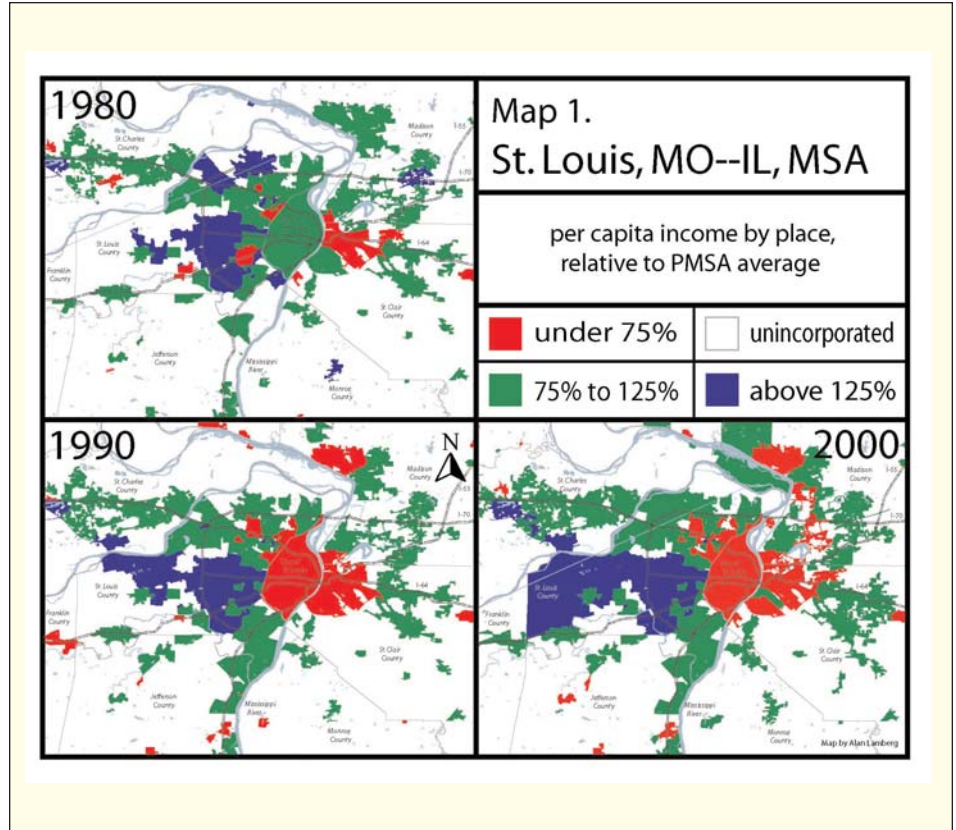
On the other hand, in metro areas in the West and the South, which are less fragmented economically, lower income individuals are not as confined to central cities and are more spread out in the suburbs. For example, two California metropolitan areas, San Diego and Los Angeles, which have central cities that are among the best off relative to their suburbs (Appendix A), also exhibit among the highest levels of suburban inequality. In many metropolitan areas of the West and the South, new immigrants are moving directly to the suburbs, which could increase the number of lower-income suburbs.<sup>30</sup> In other words, the downside of suburbs welcoming more poor and immigrant families may be greater suburban inequality. Also, booming Sun Belt economies may help to generate some very wealthy suburbs that leave poor suburbs behind, exacerbating inequalities.

Finally, quantitative measures do not capture the full spectrum of economic segregation among municipalities in metropolitan areas. We

examined St. Louis, MO, as a case study of the spatial nature of metropolitan economic segregation (Map 1). The region's poor suburbs are clustered in one part of the metropolitan area, reflecting a more severe form of segregation than when rich and poor suburbs are distributed in a checkerboard pattern. Employment growth, in particular, may be isolated on the "booming" side of the region, creating a spatial mismatch between lower-income workers and jobs.

The growth of poor and affluent suburbs in the St. Louis region is driven by patterns of inner-city poverty and wealth, and by the nature of the region's housing stock. On the Missouri side of St. Louis (it shares a border with Illinois), low per capita incomes have spread from the historically black and poor north side of St. Louis proper to the fragmented suburbs in north St. Louis County. Homes in northern St. Louis County suburbs, built primarily in the 1950s and 1960s, are typically rambler-style tract homes that by today's standards are quite small (1,000 to 1,200 square feet). On the Illinois side, low incomes spread from East St. Louis north into the older industrial communities in Madison County. By contrast, the so-called "wealth belt," the string of wealthy suburbs directly west of St. Louis, is an extension of the wealthy neighborhoods in St. Louis that grew up around Forest Park beginning in the late 19th century. The housing stock in these suburbs generally predates World War II, and homes are larger than those found in the region's increasingly lower-income suburbs.

The pattern of suburban inequality looks very different in Portland, OR. Portland instituted an Urban Growth Boundary (UGB) in 1979 that was designed to limit metropolitan decentralization and promote redevelopment in the central core. The UGB appears to be doing what its designers intended. In contrast to cities such as St. Louis, the City of Portland's popu-





**Table 1. Increases in Poor and Affluent Suburbs within Original Metropolitan Boundaries, Additional New Counties, New Incorporations, and New CDPs, 1980s and 1990s**

	Poor Suburbs		Affluent Suburbs	
	1980s	1990s	1980s	1990s
<b>Total change</b>	<b>+492</b>	<b>+90</b>	<b>+207</b>	<b>+121</b>
Original metropolitan counties (share of total change)	+363 (+73.7%)	-49 (-54.5%)	+167 (+80.7%)	+76 (+62.8%)
Suburbs in counties added to metro areas (share of total change)	+108 (+22.0%)	+124 (+137.8%)	+9 (+4.3%)	+18 (+14.9%)
New incorporations and CDPs (share of total change)	+21 (+4.3%)	+15 (+16.7%)	+31 (+15.0%)	+27 (+22.3%)

lation grew and the gap in per capita income between the city and its suburbs narrowed in the 1990s. In 2000 Portland's per capita income was roughly the same (96 percent) as that of its suburbs.

Outside the city of Portland, the number of poor municipalities has grown over time, but they are mostly scattered outside the UGB in semi-rural parts of counties included in the Portland PMSA. As the map shows, the number of both poor and affluent suburbs increased in the 1980s. In the 1990s, however, both the proportion of poor and affluent suburbs and the proportion of the population living in them declined. Residents of Portland's suburbs increasingly live in middle-income municipalities. Whether these trends can be attributed to the UGB and other regional reforms cannot be determined from the data. Portland is not the only case, but it is one of the clearest cases, showing that economic segregation in metropolitan areas is not inevitable.

***D. Most of the growth in the number of poor and affluent places occurred because middle-income places became poorer or more affluent.***

This analysis raises the question of whether the growth in poor and affluent places stems from suburbs becoming poorer or more affluent, or whether the growth stems from the

addition of newly poor or affluent places to metropolitan areas. As Table 1 shows, the vast majority of the growth in affluent places derives from once middle-income places becoming affluent, rather than from the addition of new incorporations or new counties and places to metro areas. The latter two categories represented 19.2 percent of the growth in the 1980s and 37.3 percent in the 1990s (with most of that being new incorporations or the designation of affluent areas as CDPs).

In the 1980s, the same pattern prevailed for poor suburbs. In the 1980s, most of the growth in poor places (73.7 percent) represented the shift of middle-income places into the poor category. In the 1990s, however, the growth in the number of poor suburbs occurred entirely in counties added to metropolitan areas, typically on the urban fringe ("new metropolitan counties"); indeed, the number of poor places in existing counties actually declined in the 1990s. What this means is that a small number of suburbs that were poor in 1990 moved out of that category by 2000.

Two conclusions from this analysis stand out. First, this analysis reinforces the differing trends of the 1980s and 1990s. The 1990s were much kinder to poor suburban places, some of which were able to improve their relative economic standing dur-

ing that decade. Second, the analysis shows that, increasingly, poor places in metropolitan areas are not located in the inner ring but are on the outer edges of metropolitan areas.

Distinguishing the growth in poor and affluent places as either growth owing to additions to metro areas or owing to intensifying poverty puts a more optimistic spin on trends in the 1990s. Suburban poverty declined more in the 1990s than in the 1980s. If the borders of the study's metropolitan areas had remained fixed, we would have shown a decline of approximately 4.5 percent in the number of poor suburban places in the 1990s.<sup>32</sup> On the other hand, the growth in affluent places in both the 1980s and 1990s was due primarily to existing suburbs gaining affluence and not from the addition of new counties to a metro area.<sup>33</sup> This is what explains the continued growth of suburban inequality in the 1990s. The growth of poor places as a result of adding new counties is nevertheless an important phenomenon. Metropolitan areas are not static. If metropolitan areas grow and include more poor places, they are characterized by greater levels of economic inequality.

It is different to be a poor town in a predominantly rural area than being a poor suburb in a growing metropolitan area. We examined the characteristics of the places that were added to metro

*“Middle-class suburbs are being squeezed by the growth of affluent and poor suburbs, and the gap between rich and poor suburbs is wider than ever.”*

areas in the 1980s and found that they tend to be small, with an average population of between 2,000 and 4,656, compared with an average of 10,646 for places in existing counties. These are not sleepy rural towns, however. On average, their population growth was 18.7 percent in the 1990s.<sup>34</sup> As they become integrated into the metropolitan fabric, the cost of living will rise, especially housing costs. With growing populations, they will face fiscal challenges to build new schools and other needed infrastructure. Meanwhile, they will face increasingly stiff competition from more prosperous parts of the region for jobs, investment, and middle-class residents.

### Conclusion

Studies of concentrated neighborhood poverty using Census 2000 data reported a “dramatic decline” in the 1990s in the number of people living in high-poverty census tracts, or “neighborhoods” (defined as census tracts with poverty rates greater than 40 percent).<sup>35</sup> Our study of economic inequality in major metropolitan areas confirms that the 1990s were much better for cities and suburbs overall than the 1980s.

In addition, after 30 years of relative decline, central cities stopped falling further behind their suburbs in per capita income during the 1990s. Indeed, some central cities appear to be making a comeback.<sup>36</sup> The national statistics, however, don’t reflect the fact that the gaps between cities and suburbs in the Northeast and Midwest are wide and still growing.

Unlike neighborhood poverty trends based on census tract data, we find no dramatic decline in economic inequality among places in the 1990s. The 1990s saw little improvement in inequality across suburban locales over the 1980s, and in some ways— notably, the growth of population in

affluent places—continued the trends of the 1980s. In the Northeast and Midwest, suburban inequality is less than in other regions of the country, but the gap between the central cities and the suburbs is larger. On the other hand, the West and the South have greater suburban inequality, but the gap between the suburbs and the central cities is smaller. It appears that in the West and South, immigrants and the poor have greater access to the suburbs, although they may often be confined to lower-income suburbs.

Suburban inequalities vary across time as well as space. Certainly, one of the most prosperous years in American history was 2000, with one of the lowest unemployment rates (4 percent) in recent memory. Several scholars have noted that the decline in concentrated poverty at the neighborhood level is likely attributed, in large part, to a prosperous economy and tight regional job markets that pulled up distressed areas.<sup>37</sup> The 2000–2002 recession, the rising national poverty rate, and the weak recovery since 2002, however, present the possibility that trends may revert to the those of 1980s.

The stubborn persistence of inequality among suburbs, even in the booming 1990s, suggests that municipal boundaries act as powerful mechanisms for sorting economic classes across space. Spatial inequalities can set in motion a snowball effect that harms regional competitiveness by fueling the abandonment of older parts of regions, accelerating sprawl and its many costs, and making it more difficult for regions to form the broad coalitions necessary to address these problems.

Rising economic segregation among suburbs has broad policy implications. If suburban sorting were based on free choice in housing markets, we would have little cause for concern. No one wants to tell people where they can live. However, ample evidence suggests that suburban governments are already doing this (or at least restrict-

ing the choices of the poor).<sup>38</sup> Suburbs use “snob zoning” to exclude poor households by zoning out apartments and requiring minimum lot sizes for single-family homes. Suburban governments can exclude in other ways, such as by refusing to sign cooperation agreements with the local housing authority or by excluding public transit in the area. Suburban exclusion also inhibits labor mobility and economic productivity by physically separating low-income households from areas of job growth in the region. A large body of evidence points to a geographical mismatch between lower-skilled jobs and affordable housing in many metropolitan areas.<sup>39</sup>

Another public policy issue raised by economic segregation in suburbs is unequal access to public goods. In 1999, local governments, including schools systems, spent \$939 billion on local public goods and services.<sup>40</sup> The U.S. Constitution does not guarantee equal access to local public goods, such as education, parks, or police. The cost and quality of local public goods depends primarily on where an individual lives. Racial segregation of schools has increased in many areas not because schools discriminate against minorities, but because segregated living patterns sort the races into different school districts. Similarly, lower-income households have inferior access to public goods not because of discrimination by their governments, but because they are trapped in jurisdictions with fewer taxable resources and more spending demands.

The old image of suburbs as middle-class residential havens is increasingly false.<sup>41</sup> Our data shows that middle-class suburbs are being squeezed by the growth of affluent and poor suburbs, and the gap between rich and poor suburbs is wider than ever. We should not forget that central cities still have a disproportionate share of the poor. Yet, central cities also have valuable assets, including central business districts, tourist destinations, and

urban amenities, such as parks, sports stadiums, museums, and universities. The sheer size of central cities and their highly visible mayors guarantee a degree of attention in the policy process. However, as the proportion of the population living in central cities has declined, however, their political clout in Washington and in state capitals has also relatively declined, along with urban revitalization and antipoverty programs.<sup>42</sup>

Poor suburbs have it even worse. If anything, they are more invisible and have less political clout than cities. Poor suburbs usually lack the valued amenities, political visibility, and professional staff of central cities. They also often lack public policies attuned to their special needs.<sup>43</sup> The federal and state governments should adjust their policies accordingly, not to pit poor cities against poor suburbs in a zero-sum game, but to help poor, fiscally strapped municipalities meet their needs.



**Appendix A. Central City and Suburban Per Capita Income Ratio: 2000, 1990, and 1980.  
Ranked by 2000 index.**

Metro Area	Index, 2000	Rank, 2000	Index, 1990	Rank, 1990	Index, 1980	Rank, 1980
Hartford	49.19	(1)	53.68	(3)	60.62	(1)
Detroit	54.55	(2)	53.59	(2)	66.92	(3)
Milwaukee	58.28	(3)	62.89	(4)	76.92	(11)
Cleveland	59.86	(4)	53.46	(1)	63.05	(2)
Philadelphia	61.16	(5)	65.78	(5)	73.73	(7)
New York	65.23	(6)	67.63	(8)	72.50	(5)
Rochester	67.37	(7)	71.14	(11)	78.46	(12)
St. Louis	67.92	(8)	68.71	(9)	72.69	(6)
Buffalo	68.57	(9)	68.92	(10)	78.68	(13)
Providence	70.00	(10)	74.75	(12)	87.42	(24)
Chicago	73.06	(11)	67.44	(7)	71.17	(4)
Memphis	75.40	(12)	77.91	(16)	98.03	(40)
Boston	76.68	(13)	77.65	(15)	76.41	(10)
Miami	79.03	(14)	67.26	(6)	74.49	(8)
Louisville	79.29	(15)	79.96	(18)	83.16	(16)
West Palm Beach	79.31	(16)	77.41	(14)	79.31	(14)
Sacramento	80.17	(17)	86.96	(26)	92.85	(31)
Columbus	81.06	(18)	83.89	(22)	83.24	(17)
Grand Rapids	81.69	(19)	79.19	(17)	86.22	(21)
Jacksonville	82.55	(20)	89.50	(30)	88.43	(27)
San Antonio	82.67	(21)	75.73	(13)	75.43	(9)
Richmond	82.96	(22)	85.24	(23)	86.34	(22)
Norfolk	83.33	(23)	83.63	(21)	87.69	(25)
Cincinnati	83.46	(24)	81.49	(19)	89.00	(28)
Minneapolis	84.83	(25)	86.24	(24)	90.44	(30)
Phoenix	85.03	(26)	89.64	(31)	95.62	(35)
Kansas City	85.84	(27)	88.71	(28)	87.84	(26)
Dallas	87.19	(28)	98.45	(41)	102.28	(45)
New Orleans	87.47	(29)	90.25	(33)	85.91	(19)
Indianapolis	87.70	(30)	91.62	(35)	94.60	(34)
Pittsburgh	88.40	(31)	87.51	(27)	86.71	(23)
Denver	89.41	(32)	92.12	(37)	94.52	(33)
San Francisco	90.09	(33)	82.11	(20)	83.29	(18)
Houston	91.83	(34)	89.94	(32)	96.14	(37)
Nashville	93.47	(35)	108.93	(47)	101.44	(43)
Washington, DC	93.74	(36)	86.42	(25)	86.10	(20)
Portland	96.03	(37)	94.45	(38)	95.91	(36)
Austin	97.02	(38)	96.24	(39)	97.65	(38)
Oklahoma City	97.43	(39)	103.70	(45)	107.84	(46)
Los Angeles	99.91	(40)	100.40	(42)	102.11	(44)
Orlando	99.92	(41)	92.04	(36)	93.84	(32)
Tampa	100.89	(42)	91.28	(34)	89.42	(29)
Raleigh	102.20	(43)	106.37	(46)	109.20	(48)
Atlanta	103.30	(44)	89.05	(29)	80.35	(15)
San Diego	105.39	(45)	102.03	(43)	101.34	(42)
Salt Lake city	105.73	(46)	114.50	(49)	110.73	(49)
Las Vegas	105.88	(47)	96.27	(40)	97.69	(39)
Greensboro	109.22	(48)	109.15	(48)	108.81	(47)
Seattle	121.79	(49)	102.94	(44)	99.71	(41)
Charlotte	124.83	(50)	124.55	(50)	114.98	(50)

**Appendix Table B. Ratio of the Per Capita Income of the Suburb in the 5th Percentile to the Per Capita Income of the Suburb at the 95th Percentile, 2000, by Metropolitan Area (ranked from highest to lowest levels of inequality)**

Rank	Metropolitan Area	Index
1	West Palm Beach/Boca Raton, FL, MSA	9.915
2	Phoenix/Mesa, AZ, MSA	6.677
3	Los Angeles/Long Beach, CA, PMSA	6.272
4	Miami, FL, PMSA	6.010
5	Houston, TX, PMSA	4.901
6	San Francisco, CA, PMSA	4.725
7	Cleveland/Lorain/Elyria, OH, PMSA	4.520
8	Denver, CO, PMSA	4.508
9	New York, NY, PMSA	4.412
10	San Diego, CA, MSA	4.364
11	San Antonio, TX, MSA	4.129
12	Austin, TX, MSA	4.118
13	Tampa—St. Petersburg—Clearwater, FL, MSA	4.042
14	St. Louis, MO/IL, MSA	3.832
15	Chicago, IL, PMSA	3.801
16	Detroit, MI, PMSA	3.798
17	Indianapolis, IN, MSA	3.797
18	Nashville, TN, MSA	3.682
19	Orlando, FL, MSA	3.623
20	Las Vegas, NV/AZ, MSA	3.619
21	Washington, DC/MD/VA/WV, PMSA	3.565
22	Memphis, TN/AK/—MS, MSA	3.526
23	Dallas, TX PMSA	3.485
24	Louisville, KY/IN, MSA	3.392
25	Atlanta, GA, MSA	3.254
26	Kansas City, MO/KS, MSA	3.185
27	Minneapolis/St. Paul, MN/WI, MSA	2.968
28	Columbus, OH, MSA	2.946
29	Pittsburgh, PA, MSA	2.914
30	Seattle/Bellevue/Everett, WA, PMSA	2.911
31	Oklahoma City, OK, MSA	2.870
32	Cincinnati, OH/KY/IN, PMSA	2.864
33	Sacramento, CA, PMSA	2.847
34	Jacksonville, FL, MSA	2.765
35	Philadelphia, PA/NJ, PMSA	2.707
36	Charlotte/Gastonia/Rock Hill, NC/SC, MSA	2.668
37	Richmond, VA, MSA	2.667
38	Salt Lake City/Ogden, UT, MSA	2.641
39	Milwaukee/Waukesha, WI, PMSA	2.565
40	New Orleans, LA, MSA	2.542
41	Boston, MA/NH, PMSA	2.537
42	Portland/Vancouver, OR/WA, PMSA	2.429
43	Grand Rapids, MI, MSA	2.411
44	Raleigh/Durham/Chapel Hill, NC, MSA	2.339
45	Providence/Fall River/Warwick, RI/MA, MSA	2.317
46	Greensboro/Winston-Salem/High Point, NC, MSA	2.069
47	Hartford, CT, MSA	1.952
48	Rochester, NY, MSA	1.923
49	Buffalo/Niagara Falls, NY, MSA	1.826
50	Norfolk, VA, MSA	1.436



**Appendix Table C. 100 Most Affluent Suburban Places, Ranked by Ratio of Per Capita Income to Regional Per Capita Income, 2000.**

Rank	Place	Metropolitan Area	Per Capita Income	Ratio
1	Fisher Island CDP, FL	Miami	\$236,238	12.78
2	Indian Creek village, FL	Miami	\$137,382	7.43
3	Hunting Valley village, OH	Cleveland	\$144,281	6.46
4	Mockingbird Valley city, KY	Louisville	\$134,745	6.19
5	Green Hills borough, PA	Pittsburgh	\$124,279	5.94
6	Rolling Hills city, CA	Los Angeles	\$111,031	5.37
7	Golf village, FL	West Palm Beach	\$144,956	5.03
8	Manalapan town, FL	West Palm Beach	\$143,729	4.99
9	Rancho Santa Fe CDP, CA	San Diego	\$113,132	4.93
10	Gulf Stream town, FL	West Palm Beach	\$133,651	4.64
11	Huntleigh city, MO	St. Louis	\$104,420	4.60
12	Hidden Hills city, CA	Los Angeles	\$94,096	4.55
13	Barton Creek CDP, TX	Austin	\$110,504	4.51
14	Piney Point Village city, TX	Houston	\$97,247	4.46
15	Country Life Acres village, MO	St. Louis	\$100,617	4.43
16	Crows Nest town, IN	Indianapolis	\$100,565	4.34
17	Bloomfield Hills city, MI	Detroit	\$104,920	4.31
18	Village of Indian Hill city, OH	Cincinnati	\$96,872	4.19
19	Hill Country Village city, TX	San Antonio	\$77,374	4.18
20	Fairbanks Ranch CDP, CA	San Diego	\$94,150	4.11
21	Hunts Point town, WA	Seattle	\$113,816	4.10
22	Mission Hills city, KS	Kansas City	\$95,405	4.09
23	River Hills village, WI	Milwaukee	\$94,479	4.08
24	Hunters Creek Village city, TX	Houston	\$88,821	4.07
25	Kenilworth village, IL	Chicago	\$100,718	4.03
26	Belle Meade city, TN	Nashville	\$104,908	4.00
27	Highland Park town, TX	Dallas	\$97,008	3.99
28	Bunker Hill Village city, TX	Houston	\$86,434	3.96
29	Golden Beach town, FL	Miami	\$73,053	3.95
30	Ladue city, MO	St. Louis	\$89,623	3.95
31	Glenview city, KY	Louisville	\$85,094	3.91
32	Fox Chapel borough, PA	Pittsburgh	\$80,610	3.85
33	Cherry Hills Village city, CO	Denver	\$99,996	3.82
34	Nichols Hills city, OK	Oklahoma	\$73,661	3.80
35	Sewickley Heights borough, PA	Pittsburgh	\$79,541	3.80
36	Palm Beach town, FL	West Palm Beach	\$109,219	3.79
37	Chenequa village, WI	Milwaukee	\$86,552	3.74
38	Scarsdale village, NY	New York	\$89,907	3.73
39	Bronxville village, NY	New York	\$89,483	3.72
40	Lake Aluma town, OK	Oklahoma	\$71,838	3.71
41	Bal Harbour village, FL	Miami	\$67,680	3.66
42	Woodland city, MN	Minneapolis	\$95,495	3.64
43	Malibu city, CA	Los Angeles	\$74,336	3.59
44	Westwood village, MO	St. Louis	\$80,990	3.57
45	Mettawa village, IL	Chicago	\$89,104	3.56
46	Olmos Park city, TX	San Antonio	\$65,697	3.55
47	Williams Creek town, IN	Indianapolis	\$82,132	3.54
48	Kirtland Hills village, OH	Cleveland	\$78,896	3.53

Appendix Table C. (continued)

Rank	Place	Metropolitan Area	Per Capita Income	Ratio
49	Oconomowoc Lake village, WI	Milwaukee	\$81,593	3.52
50	Glencoe village, IL	Chicago	\$88,059	3.52
51	Grand View-on-Hudson village, NY	New York	\$84,707	3.52
52	Minnetonka Beach city, MN	Minneapolis	\$91,844	3.50
53	Lake Angelus city, MI	Detroit	\$83,792	3.44
54	Alta town, UT	Salt Lake City	\$66,566	3.37
55	Winnetka village, IL	Chicago	\$84,134	3.36
56	Rolling Fields city, KY	Louisville	\$73,152	3.36
57	Gates Mills village, OH	Cleveland	\$74,732	3.35
58	Palos Verdes Estates city, CA	Los Angeles	\$69,040	3.34
59	Spring Hill town, IN	Indianapolis	\$77,390	3.34
60	Edgeworth borough, PA	Pittsburgh	\$69,350	3.31
61	Bratenahl village, OH	Cleveland	\$72,757	3.26
62	North Barrington village, IL	Chicago	\$81,243	3.25
63	Bentleyville village, OH	Cleveland	\$72,392	3.24
64	Chappaqua CDP, NY	New York	\$77,835	3.23
65	Moreland Hills village, OH	Cleveland	\$72,001	3.23
66	West University Place city, TX	Houston	\$69,674	3.20
67	Pepper Pike city, OH	Cleveland	\$71,255	3.19
68	Rye city, NY	New York	\$76,566	3.18
69	Beverly Hills city, CA	Los Angeles	\$65,507	3.17
70	Sunfish Lake city, MN	Minneapolis	\$82,347	3.14
71	Chevy Chase Village town, MD	Washington DC	\$95,174	3.14
72	Belvedere city, CA	San Francisco	\$113,595	3.10
73	Lake Forest city, IL	Chicago	\$77,092	3.08
74	Atherton town, CA	San Francisco	\$112,408	3.07
75	Oak Brook village, IL	Chicago	\$76,668	3.07
76	Indian Hills city, KY	Louisville	\$66,637	3.06
77	Bingham Farms village, MI	Detroit	\$74,588	3.06
78	Larchmont village, NY	New York	\$73,675	3.06
79	Town and Country city, MO	St. Louis	\$69,347	3.06
80	Hilshire Village city, TX	Houston	\$66,620	3.06
81	South Barrington village, IL	Chicago	\$76,078	3.04
82	Genesee CDP, CO	Denver	\$79,180	3.02
83	Sawgrass CDP, FL	Jacksonville	\$64,798	2.98
84	Manhattan Beach city, CA	Los Angeles	\$61,136	2.96
85	Mission Woods city, KS	Kansas City	\$68,713	2.95
86	Medina city, WA	Seattle	\$81,742	2.95
87	Barrington Hills village, IL	Chicago	\$73,629	2.94
88	Anchorage city, KY	Louisville	\$63,988	2.94
89	Key Biscayne village, FL	Miami	\$54,213	2.93
90	Inverness village, IL	Chicago	\$73,271	2.93
91	Franklin village, MI	Detroit	\$71,033	2.92
92	Woodlawn Heights town, IN	Indianapolis	\$66,385	2.86
93	San Marino city, California, CA	Los Angeles	\$59,150	2.86
94	Grosse Pointe Shores village, MI	Detroit	\$69,639	2.86
95	Woodside town, CA	San Francisco	\$104,667	2.86
96	Frontenac city, MO	St. Louis	\$64,532	2.84
97	Marina del Rey CDP, CA	Los Angeles	\$58,530	2.83
98	Belleair Beach city, FL	Tampa	\$61,569	2.83
99	Southside Place city, TX	Houston	\$57,021	2.61
100	University Park city, TX	Dallas	\$63,414	2.61



**Appendix Table D. 100 Poorest Suburban Places, Ranked by Ratio of Per Capita Income to Regional Per Capita Income, 2000.**

Rank	Place	Metropolitan Area	Per Capita Income	Ratio
1	Belle Glade Camp CDP, FL	West Palm Beach	\$4,995	0.17
2	Kaser village, NY	New York	\$5,147	0.21
3	New Square village, NY	New York	\$5,237	0.22
4	Fremd Village-Padgett Island CDP, FL	West Palm Beach	\$6,840	0.24
5	Colorado City town, AZ	Las Vegas	\$5,293	0.25
6	Lacoochee CDP, FL	Tampa	\$6,780	0.31
7	South Bay city, FL	West Palm Beach	\$9,126	0.32
8	Peach Springs CDP, AZ	Las Vegas	\$6,756	0.32
9	Caney City, TX	Dallas	\$7,980	0.33
10	Homestead Base CDP, FL	Miami	\$6,181	0.33
11	Acworth city, GA	Atlanta	\$8,519	0.34
12	Fidelity village, IL	St. Louis	\$7,798	0.34
13	Brooklyn village, IL	St. Louis	\$7,944	0.35
14	Mobile City, TX	Dallas	\$8,521	0.35
15	Wallace CDP, LA	New Orleans	\$6,625	0.35
16	Fort Devens CDP, MA	Boston	\$10,354	0.35
17	Ford Heights village, IL	Chicago	\$8,938	0.36
18	Cave town, MO	St. Louis	\$8,120	0.36
19	Pahokee city, FL	West Palm Beach	\$10,346	0.36
20	Schall Circle CDP, FL	West Palm Beach	\$10,352	0.36
21	Stacey Street CDP, FL	West Palm Beach	\$10,449	0.36
22	Wellston city, MO	St. Louis	\$8,262	0.36
23	Jennette town, AR	Memphis	\$7,571	0.37
24	Washington Park village, IL	St. Louis	\$8,495	0.37
25	Rosedale town, OK	Oklahoma	\$7,285	0.38
26	East Palo Alto city, CA	San Francisco	\$13,774	0.38
27	Prairie View city, TX	Houston	\$8,219	0.38
28	Iatan village, MO	Kansas City	\$8,895	0.38
29	Sunset city, AR	Memphis	\$7,766	0.38
30	Storrs CDP, CT	Hartford	\$9,947	0.38
31	St. Leo town, FL	Tampa	\$8,384	0.38
32	Moore Station city, TX	Dallas	\$9,378	0.39
33	Alorton village, IL	St. Louis	\$8,777	0.39
34	Belle Glade city, FL	West Palm Beach	\$11,159	0.39
35	Kinloch city, MO	St. Louis	\$8,798	0.39
36	Florence-Graham CDP, CA	Los Angeles	\$8,092	0.39
37	East Compton CDP, CA	Los Angeles	\$8,108	0.39
38	Robbins village, IL	Chicago	\$9,837	0.39
39	Mojave Ranch Estates CDP, AZ	Las Vegas	\$8,359	0.39
40	Wimauma CDP, FL	Tampa	\$8,597	0.39
41	Naranja CDP, FL	Miami	\$7,346	0.40
42	Killona CDP, LA	New Orleans	\$7,524	0.40
43	Camp Pendleton South CDP, CA	Los Angeles	\$8,415	0.41
44	Fort Belvoir CDP, VA	Washington DC	\$12,453	0.41
45	Lennox CDP, CA	Los Angeles	\$8,499	0.41
46	Camden city, NJ	Philadelphia	\$9,815	0.41
47	Cockrell Hill city, TX	Dallas	\$10,083	0.41
48	Lake Kathryn CDP, FL	Orlando	\$8,816	0.42



Appendix Table D. (continued)

Rank	Place	Metropolitan Area	Per Capita Income	Ratio
49	Langley Park CDP, MD	Washington DC	\$12,733	0.42
50	Cudahy city, CA	Los Angeles	\$8,688	0.42
51	Ranson town, WV	Washington DC	\$12,804	0.42
52	Jericho town, AR	Memphis	\$8,577	0.42
53	Limestone Creek CDP, FL	West Palm Beach	\$12,195	0.42
54	Adairsville city, GA	Atlanta	\$10,605	0.42
55	Hawk Cove city, TX	Dallas	\$10,375	0.43
56	Gladeview CDP, FL	Miami	\$7,941	0.43
57	Westgate-Belvedere Homes CDP, FL	West Palm Beach	\$12,382	0.43
58	Hillsdale village, MO	St. Louis	\$9,776	0.43
59	Maywood city, CA	Los Angeles	\$8,926	0.43
60	Alpharetta city, GA	Atlanta	\$10,812	0.43
61	Ault Field CDP, WA	Seattle	\$12,036	0.43
62	Anthonyville town, AR	Memphis	\$8,825	0.43
63	Urbancrest village, OH	Columbus	\$10,003	0.43
64	East Spencer town, NC	Charlotte	\$10,180	0.43
65	Gun Club Estates CDP, FL	West Palm Beach	\$12,560	0.44
66	Gilmore town, AR	Memphis	\$8,867	0.44
67	Foley city, MO	St. Louis	\$9,902	0.44
68	South Highpoint CDP, FL	Tampa	\$9,519	0.44
69	Bardwell city, TX	Dallas	\$10,666	0.44
70	Turrell city, AR	Memphis	\$8,908	0.44
71	Fort Dix CDP, NJ	Philadelphia	\$10,543	0.44
72	Kaibab CDP, AZ	Las Vegas	\$9,421	0.44
73	Auburn city, GA	Atlanta	\$11,126	0.44
74	Fifth Street CDP, TX	Houston	\$9,697	0.44
75	Lake Worth Corridor CDP, FL	West Palm Beach	\$12,825	0.45
76	Florida City, FL	Miami	\$8,270	0.45
77	Macomb town, OK	Oklahoma	\$8,695	0.45
78	Nobleton CDP, FL	Tampa	\$9,782	0.45
79	Laconia town, IN	Louisville	\$9,779	0.45
80	Austell city, GA	Atlanta	\$11,255	0.45
81	Lake Harbor CDP, FL	West Palm Beach	\$12,977	0.45
82	Huntington Park city, CA	Los Angeles	\$9,340	0.45
83	Arizona Village CDP, AZ	Las Vegas	\$9,591	0.45
84	Felicity village, OH	Cincinnati	\$10,490	0.45
85	Strasburg city, MO	Kansas City	\$10,655	0.46
86	Redwood CDP, TX	San Antonio	\$8,525	0.46
87	Hill 'n Dale CDP, FL	Tampa	\$10,029	0.46
88	Lynwood city, CA	Los Angeles	\$9,542	0.46
89	East Los Angeles CDP, CA	Los Angeles	\$9,543	0.46
90	Truesdale city, MO	St. Louis	\$10,483	0.46
91	Mayview city, MO	Kansas City	\$10,784	0.46
92	Plantation Mobile Home Park CDP, FL	West Palm Beach	\$13,325	0.46
93	Avondale Estates city, GA	Atlanta	\$11,629	0.46
94	Dade City North CDP, FL	Tampa	\$10,129	0.46
95	Otterville town, IL	St. Louis	\$10,588	0.47
96	Meridian town, OK	Oklahoma	\$9,056	0.47
97	Goulds CDP, FL	Miami	\$8,649	0.47
98	Dixmoor village, IL	Chicago	\$11,712	0.47
99	Ball Ground city, GA	Atlanta	\$11,769	0.47
100	Westmont CDP, CA	Los Angeles	\$9,765	0.47

## Endnotes

1. Todd Swanstrom is a professor of public policy in the College of Public Service at Saint Louis University and is affiliated with RegionWise, a research center linking neighborhood and regional issues. Colleen Casey is pursuing a Ph.D. in public policy at Saint Louis University specializing in urban and community affairs. Robert Flack, S.J., is a demographer now in residence at the Woodlawn Jesuit Residence in Chicago. Peter Dreier is the E.P. Clapp Distinguished Professor of Politics, and director of the Urban and Environmental Policy Program, at Occidental College. He and Swanstrom are coauthors (with John Mollenkopf) of *Place Matters: Metropolitcs for the 21st Century* (University Press of Kansas), a second edition of which will be published in December 2004.
2. Paul A. Jargowsky, "Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s" (Washington: Brookings Institution, 2003), available at [www.brookings.edu/metro/publications/jargowskypoverty.htm](http://www.brookings.edu/metro/publications/jargowskypoverty.htm).
3. For a synthesis of the literature on the effects of concentrated poverty, see Peter Dreier, John Mollenkopf, and Todd Swanstrom, *Place Matters: Metropolitcs for the Twenty-first Century*, rev. ed. (Lawrence: University Press of Kansas, forthcoming 2005), chapter 3.
4. Robert B. Reich, *The Work of Nations* (Random House, 1992).
5. See Douglas S. Massey and Mary J. Fischer, "The Geography of Inequality in the United States, 1950–2000." In William G. Gale and Janet Rothenberg Pack, eds., *Brookings-Wharton Papers on Urban Affairs* (Washington: Brookings, 2003).
6. Bernadette D. Proctor and Joseph Dalaker, *Poverty in the United States: 2002* (Washington: U. S. Census Bureau, 2002), table 2. In 2000, the poverty rate in central cities was still more than twice that of suburbs. See Alan Berube and William H. Frey, "A Decade of Mixed Blessings: Urban and Suburban Poverty in Census 2000" (Washington: Brookings Institution, 2002), available at [www.brookings.edu/es/urban/publications/berubefrey Povertyexsum.htm](http://www.brookings.edu/es/urban/publications/berubefrey Povertyexsum.htm).
7. For a recent synthesis of the literature on the causes of economic and racial segregation, see Sheryll Cashin, *The Failures of Integration; How Race and Class are Under-*
8. Lawrence Mishel, Jared Bernstein, and Heather Boushey, *The State of Working America 2002/2003* (Ithaca, NY: Cornell University Press, 2003).
9. The federal poverty standard was originally calculated in the 1960s by measuring how much it cost to purchase a minimally acceptable diet and then multiplying that figure by 3 (based on evidence at the time that the typical family spent about one-third of its income on food). Since then, the poverty standard has been adjusted for inflation using the Consumer Price Index. In 2000, the poverty threshold for a family of three was \$13,738. Because the typical American family now spends less than one-seventh of its income on food, the federal standard sets the poverty threshold too low. In 2000, the average household devoted 13.6 percent of its expenditures to food. U.S. Bureau of the Census, *Statistical Abstract of the United States 2002* (Washington: U.S. Government Printing Office, 2002), p. 430.
10. Constance F. Citro and Robert T. Michael, eds., *Measuring Poverty: A New Approach* (Washington: National Academy Press, 1995), available at [www.nap.edu/catalog/4759.html](http://www.nap.edu/catalog/4759.html).
11. One study found that between 1995 and 2002, both rents and home purchase prices increased considerably faster than the rate of inflation, with home prices rising nearly 30 percent faster than inflation. Dean Baker, "The Run Up in Home Prices: Is It Real or Is It Another Bubble?" (Washington: Center for Economic and Policy Research, 2002). In its various Out of Reach reports dating to 1989, the National Low-Income Housing Coalition has shown that the hourly wage a worker must earn to afford a fair market rent (FMR) apartment has increased steadily. FMR is set by the federal government, and "affordability" is defined according to the generally accepted standard that no household should pay more than 30 percent of its income for housing costs. By 2003, the national hourly wage needed to afford a two-bedroom apartment was \$15.21, up from \$11.08 in 1999. See *National Low-Income Housing Coalition, Out of Reach: America's Housing Wage Climbs* (Washington, 2003).
12. David Rusk, *Cities without Suburbs* (Baltimore: Johns Hopkins University Press, 1993), p. 76. Rusk presents no arguments as to why he used a 70 percent cut-off rather than some other number. We chose to use cut-off points of 75 percent and 125 percent because they provided a slightly better sample of poor and affluent places in all metropolitan areas.
13. Helen F. Ladd and John Yinger, *America's Ailing Cities: Fiscal Health and the Design of Urban Policy* (Baltimore: Johns Hopkins University Press, 1989); Janet Rothenberg Pack, "Poverty and Urban Public Expenditures," *Urban Studies* 35(11) (1998).
14. We use the metro areas as they were defined by the Office of Management and Budget in 1999 (for Census 2000).
15. We chose to study the largest PMSA within each CMSA in part because this gave us broader geographical diversity across the country (rather than studying the largest PMSAs wherever they were located).
16. The criteria for adding an outlying county is that it "must have a specified level of commuting to the central counties and also must meet certain standards regarding metropolitan character, such as population density, urban population, and population growth." U.S. Census Bureau, "Census 2000 Summary File 1 Technical Documentation" (Washington: U.S. Government Printing Office, 2001). We also note that we treat some PMSAs in our sample differently from the MSAs. When OMB introduced the CMSA concept in the 1980s, it resulted in some metropolitan areas actually shrinking in size, even though they were still growing in population. For example, Chicago changed from a six-county standard metropolitan statistical area (SMSA—a now-defunct concept) in 1980, to a three-county PMSA in 1990, to a nine-county PMSA in 2000. For the eight PMSAs in 2000 that are smaller than their corresponding SMSA in 1980, we employ constant 2000 boundaries. The remaining 10 PMSAs "grow" in the same way as the MSAs over time.
17. For more information about CDPs, see the Census Bureau's web page on the Participant Statistical Areas Program, available at [www.census.gov/geo/www/psapage.html](http://www.census.gov/geo/www/psapage.html). Adding together those living in CDPs and those living outside all "places," as defined by the Census, it is clear that the percentage of the population living in unincorporated parts of metropolitan areas rose significantly between 1980 and 2000.
18. We say "presumably" because very little research has been done on the cost and quality of local services in the unincorporated parts of metropolitan areas, which represent a growing percentage of the population.

19. Larry C. Ledebur and William R. Barnes, "City Distress, Metropolitan Disparities, and Metropolitan Growth," (Washington: National League of Cities, 1992).
20. The six cities that did not improve their standing relative to their suburbs were: Buffalo, Hartford, Milwaukee, New York, Philadelphia, and St. Louis. Our results mirror what Rusk found in the third edition of his book, updated with 2000 census data, where he amends his rule to read "The Point of (Almost) No Return." In the booming 1990s, Rusk reports, 11 of 24 cities that were below the 70 percent standard at the beginning of the decade improved relative to their region.
21. Rusk, *Cities without Suburbs*.
22. For discussion of the "comeback cities" thesis, see Paul Grogan and Tony Proscio, *Comeback Cities* (Boulder: Westview Press, 2000).
23. Alan Berube and Benjamin Forman, "Patchwork Cities: Patterns of Urban Population Growth in the 1990s." In Bruce Katz and Robert E. Lang, eds., *Redefining Urban and Suburban America: Evidence from the 2000 Census* (Washington: Brookings, 2003).
24. Jargowsky, "Stunning Progress, Hidden Problems."
25. Elvin K. Wyly and Daniel J. Hammel, "Islands of Decay in Seas of Renewal: Housing Policy and the Resurgence of Gentrification," *Housing Policy Debate* 10 (4) (1999).. For evidence that the rents and homeownership costs rose much faster than inflation from the mid-1990s onward, see Joint Center for Housing Studies, *The State of the Nation's Housing 2004* (Boston: Harvard University, 2004); and Baker, "The Run-Up in Home Prices." For specific evidence on affordability problems and displacement in Boston and San Francisco, see Carey Goldberg, "Massachusetts City Plans to Destroy Public Housing," *New York Times*, April 2, 2001, A11; and Matt Richtel, "Bay Area Real Estate Prices Too Hot for Some to Touch," *New York Times*, May 29, 2002, C1.
26. When calculating percentages of suburban residents, we use the suburban population that lives in "places" as defined by the Census. We exclude the suburban population living outside municipalities and census designated places (CDPs).
27. This result excludes one outlier: in the Raleigh, NC, area, one suburb (Holly Springs) that was rated poor in 1980
- enjoyed per capita income growth 215 percent greater than its region. The nationwide average, however, masks the fact that in some parts of the country, poor suburbs performed significantly worse than their metro areas, falling farther behind the rest of the region. In 11 metro areas, the poor suburbs in 1980 grew at a rate less than 90 percent of their metro area growth rate, with seven growing at less than 80 percent of the metro area rate, leaving them considerably poorer by comparison. In several cases, these are regions that experienced booming high-tech economies in the 1990s, such as San Francisco, Charlotte, and San Antonio. One of the downsides of booming regional economies could be that poorer parts of the region are left farther behind. The rising tide of regional prosperity does not lift many poor suburban boats.
28. The average for the Midwest is 22 percent and for the West, 23 percent. This is an unweighted average for the metropolitan areas in each region.
29. Myron Orfield, *American Metropolitanities* (Washington: Brookings, 2002), chapter 7.
30. See Audrey Singer, "The Rise of New Immigrant Gateways" (Washington: Brookings Institution, 2004), available at [www.brookings.edu/metro/publications/20040301\\_gateways.htm](http://www.brookings.edu/metro/publications/20040301_gateways.htm).
31. See Carl Abbott, *Greater Portland: Urban Life and Landscape in the Pacific Northwest* (Philadelphia: University of Pennsylvania Press, 2001).
32. Taking into account new incorporations and the creation of CDPs, we estimate that about 49 places that were in our sample in 1990 and that were poor in 1990 were not poor in 2000. In other words, about 4.5 percent of poor places became nonpoor in the 1990s. This is only an approximation, however, because we have not counted the number of new incorporations or CDPs in our metropolitan areas that did not expand their boundaries, and in a very few cases suburbs go out of existence.
33. The data also show that affluent places are more likely to incorporate, or be designated by the Census Bureau as CDPs, than poor places. It is not surprising that affluent places often incorporate to protect their advantaged position, whereas poor places rarely do.
34. Suburban places in existing counties grew at an average rate of 26 percent in the 1990s.
35. Jargowsky, "Stunning Progress, Hidden Problems." See also G. Thomas Kingsley and Kathryn L. S. Pettit, "Concentrated Poverty: A Change in Course" (Washington: Urban Institute, 2003). Kingsley and Pettit point out that although the proportion of poor in high-poverty tracts (40 percent plus) declined in the 1990s, the proportion in tracts with 30–40 percent poverty rates remained stable, and the proportion in tracts with 20–30 percent poverty increased.
36. See Grogan and Proscio, *Comeback Cities*.
37. William Julius Wilson, "There Goes the Neighborhood." *New York Times*, June 16, 2003, A19; Jargowsky, "Stunning Progress, Hidden Problems."
38. See, for example, Rolf Pendall, "Local Land Use Regulation and the Chain of Exclusion," *Journal of the American Planning Association*, 66 (2) (2000): 125–142; John Powell, "Addressing Regional Dilemmas for Minority Communities." In Bruce Katz, ed., *Reflections on Regionalism* (Washington: Brookings, 2000).
39. Of six literatures reviews on the spatial mismatch, three find substantial support for a spatial mismatch, two find moderate support, and one finds the evidence too mixed to reach a conclusion. Ingrid Gould Ellen and Margery Austin Turner, "Do Neighborhoods Matter and Why?" In John Goering and Judith D. Feins, eds. *Choosing a Better Life: Evaluating the Moving to Opportunity Social Experiment* (Washington: Urban Institute Press, 2003).
40. U. S. Bureau of the Census, 2002, p. 288.
41. Robert Puentes and Myron Orfield, "Valuing America's First Suburbs: A Policy Agenda for Older Suburbs in the Midwest" (Washington, Brookings Institution, 2002), available at: [www.brookings.edu/metro/publications/firstsuburbsexsum.htm](http://www.brookings.edu/metro/publications/firstsuburbsexsum.htm).
42. Hal Wolman, Todd Swanstrom, Margaret Weir, and Nicholas Lyon, "The Calculus of Coalitions: Cities and States and the Metropolitan Agenda" (Washington: Brookings Institution, 2004), available at: [www.brookings.edu/metro/publications/20040422\\_coalitions.htm](http://www.brookings.edu/metro/publications/20040422_coalitions.htm).
43. Puentes and Orfield, "Valuing America's First Suburbs."

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