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Introduction

It was not long ago when the lens viewing urban America displayed chocolate cities and vanilla suburbs. Popular funk bands of the 1970s such as Parliament with their megahit “Chocolate Cities” helped mold this understanding through musical lyrics that described American urban areas becoming darker and poorer while suburbs were emerging white and rich (Avila, 2004). Of course, cities were not always understood in these terms historically; most were the homes of the middle class even while poorer immigrants landed there to explore their social and economic aspirations. But the great black migrations out of the South to the North in the early and mid 1900s, coupled with de jure and de facto Jim Crow discrimination that limited the economic and residential opportunities of blacks, began to change the socio-economic and racial profile of cities. This, in conjunction with rapid suburbanization of mostly middle-income whites in the post war period, left central cities with growing concentrations of poverty, especially minority poverty, thereby sealing the connection between race, place and poverty. Central cities were increasingly seen as black and poor, while suburbs were emerging white and as the main regions of population and employment growth and wealth creation.

But the massive demographic changes that the U.S. has undergone over the past few decades have likely complicated the chocolate cities/vanilla suburbs, poverty/wealth model of urban America. Immigration, mostly from Latin America and Asia, has and continues to drive demographic change (Portes and Rumbaut 2001). For example, even in the recent decade, the Latino population increased a phenomenal 57.9 percent, from 22.4 million in 1990 to 35.3 million in 2000. In 2000, they represented about 13 percent of the population up from about 6 percent in 1980. Much of the Latino population growth is driven by immigration. Nearly three million Mexican immigrants arrived in the

¹ The author thanks Amy Friedrich for invaluable research assistance.

U.S. through legal channels in the 1980s alone (Durand, et. al., 2001). Likewise, the growth of the Asian American community is no less impressive, making up 4 percent of the U.S. population in 2000 up from about 1 percent in 1980 (Ong and Leung 2003). As a result, urban America is much more racially and ethnically diverse now than in the past. Given that cities remain gateways for Latin American and Asian immigration, and because much of this immigration is disproportionately less educated, especially in the case of Latin American immigration, the colors of poverty across central cities and suburbs have likely been altered in fundamental ways.

This paper seeks to revisit the race, place and poverty debate in a number of ways. It attempts to critically summarize what we know about these relationships, but also what we don't know but perhaps should know given demographic and other changes that have taken place over the past few decades. To do this, we will first examine empirically at the national level the extent to which the race, place, and poverty connection has changed over the past few decades in response to growing diversity and other factors, and if so in what ways. For the purposes of this analysis, we will focus on the central city/suburban dichotomy as the measure of place. The central city/suburban dichotomy is increasingly becoming a very murky distinction between the nature of places in metropolitan America because of the increasing migration of poor and minority people to suburbs, the economic decline of many inner ring suburbs, and the revitalization of parts of many central cities. But we focus on this dimension because it is a simple and relatively accessible measure of neighborhood quality (where in general suburbs still represent greater opportunity than cities), because the nature of the analysis requires a broader view of geographic areas to capture the range of literature in this area, because the growing diversity of place especially within central cities and suburbs will make analysis below these geographic levels too complex, and because of data constraints.

In this part of the analysis, I will examine U.S. Census data for metropolitan areas from 1960 to 2000 paying particular attention to differences in poverty rates by race/ethnicity across central

cites and suburbs, how the poor are distributed across central cities and suburbs, and the racial and ethnic distribution of the poor within central cities and suburbs, and how these have changed over time. The results of this analysis will to the extent possible be synthesized with those from recent research.

The paper then moves to critically examine the factors that likely under gird the race, place and poverty connection paying particular attention to the main explanatory factors such as racial segregation and decentralization. But given the increasing diversity of urban areas and the growing influence of policy, other less often discussed factors such as the geography of low-income housing or site location for government sponsored low-income housing assistance and immigrant competition in housing markets will be explored as well. The theme that emerges from this discussion is that while poverty and the geographic concentration of disadvantage has a very clear racial order, increasingly, factors that are identified with reinforcing this order are thought to be nonracial in nature. Racial segregation is increasingly thought to now be primarily driven by preferences, decentralization or sprawl is thought to be a fundamentally economic process of development irrespective of racialized housing patterns, and government policy such as the siting of low-income housing is thought to be exclusive of racial considerations. A critical review of this literature reveals that this may not all be true as empirical evidence and untested theoretical possibilities cannot rule out the continuing role of race in influencing these factors as we discuss below.

But within these just mentioned domains, contemporary factors and forces have also likely influenced the way in which race, place and poverty intersect in urban America. Over the past few decades, the black middle class has increased in size and racial segregation has declined (though the black middle class is nearly as segregated from whites as the black poor), but still remaining high in absolute terms. Declines in these indexes continued over the 1990s, possibly from declining racial discrimination in housing markets and from historic lows in interest rates that spurred increased housing demand among minority households thus increasing their homeownership rates (U.S.

Census, 2003). These developments prompted slightly greater minority representation in suburban communities (Frey, 2001).

Over this decade, poverty also declined sharply as a result of the economic boom of the late 1990s, so much so that the deepening concentration of poverty in especially minority communities observed throughout the 1970s and 1980s slowed and in many cases reversed (Jargowsky, 2003). Combined, many or all of these factors likely led to weakening intersections of race, place and poverty in urban America through for example greater housing mobility because of increasing income, perhaps leading to more nuance in our understanding about where poverty is located, who the poor are and whether and to what extent poverty status, minority status (especially whether one is black), and place of residence are all one in the same.

To be sure, the underlying assumption of the paper is that place matters. In support of this notion, there is a growing body of evidence to support the idea that neighborhood environmental factors play a large role in influencing access to opportunity largely defined (Kling, et. al., 2005; Ioannides and Loury, 2004; Plotnick and Hoffman, 1998; Crane, 1991). Some would say that the extent of the influence of place is tempered by findings from recent experimental research on the Moving to Opportunity program sponsored by the Department of Housing and Urban Development. A “gold standard” approach to identifying the effects of place and neighborhoods, the results of the study reveal that experimental poor movers to low-poverty suburbs did not improve their poverty or labor market outcomes appreciably, though children’s outcomes on such things as school performance and criminal activity revealed uneven but more positive changes from the moves (Kling, et. al., 2005). However, the validity of the program research results is likely compromised because not all experimental movers moved (only about half did), and because the sample of people drawn into the program were not representative of poor people more generally as most were long-time public housing residents with long time detachment from labor markets.

Still, the emphasis that place matters is not to say that other important factors do not matter in determining social and economic outcomes. Of course they do. The development of human capital through educational attainment is but one of an obvious handful of factors such as individual efforts, family background and income or intelligence broadly defined that clearly shape opportunity in modern life. But place matters too. To a large extent location influences the access to good schools, decent housing, crime free neighborhoods, productive contacts and other benefits that help shape, determine or constrain access to opportunity. Thus, the understating of how race, poverty and place intersect is key to understanding the geography of opportunity in urban American and the factors that act to limit access to this opportunity.

Race, Place and Poverty Trends in the U.S.

Table 1 presents poverty statistics in 2000 across nonmetropolitan and metropolitan areas to provide a broad view of the distribution and concentration of poverty in the U.S.² The data reveal the empirical regularity that poverty rates are higher in rural than metropolitan areas in the U.S. Of course, large concentrations of rural poverty are found in the Appalachia (for rural whites), Mississippi Delta (for rural blacks) and Texas Borderland (for rural Latinos) regions. Research on rural poverty in the U.S. shows that this “rural effect” remains despite explicit controls for a wide variety of factors including demographic characteristics and local economic context (Weber, et. al., 2005). Why poverty rates are higher in these areas with or with out these controls, however, remains an open question.

Still, rural poverty rates are lower than those in central city areas of metropolitan areas, and as Table 1 indicates, a majority of the poverty population is located in metropolitan areas. Shifts in poverty population from rural towards metropolitan areas continue as overall populations in the U.S. continue to migrate to urban areas. The one exception to this rule, however, is Latinos, where the

² The data presented in this section is based on author’s calculations using the Integrated Public Use Micro Samples (IPUMS) for the relevant years.

migration patterns of Latinos increasingly include rural areas (Singer, 2004). For these reasons, most of the poverty research in the U.S. has tended to focus on metropolitan areas, though research on rural poverty has garnered increasing attention.

In metropolitan areas, poverty is disproportionately experienced among minorities for a variety of well documented reasons. Limited access to educational opportunities and inherited wealth, racial discrimination in housing and labor markets, and a disconnect from places and networks that generate economic rewards are, among others, major factors that account for the higher poverty rates of these groups. Figure 1 presents data gathered from the U.S. Census for the years 1960 to 2000 on poverty rates among racial and ethnic groups in the central cities and suburbs for all metropolitan areas in the U.S. So this picture, as well as all others shown in this section, represents a broad national view. It documents higher poverty rates for blacks and Latinos than whites and Asians in both the central cities and suburbs that has persisted during the 1960 to 2000 period. The drop in poverty rates in especially the central cities over the 1960s is likely accounted for a variety of factors including the emergence of Great Society programs, increasing civil rights for blacks and other minorities, and a strong economy.

The data also show the empirical regularity that poverty rates for each racial and ethnic group are generally lower in the suburbs than central cities though the black poverty rate in the suburbs in 1960 was comparable to that in the central cities. Apparently, though only about 23 percent of blacks were suburbanized in 1960,³ a suburban experience for blacks in pre-civil rights metropolitan America was no different than that found in the central cities with respect to poverty status. And poverty rates for each racial and ethnic group declined much more substantially in the suburbs than the central cities over this period, especially for blacks and Latinos. Indeed, poverty rates for all groups in the central cities over this period have for the most part remained fairly constant, only to dip slightly during the economic boom of the 1990s.

³ Author's calculation from U.S. Census IPUMS for relevant years.

Given these dynamics, the racial gap in poverty rates over time has become smaller in the suburbs than in central cities. For example, the racial poverty gap between blacks and whites was about 30 percentage points in both the central city and suburbs in the 1960s. By 2000, this racial gap in poverty had declined to about 10 percentage points in the suburbs but remained higher at 17 percentage points in the central cities.

The growing poverty rate gap for all racial and ethnic groups between the central cities and suburbs observed in Figure 1 is consistent with growing suburbanization of the nonpoor or middle income during this period. Figure 2 charts the difference in poverty rates between the central cities and suburbs by race and ethnicity. It shows that, except for blacks, the gap in poverty rates between these areas rose quite substantially during the 1970 and 1980s, while leveling off in the 1990s.

These trends are consistent with two important observations in the literature. First, the steep rise in the poverty rate gap for blacks between central cities and suburbs from the 1960s through the 1980s is consistent with Wilson's (1987) observation of the movement of the black middle class out of central cities to the suburbs, though the suburbs that blacks moved and are moving to still are typically inner suburban neighborhoods directly adjacent to central cities (Galster, 1991). It is important to note that from 1960 to 1990, the black suburbanization rate rose only about 9 percentage points from about 23 percent to 32 percent, while that for whites rose substantially more; their suburbanization rate rose by about 20 percentage points to 72 percent over this period (Author's calculation from IPUMS). Still, the difference in the growth of the poverty gap between central cities and suburbs for blacks and whites over this period suggest that the black middle class was suburbanizing at a faster rate than that of the white middle class during this period.

Second, these trends are consistent with the literature on economic segregation. This literature documents the growing degree of economic segregation between the poor and nonpoor that accelerated during the 1970s and 1980s but leveled off during the 1990s as a result of variety of

factors including structural economic transformations, though the reasons remain largely unanswered (Swanstrom, et. al., 2004; Madden, 2003; Jargowsky, 1996).

These trends of economic segregation are confirmed in Figures 3 and 4 that document the percentage of the poor and nonpoor, respectively, living in central cities. Figure 5 charts the difference in these percentages over the 1960 to 2000 period by race and ethnicity. Figure 3 shows that for most racial and ethnic groups, the percentage of the poor living in central cities declined from 1960 to 2000. These declines were especially pronounced for the Latino poor and somewhat for the white poor. However, for the black poor, the percentage that lives in central cities has remained virtually unchanged over this period. Moreover, the trend line for blacks and Latinos is consistent with evidence on the concentration of poverty (disproportionately found in central cities), where poverty concentration increased over the 1980s but declined over the 1990s for a variety of reasons (Jargowsky, 2003).

Still, the data reveal that a majority of the poor, in particular the minority poor, still live in central cities despite rapid decentralization over the past decades and reports of the growing suburbanization (Frey, 2001). A key question is why poverty still remains fairly concentrated, especially in the case of blacks, despite rapid demographic changes and continued decentralization and minority suburbanization. In other words, why has the black poor remained centralized over this period despite growing decentralization of the poor more generally?

Concerns over the concentration of the poor in central cities are clearly warranted. As noted earlier, the literature on the urban underclass and neighborhood effects demonstrate quite clearly that the poverty concentration exacerbates social ills from poverty above and beyond what would be expected without such poverty concentration. Less obvious is that concentration of poor people in central cities has fiscal and tax consequences, among other concerns. Given the large population of poor people in cities, cities are unable to raise sufficient revenues to meet the expenditure needs of serving a large poor population, resulting in a vicious, negative and downward cycle: cities needs

revenues to improve conditions of and provide services to the poor in their jurisdiction, but are not able to raise them effectively because of the limited income base of residents (Orfield, 2002). Race itself may confound the ability of cities or metropolitan areas to solve these fiscal problems if such poverty concentration is viewed as a minority problem rather than something else like a regional problem.

Figure 4 shows these trends for the nonpoor. For all racial and ethnic groups, the percentage of the nonpoor living in central cities declined over the 1960 to 2000 period. This is especially true for whites, Asians, and to a lesser extent blacks. Indeed for whites and Asians, the percentage of the nonpoor living in central cities dropped by over 20 percentage points over this period.

Figure 5 charts the differences in living in central cities between the poor and nonpoor to highlight these trends. The chart documents an increasing difference in living in the central cities between the poor and nonpoor. When combined with the results for Figure 1, which revealed that poverty rates in central cities remained relatively unchanged from about the 1970s onwards, the data substantiate the point that the nonpoor suburbanized much faster than the poor over this period leading to greater economic segregation. These data are consistent with other reports and general knowledge that suburbanization over the past decades was fueled primarily by middle and high-income households (Madden, 2003).

Given these trends and the growing diversity of city and suburban populations as a result of immigration, an important question is what the colors of poverty look like in the cities and suburbs and how they have changed over time. Figure 6 charts the racial and ethnic composition changes of the poor in central cities and suburbs over the 1960 to 2000 period. In central cities, the data clearly show the declining shares of the white poor over this period, replaced by a growing presence of the Latino and Asian poor, at least up until 1990. What is more striking is that the poor in central cities has become even more black over this period, not less so, despite the increasing presence of the immigrant poor in urban America. In particular, about 29 percent of the poor in central cities were

black in 1970. By 2000, this percentage had swelled to about 50 percent, despite the fact that black poverty rate remained virtually unchanged over this period (see Figure 1) and that the share of the population that is black in metropolitan areas changed very little over this period.⁴ The reasons for these changes are not well understood but could include more rapid suburbanization of the other groups of the poor such as Asians and Latinos as Figure 3 suggests. Indeed, the share of the poor in central cities who are Latino declined over the 1990s suggesting, again, more rapid suburbanization of this group compared to that of poor blacks.

Where we do find growing diversity of the poor is in the suburbs. Figure 6 shows from 1960 to 2000 the growing presence of Asian, Latino and black poor in suburban areas. Indeed, in 1960, about 20 percent of the poor in suburbs were minority, and by 2000 this share had increased to nearly 50 percent. Note again the steady decline in the representation of whites among the poor even in the suburbs during this period.

Figure 7 charts the racial and ethnic composition of the nonpoor in the central cities and suburbs over the same period. The results for both the central cities and suburbs are qualitatively similar as those for the poor. Central cities have become more black over time, while suburbs have experienced the greatest growth in diversity. The changes observed in suburbs for both the poor and nonpoor are consistent with evidence that suburban areas have experienced great increases in diversity fueled by growth in minority populations, especially those of Asian and Latino ancestry (Frey, 2001; Logan, 2002).

This brief overview of the basic relationship between race, place and poverty in the U.S. highlight some important trends. The results confirm and are consistent with much of the literature around the race, ethnicity, poverty and suburbanization debate but they do show a few patterns that are not so obvious. Consistent with general knowledge in this area, the results reveal that poverty

⁴ Calculations from the U.S. Census IPUMS indicate that blacks made up about 10 percent of the U.S. metropolitan population in 1960 and about 14 percent in 2000.

remains concentrated among minority groups, especially among blacks and Latinos, and remains higher in the central cities than suburbs. The majority of the poor still live in central cities, especially for blacks, but that this pattern is increasingly less true for Latinos and Asians. If current trends hold true, most of the Latino poor will live in suburbs in the next decade. Poor whites are the only group where poverty is fully suburbanized. This pattern has remained true since the 1960s and has grown more pronounced over the 1960 to 2000 period.

What is less obvious and runs counter to growing diversity of metropolitan areas as a result of immigration and other factors is that central cities have become much more black since the 1960s, and that this is especially true among the poor. These patterns require further investigation but they generally suggest that growth of the Latino and Asian populations in the U.S. spurred by rapid immigration is having a more profound impact on the diversity of poverty and populations in suburban than central city areas. Latinos and Asians are suburbanizing at a much faster clip than blacks, and given that whites had already left central cities to a large extent in the 1950s and 60s, such immigration is leading to slightly more diverse yet blacker central cities and to much greater diversity in suburbs.

Thus, at the national level, the trends observed here indicate that the chocolate cities/vanilla suburbs, poverty/wealth distinction that was the model in urban America for understanding the race, poverty and place connection in the 1960s remains somewhat true today despite these strong demographic changes. Today, however, chocolate cities are becoming chocolater even while they have grown somewhat more diverse, especially among the poor, while vanilla suburbs are increasingly becoming ethnically and racially neopolitan suburbs with poor people increasingly moving there.⁵

⁵ Of course, there are a number of nuances in these trends that are likely masked by focusing at the national level. Metropolitan area size is an obvious dimension on which these patterns are likely to vary for a variety of reasons including that immigrant gateways have historically been larger metropolitan areas, though this is becoming less true over time (Singer, 2004). Similarly, regional variations are likely to matter too. Immigration has been

Factors Reinforcing the Race, Place and Poverty Connection

What might be some of the key forces that reinforce the race, place, and poverty connection shown here? These forces include those that have been well identified and implicated in the literature such racial segregation and decentralization or sprawl. In combination, these forces have lead to significant spatial mismatch between residential and job locations for groups especially for those racially segregated in cities, thus contributing to their poverty and residential locations.

But other factors are likely at play too. The economics and geography of low-income housing may also play an important role in centralizing poverty. The natural process of filtering in housing markets as well as where low income housing is located and why may also play a role. Suburban efforts that limited the supply of low-income housing surely have played a key role in where low-income housing is located. Finally, given the growing presence of immigrants especially in suburban areas, questions may be raised about whether there is competition between immigrant and native groups, especially with blacks, over access to low income housing that may influence the race, place and poverty connection. These factors will be examined in more detail below.

Racial Residential Segregation

One of the permanent features of urban America is the extent to which racial groups, in particular blacks and whites, are residentially segregated. The physical isolation of blacks and other minority groups has been a major concern because of the social and economic costs of such segregation. Many racially segregated neighborhoods are disadvantaged and suffer disproportionately from high concentrations of poverty, joblessness, hopelessness and political indifference among elites, among many other problems. Much social science research has documented that such segregated neighborhoods impose enormous costs on its residents, such as

regionally concentrated (though this is less true now as a result of recent growth in immigrant populations in such traditionally nonimmigrant areas as the South, Midwest and smaller towns (Suro and Singer, 2003)) with the coastal regions and southern border states experiencing disproportionate share of such immigration (Singer, 2004). In immigrant heavy regions, changes in the connection between race, place and poverty may be very different.

the unavailability of good schools, positive role models, economic opportunities, social contact with other groups, such that living in these neighborhoods diminishes economic and social opportunity (Massey and Denton, 1993; Wilson, 1987). Such segregated neighborhoods also have consequences on school segregation. School segregation is strongly and positively correlated with racial segregation in housing because in public school systems and as a result of the economics of travel costs, neighborhoods largely determine school choice and attendance. But at the descriptive level, performance in schools with more minority segregation is slightly worse than other schools on a number of dimensions including graduation and college attendance, teacher quality, class materials, and APP classes to name a few (Phillips and Chin, 2004).

Given the growing suburbanization of minorities over the past decades we should expect that segregation levels have declined over time. Have segregation levels declined in urban American over this recent period? Segregation is typically measured using the dissimilarity index, which captures the degree to which two groups are evenly spread among census tracts in a given metropolitan area. The dissimilarity index ranges for 0 to 100, indicating the percentage of one group that would have to move to achieve an even residential pattern in which every tract replicates the group composition in the metropolitan area. For demographers, an index value of 60 or more is considered an extreme level of segregation, while values of 40 to 50 are considered moderate levels of segregation and values of 30 or less are considered low levels.

Recent research documents a few key trends with respect to segregation in the U.S. In general, black-white segregation in metropolitan areas has declined over the recent decades. For example, in 1980, the black-white index of dissimilarity was 73.8 and dropped nearly 9 percentage points over the 20 year period to reach 65.0 in 2000. Thus, in 2000, 65 percent of the black population, or a clear majority, would have to move to achieve the same geographic residential distribution as whites (Iceland, et. al., 2002; Logan, 2003).

The decline in black segregation over the 1990s seems to be linked to demographic changes in metropolitan areas. The biggest declines in black segregation occurred in metropolitan areas that were growing quickly and in places where the percentage of blacks in the population was rising rapidly (Galaeser and Vigdor, 2001). This suggests that either metropolitan areas where blacks are migrating are areas where black segregation is lower than the average or that black movers within metropolitan areas are moving to increasingly non-black neighborhoods.

Black return migration to the South is one factor that maybe driving this trend. This is because black-white segregation levels are much lower there than in the North or Midwest. Recent evidence shows that the Southern share of the black population increased yet again over the 1990s from 53 to 55 percent while the share of blacks living in the Northeast and Midwest, and to a lesser extent in the West, declined over this period, all suggesting that the return migration of blacks to the South continued over the 1990s. More direct evidence shows that over the 1990s the propensity to move to the South was greater for blacks than whites and other minority groups (Stoll, 2004).

Changing residential patterns by blacks within metropolitan areas is also likely to account for some of the declines in black-white segregation levels as well. As documented above, black suburbanization rates have increased as well, likely influencing overall lower black-white levels of segregation since such segregation is lower there than in cities (Frey, 2001).

The read of the segregation literature and of the evidence presented above however raises two important puzzles. The first is that the data here show that the percentage of the black poor living in central cities has remained virtually constant over the past few decades while black-white segregation levels have declined modestly over this period. At least within metropolitan areas, this suggests that much of the decline in segregation is being driven by movements of the black nonpoor, which is supported by evidence shown earlier. It remains unclear what the segregation levels between the black and white poor are and how these have changed over time.

Second, while segregation levels are slightly lower in suburbs than central cities, black-white segregation levels in the suburbs have remained virtually constant over time. For example, using the dissimilarity index, such segregation dropped only slightly from 59.9 to 56.6 over the 1990s (Frey, 2001). This suggests that the suburban areas where blacks are moving to are largely black suburban areas, perhaps only slightly less segregated than those in central cities. This idea is consistent with research that indicates that much of black suburbanization is occurring in inner-ring suburbs (usually in close geographic proximity to central city areas) that some argue do not differ dramatically in economic and social conditions from those in the central cities (Galster, 1991). Hence, it is an open question as to whether blacks experienced greater economic opportunities as a result of the increased residential mobility over the past decades, though the emergence of a few very middle-class black suburban areas tempers these concerns (Cashin, 2004).

The data on the quality of neighborhoods in which blacks and whites live offers similar concerns. Though black suburbanization has increased it does not appear that this has translated into moving into better neighborhoods. In 1990, the median neighborhood income for typical black household was \$27,808 compared with \$45,486 for whites, or a gap of \$17,679. By 2000, that gap had increased to \$18,112. Even at households with incomes above \$60,000, similar patterns were observed (Logan, 2002). The neighborhood gap is smaller between Latinos and whites, but grew wider over the 1990s as well. For Latinos, the neighborhood gap with whites was still as large for those with incomes over \$60,000 (Logan, 2002).

Still, despite these declines, segregation levels between blacks and whites remains high in absolute terms, at above 60, termed extreme segregation. Moreover, segregation of blacks changed very little in the largest metropolitan areas, where segregation historically has been the highest, and in metropolitan areas where the black population is the largest (Glaeser and Vigdor, 2002). The latter trends offer causes of concern since these areas house a disproportionate share the nation's population in general and of blacks' population in particular.

Equally, if not more, puzzling are the segregation trends between Latinos and Asians and whites. Over the past two decades, the Latino-white and Asian-white index of segregation has changed very little. In fact, from 1980 to 2000 the Latino-white segregation index remained virtually unchanged from 50.7 to 51.5, still remaining in the moderate segregation category. The Asian-white index changed only from 41.2 to 42.1 over this period, still remaining in the moderate category (Logan, 2003). Interestingly, the segregation indexes have remained unchanged despite the massive growth in the Asian and Latino population and rapid suburbanization of these groups (for the poor and nonpoor alike).

An obvious question is why these indices have remained so steady over time despite these demographic and locational changes? For reasons that need to be better understood, one potential explanation is that the neighborhoods in which Latinos and Asians are increasingly living are becoming more concentrated with their respective group members in either cities or suburbs. In particular, there is some evidence that in suburban areas, Latino and Asians are increasingly living in neighborhoods with much higher co-ethnic proportions than was true in earlier decades (Frey, 2001). These trends raise questions about the types of Latino/Asian/immigrant neighborhoods that are developing in suburban areas, whether they are emerging in inner-ring suburban areas or in newly developing suburban fringes, whether the poor are isolated in these neighborhoods or are economically integrated with their respective co-ethnic nonpoor.

One area where immigration may have reduced segregation is among racial and ethnic minority groups. In 2000 for example, black segregation from other racial and ethnic groups was lower than that between blacks and whites. The black-white segregation index was 65, while the black-Latino index was 51 and the black-Asian level was 55. Moreover, over the 1990s, racial segregation between blacks and other groups declined modestly and the decline was more dramatic between blacks and Hispanics and Asians than between blacks and whites. The index of dissimilarity between blacks and whites declined by 3.8 percentage points from 1990 to 2000. The

equivalent decline between blacks and Hispanics was 6.1 percentage points and between blacks and Asians was 5.6 percentage points (Stoll, 2004).

Interestingly, these declines in segregation among minorities occurred despite their different rates of suburbanization and despite the growing Latino and Asian suburban ethnic enclaves. This factors beg the question of where growing minority integrated neighborhoods are occurring within metropolitan areas and in which metropolitan areas (i.e., highly immigrant gateway areas, large or small metropolitan areas) and regions these changes are changing the fastest. They also beg they question of what the socio-economic mix is of these neighborhoods and whether the growing integration is generating competition and conflict for local resources or cooperation.

What factors sustain these high levels of segregation especially between whites and blacks? The high degree of racial segregation is influenced by a number of key factors. Among these, suburban housing discrimination plays a key role. This kind of discrimination can take many forms, one of which is discrimination against blacks and other minorities in attaining home mortgages. Indeed, there have numerous studies that document that blacks and to a lesser extent Latinos are less likely than whites to be approved for home mortgages even after racial differences in income, debt, credit worthiness, residential location and other relevant personal characteristics are taken into account (Yinger, 1997). Since single family homes are disproportionately located in the suburbs, any discrimination against blacks in mortgage approvals will contribute towards racial segregation.

Housing discrimination can also take the form of discrimination by real estate agents and landlords. Suburban landlords discriminate against blacks and to a lesser extent Latinos in rental housing, while many real estate agents steer blacks away from certain neighborhoods that are disproportionately white (Ondrich, et. al., 2001; Ondrich, et. al.,1999; Goering and Wienk, 1996; Massey and Denton, 1993). Differential racial preferences for integrated neighborhoods and what is meant by integrated neighborhoods play a clear role in maintaining segregation aw well (Charles, 2005). On the other hand, the evidence indicates that blacks' racial preferences to live near those of

their own race play a smaller role in perpetuating segregation (Ihlanfeldt and Scafidi, 2002; Massey and Denton, 1993). Latino and Asian preferences for co-ethnic neighborhoods are less well understood. Housing segregation by income seems to play an even smaller role as the black middle-class is just as likely to be segregated from whites as the black poor (Massey and Fischer, 1999). Less is known how such segregation affects Latino-white and Asian white segregation. In general, what is missing in this debate is an empirical accounting of all the relevant factors that explain the high levels of racial segregation in urban America.

Decentralization and Sprawl

Another central feature of urban America that influences the race, poverty and place connection is decentralization, sometimes referred to as sprawl. Urban sprawl, understood here as low-density, geographically spreading patterns of development, has been chided as a central characteristic of metropolitan growth patterns, with dubious consequences.

While some debate about how to measure sprawl (Lopez and Hynes, 2003; Wolman, et. al., 2002), others debate about whether sprawl does in fact characterize development. The growing consensus is that it in fact does (Lopez and Hynes, 2003; Glaeser and Kahn, 2001). Some basic facts illustrate this point. Between 1950 and 1990, U.S metropolitan areas grew from 208,000 square miles housing 84 million people to 585,000 square miles housing 193 million people. Thus, the areas in which people live increased by 181 percent while population increased by 128 percent. Put differently, population density declined from 407 to 330 persons per square mile over this time period. Finally, between 1970 and 2000 the share of the population in suburbia, which is much more characteristic of sprawl development patterns than in central cities, grew from 55.1 percent to 62.2 (U.S. HUD, 2000). This trend accelerated during the 1990s when the suburban population grew by 17.7 percent compared with just 8.0 percent for central cities (U.S. Census Bureau, 2001).

More importantly, many have examined the causes and consequences of sprawl. Many cite factors such as the influence of physical characteristics of regions, the role of government policy, and

preferences and discrimination (Burchfield, et. al., 2004; Rusk, 1999) as causes of sprawl. In particular and more to the point of the paper, many point to *white flight*, or the structural process of postwar suburbanization fueled in part by white fears, as accelerating sprawl that helped fuel the racial segregation of the United States, dividing presumably white suburbs from concentrations of racialized poverty (Squires, 2002; Jackson, 1985). And there has been a growing, empirical literature on the consequences of sprawl. Some have attempted to identify the impacts of sprawl, either positive or negative, on increasing health problems, pollution, concentrated poverty, or on decreasing commute times among many other factors (Bullard, Johnson, and Torres, 2000; Heinlich and Andersen, 2001; Cieslewicz, 2002; Jargowsky, 2002; Glaeser and Kahn, 2004).

Sprawl, Racial Segregation and Opportunity

Another consequence of sprawl is that it is likely to directly influence the geographic patterns and colors of poverty. One way that decentralization has been connected to the geographic and racial patterns of poverty is through the spatial mismatch hypothesis. Kain (1968) noted that during the latter half of the twentieth century, changes in the spatial location of employment opportunities within metropolitan areas served to increase the physical distance between these and predominantly black residential areas. Urban economists argued that as a result of innovations in transportation, such as the development of highways and of cargo trucks in the mid-twentieth century, and because of the availability of cheaper land prices in the suburban fringe, firms, and therefore employment, have continuously decentralized towards metropolitan area suburbs and exurbs since the post-war period. However, for a variety of reasons that we just discussed including most importantly racial segregation, black residential locations have remained fairly centralized and concentrated in older urban neighborhoods of the nation's central cities despite these more general decentralization patterns.

Many argue that this "spatial mismatch" between black residential locations and employment opportunities is partly responsible for the stubbornly inferior labor market outcomes and persistent

poverty experienced by African-Americans. Recent research has been able to quantify spatial mismatch at the national level using an index of dissimilarity described above. As noted, the dissimilarity index has been employed in the past to measure the extent of housing segregation between members of different racial and ethnic groups within a given metropolitan area. Others have adopted this measure to describe the imbalance between residential and employment distributions to measure spatial mismatch (Raphael and Stoll, 2002; Martin, 2004 and 2001). Like the dissimilarity index for racial segregation, the people-total jobs dissimilarity index ranges from 0 to 100, with higher values indicating a greater geographic mismatch between populations and jobs being described, and a given index value describing the imbalance for a given metropolitan area.

The research notes clear racial/ethnic differences in the degree of mismatch between people and jobs. In 2000 and consistent with what we would expect given racial segregation patterns and decentralization, blacks were the most spatially mismatched, with a dissimilarity index of 53.3. The comparable figures for whites, Latinos, Asians were 28, 46 and 44, respectively. However, spatial mismatch declined for most groups over the 1990s, especially for blacks. For blacks, the mismatch index declined by 3.2 points and for Latinos by 2.5 points. Declines for whites and Asians were trivial (Raphael and Stoll, 2002).

While minority men and women likely face the same spatial mismatch conditions, its impact on their ability to gain employment may differ. Women tend to concentrate their search efforts in a more local area than men because of more domestic responsibilities and the joint location problem of work and child care (McLafferty and Preston, 1997). But residential locations near central city employment centers may advantage women over men because the industrial and occupational employment mix there such as retail trade are largely overrepresented by women, perhaps making employment more favorable for women (Cooke, 1997). However, competition for jobs is most severe in these areas because job search efforts are greater in central cities, in turn limiting such employment opportunities for women (Stoll, 2000).

Still, the findings on mismatch beg a number of questions including what explains greater degrees of blacks/jobs mismatch, what accounts for the relatively large drop in blacks' mismatch over the decade and whether the poor are more mismatched as the metropolitan patterns observed earlier suggest. One potential explanation for blacks' greater mismatch is racial segregation as noted earlier. Since geographic job location patterns closely follow the geographic patterns of whites (Bostic and Martin, 2004) racial segregation from whites should be a huge determining factor for blacks' greater mismatch. Recent research documents that blacks' mismatch from jobs is strongly related to blacks' segregation from whites. Indeed, nearly 50 percent of blacks' mismatch is accounted for by black-white segregation. Since Latinos are less segregated from whites, such segregation explains much less of their mismatch from jobs (Raphael and Stoll, 2002).

Increasing black residential mobility over the 1990s seemed to have led to the modestly reduced black segregation from whites (and others), which in turn seems to have led to modest reductions in blacks' segregation from economic opportunities. The declines in blacks' segregation from jobs that occurred during the 1990s were driven entirely by the residential mobility of blacks within metropolitan areas rather than movements across metropolitan areas. This occurred despite the fact that blacks' migration to the South where black-white segregation levels are lower accelerated during the 1990s as noted above. That is, most of the reduction in blacks' geographic separation from jobs occurred because blacks moved closer to where jobs are located within metropolitan areas, i.e., in or near suburban areas. In fact, changes in the geographic location of jobs during the 1990s actually militate towards higher levels of black isolation from employment. That is, had black residential mobility out of mostly disadvantaged black communities not occurred to the extent that it did over the 1990s, blacks' geographic isolation from jobs would have gotten significantly worse during the economic boom (Raphael and Stoll, 2002). This is because little job growth occurred in inner-city minority communities during the boom of the late 1990s, despite the

fact that job development occurred to a significant extent in other, remaining areas of central cities (Rosen, et. al., 2003).

What we don't know is whether the residential mobility of the black nonpoor or poor drove this decline. The metropolitan patterns of poverty location for blacks described above, where the share of the black poor has remained much more centralized than that of the black nonpoor over time, suggests that the nonpoor drove this decline. This factor needs to be better understood because the poor are much more likely to be harmed by mismatch than the nonpoor partly because the jobs that are decentralizing fastest are those that require fewer skills (Glaeser and Kahn, 2001). Jobs with higher skill requirements tend to be concentrated in central cities for a variety of reasons, including, most importantly, that idea intensive industries benefit from the positive externalities of knowledge transfers in dense urban areas and because such industries can operate in vertical towers. These towers are partly the result of central city development patterns that are influenced by scarce land availability and high real estate prices. On the other hand, industries with disproportionately lower skill requirement such as manufacturing are more likely to decentralize because their need for more horizontal space is more complimentary with a suburban location where land is more plentiful and cheap (Glaeser and Kahn, 2001; Mills, 2000). These spatial-skill patterns of opportunity are likely to harm the poor more because of their central location.

Research on the poor bears these predictions out. Using the same data for people and jobs as described in Raphael and Stoll (2002) but for the poor only, I find that for each racial group, the poor are more mismatched than the nonpoor. More importantly, for blacks, the poor's mismatch index is 59 while that for the black population as a whole is 53 as noted above. A key empirical question therefore is whether sprawl is related to or directly influences the spatial location of poverty concentration, racial segregation or mismatch.

But some have recently intimated to the contrary that sprawl could have potentially beneficial effects on racial segregation and mismatch. The idea is that job sprawl could reduce racial

segregation or lower blacks' physical isolation from jobs through sprawl's impact on housing affordability. Some research has identified an association between low-density metropolitan growth and increased housing affordability. This growth produces housing rapidly relative to demand, thereby lowering housing prices and therefore potentially raising housing consumption, especially that of blacks (Kahn, 2001). To the extent that blacks choose homes that are disproportionately located in sprawling metropolitan suburban areas, their physical proximity to whites and growing suburban employment centers is likely to be improved. In theory, increases in black residential mobility and moderate decreases in racial segregation observed over the 1990s might indicate that sprawl reduces black-white segregation and spatial mismatch conditions faced by blacks.

Consistent with this idea, Kahn (2001) finds that housing consumption among blacks is higher in sprawling than nonsprawling metropolitan areas, all else equal. Since single family homes are disproportionately more available in the suburbs than central cities and since blacks homeownership rates were in fact higher in sprawling metropolitan areas, it is likely that the housing that blacks consumed in such areas led to greater racial integration and physical access to jobs.

Some recent research, however, has found evidence counter to these hypothesis. This research demonstrates that at least in the cross-section, blacks' mismatch levels and black-white segregation levels are much higher in sprawled than nonsprawled metropolitan areas (Stoll, 2005). Using the same mismatch dissimilarity indices described above, a job sprawl index developed by Glaeser and Kahn (2001), and simple liner regression of mismatch on sprawl, the evidence points to a strong, positive relationship between sprawl and mismatch. It indicates that, on average, a 10 percentage point increase in the job sprawl index is associated with a 3.1 percentage point increase in the mismatch index for blacks. Moreover, the analysis reveals that variation in the degree of job sprawl explains 27 percent, or about a quarter, of the variation in the blacks/jobs mismatch index. These results are more striking for blacks than others. On average, a 10 percentage-point increase in the sprawl index across metropolitan areas is associated with a 1.7 percentage-point increase in

mismatch conditions for Latinos and virtually no relationship with spatial mismatch conditions for whites (Stoll, 2005).

These results have implications for the findings in Kahn (2001). They suggest that if sprawl is associated with housing affordability that prompts blacks' residential mobility, black residential moves are likely occurring in predominantly black inner suburban neighborhoods that are adjacent to central cities where their proximity to whites and jobs is likely unchanged, consistent with past research (Galster, 1991). If this is true, sprawl is unlikely to lower segregation or mismatch.

But identifying the effect of urban sprawl on segregation and mismatch will likely be difficult. On the one hand, the expectation is that urban sprawl will have a direct effect on segregation and mismatch as the mismatch hypothesis suggests. As we saw, many urban areas continue to exhibit rapid, decentralizing growth patterns. To the extent that these growth patterns are characterized by sprawl, such employment opportunities will locate in areas far from areas where blacks are concentrated, thereby increasing their physical isolation from jobs. This is likely to be especially true if racial segregation remains a strong and persistent feature of metropolitan life.

The problem in identifying this relationship is that this characterization depends largely on the assumption that the forces contributing to sprawl are unrelated to considerations of race, racial segregation or mismatch. But it is likely however that sprawl is itself influenced by these considerations. For example, if employers locate to suburban areas to escape black workers because they view them as desirable (Wilson, 1996) or if whites move to suburbs partly to avoid blacks because they view them as bringing down property values or are criminally prone, then sprawl could be spurred by racial considerations. If this is the case, then racial segregation patterns or mismatch conditions themselves may partly and directly influence the degree of decentralization or sprawl thus making inferences about sprawl's effect on these outcomes more difficult. The work by Fernandez (1994) tempers these assumptions as the research reveals that firm relocations from central city to

suburbs are independent of racial considerations. However, the firm sample size in the study was small making generalizations of findings to all relocating firms more problematic.

The Transportation Connection

The connection of sprawl, racial segregation and poverty are compounded by factors related to transportation. As jobs, especially low skill jobs, continue to decentralize to outer suburban fringes and as racial segregation continues to insure that racial minorities are more centralized, growing distances between jobs and residence creates problems for employment and concentrated poverty. Given the difficulties of reverse commutes in many metropolitan areas and the fact that traveling far distances imposes high money and time costs on commuters, such spatial mismatch may literally remove many jobs for which black and other minority workers are suited out of their set of feasibly-accessible employment opportunities.

Car access can help reduce these costs since it provides greater flexibility during travel and allows individuals to search for and maintain more distant jobs thereby improving employment opportunities. But minorities, especially black and Latinos, are significantly less likely than whites to have access to cars during the travel to work. This is true irrespective of whether car access is measured as car ownership, car access or cars per adult household member. For example, in the 1990s, about 76 percent of whites owned cars, while the equivalent percentage for blacks and Latinos was about 50 percent. Moreover, these racial car access differences were greater for the less-educated. For those without a high school degree in the U.S., the car ownership rates for whites, blacks and Latinos were 65.1, 34.2, and 43.1, respectively (Raphael and Stoll, 2001).

Many factors help explain these racial differences in car ownership including differences in income and earnings between whites and blacks, differences in insurance premiums that these groups face, and discrimination against blacks in the car loan market. Indeed, in black and other poor minority neighborhoods, auto insurance premiums are much higher than elsewhere for reasons that are not fully understood, but could include redlining by insurance companies and higher theft and

traffic accidents rates in these areas (Ong and Sung, 2003). Also, blacks are charged significantly higher interest rates for private car loans than are similar credit worthy whites and therefore pay significantly more interest over the course of a car loan (Cohen, 1993).

Since minorities have less car access, they must travel to work more often by public transit. For example in 2000, about 15 percent of blacks traveled to work by public transit, while only 3 percent of whites did (Stoll, 2004). Some have argued that that the poor, especially blacks, live in cities precisely because public transit is reasonably available there (Glaeser, et. al., 1999). But even if this is true, in most metropolitan areas, traveling to work by public transit increases travel burden in a number of ways and therefore diminishes labor market opportunities. Commuting times by public modes of transit are considerably longer than private modes of travel so that individuals using public transit will be less likely to search for or maintain a distant job. In boom economies like that experienced over the 1990s, this may be less a problem as central city employment opportunities become relatively more available. But during recessions, distant suburban employment becomes more important as central city employment is usually hit hardest during this time.

Moreover, reverse commutes from central cities to suburbs where there is greater employment opportunity are difficult because of transit service unavailability and sparse location of routes, particularly for rail. This is partly because such transit systems were designed to move suburban workers to downtown locations, not the reverse (Wachs and Taylor, 1998). And relative to other workers, blacks and other minority workers are increasingly working nonstandard work schedules, such as the graveyard shift, when public transit is even less available (Beers, 2000). Finally, increasingly as a result of sprawl development patterns, suburban firms are more physically distant from public transit stops than are central city firms, making many suburban employment opportunities even that much more inaccessible. Indeed, in the mid-1990s, nearly half of all jobs in suburban areas where employment growth has been strong were inaccessible by public transportation (defined as a firm being over a quarter of a mile away from the nearest public transit stop), while the

comparable figure for jobs in the central city was about 20 percent (Stoll, et. al., 2000). Whether firms locate away from public transit stops to avoid racial minorities or the perception of “poor workers” remains an open question as well.

But the central question that emerges from this discussion is that if the poor live in cities because public transportation is more easily accessible, then why are the Latino poor who are just as carless as blacks increasingly suburbanizing? One potential explanation is that the carless Latino poor for whatever reason are much more likely to use alternative forms of transit to get to work than public transit. One form is *Camionetas*, or small vans, that are used to travel inter-regionally (and even transnationally). *Camionetas* are usually privately owned, but community based and target poor Latino communities to offer accessible, sometimes low priced transportation to areas that may not be well served by fixed-route transit. *Camioneta* travel is mostly informal because few regulations control its commercial activity, and advertising for this transportation mode is primarily word of mouth or through posters (Valenzuela, 2002). *Camionetas* thus may offer the Latino poor flexibility in transit routes that would allow them to live in suburban areas were public transportation is sparse.

Geography of Low Income Housing

The geography of low-income housing is also likely to reinforce the connection between race, place and poverty. To the extent that low-income housing availability is disproportionately located in central city areas, it would be difficult to achieve greater integration of minorities, especially blacks, with whites and of the poor with the nonpoor even if race specific barriers to housing mobility were completely eliminated. But there is little if any research documenting trends in the geography of supply of low-income housing to gain insight into this question, though it seems reasonable to assume that such housing is disproportionately located in central cities.

There are however theories, factors and evidence to support this assumption. These include theories of housing filtering, the location and effect of development regulations, and government site location for low-income housing assistance, among potentially many others. Theories of housing

filtering develop a model of urban housing markets where durable dwelling units filter through a quality hierarchy. In this model, the supply of housing of a given quality (or whether it is low-income or not) is determined by several factors including the age of the stock of housing, where older housing stocks are more likely to filter to low-income housing (O’Flaherty, 1995). To the extent that housing stock is older in central cities than suburbs (which is supported by analysis of recent Census data), such low-income housing is likely to be disproportionately concentrated there.

Development regulations are also likely to shape the geography of low income housing. Many of these development regulations affect central cities and suburbs alike such as requirements of environmental impact studies, or toxic cleanup requirements (especially relevant for development of vacant or abandoned lots which are disproportionately located in central cities). But some such as zoning requirements (against multi-family housing) and development impact fees are much more likely to be triggered in suburbs. Many suburban municipalities zone against multi-family housing where newly developed low-income housing is likely to be realized (McDonald and McMillen, 2004). As evidence, in 2000 a much larger percentage of rental housing in metropolitan areas was located in central cities than all housing units, 54 versus 29 percent, respectively.⁶

Development impact fees are assessed on new developments involving undeveloped land which is typically found on suburban fringes. These fees are assessed to cover infrastructure cost such as laying of water pipes, roads, etc. needed for development. However, most agree that such development fees contribute to housing price inflation that is capitalized into housing prices and disproportionately paid by consumers of that housing (Evans-Cowley and Lawhon, 2003).

Obviously, such dynamics will limit the extent to which developers can or are willing to “pencil in” low-income housing projects on undeveloped land and therefore will limit low-income housing development in suburbs (Evans-Cowley, et. al., 2005).

⁶ Author’s calculations based on 2003 data from the American Housing Survey.

There is some consensus in the literature that certain development regulations act to decrease low-income housing availability. The critical question in this area is what are the forces driving these development policies. Of course, the laws of development finance will insure that infrastructure and other costs are captured during and capitalized into development projects in order for them to be profitable. And obviously, there is some reasonableness to the implementation of such regulations, be they economic, environmental, or social reasons. But fears of the poor and/or of minorities by white suburbanites could drive these regulations as well. The infamous Mt. Laurel case in New Jersey provides qualitative evidence that racial preferences can influence the erection of zoning regulations that limit the development of low-income multi-family housing in suburbs in order to limit access of minorities to suburbs. But what is missing is good empirical research that examines the casual link and the magnitude of the relationship between racial preferences and development regulations.

Finally, the site location of government low-income housing assistance could also influence the geography of low-income housing. In the past, most large public housing projects were located in predominantly minority neighborhoods thus reinforcing the race, place and poverty connection in urban America. But with a more recent emphasis on scatter site housing projects and reliance on vouchers and housing choice of the poor it is not clear how the geography of federal housing assistance has changed.

The little research that exists in this area offers a few clues. A main federal program for affordable housing assistance is the Low-Income Housing Tax Credit (LIHTC) and is the most important federal resource for creating low income housing. Recent research on the site location of these tax credits indicate that in metropolitan areas about 60 percent of such sites are located in central city areas, though projects in suburban areas are larger perhaps because of greater and cheaper land availability. This percentage is little changed since 1995. Moreover, LIHTC units are more likely than rental units nationally to be located in poor neighborhoods and in neighborhoods

with a large proportion of minorities and female heads of household. In particular, nearly one-third of LIHTC units in the central city are located in high-poverty areas, compared to just over one-fifth of rental units overall (Abt Associates, 2004). These data suggests that site locations of government low-income housing projects follows the geography of the poor, reinforces the overall geography of low-income housing and thereby reinforces the race, place and poverty connection.

But it is not clear that locating low-income housing in suburban areas will come without some cost. The poor, who will be disproportionately reliant on such housing to fill their housing needs, also frequently require access to additional services such as welfare, mental health and employment services. But these services are themselves disproportionately concentrated in central city areas to a large extent where poor populations are concentrated. Indeed, on average, poor populations in urban centers have greater spatial access to social services than poor populations living in suburban areas (Allard, 2004). Thus, increasingly moving the location of low-income housing assistance to suburbs will at least in the short run not match well to the location of social service providers. This pattern has important implications since greater proximity to these services is associated with greater utilization of them by the poor (Allard, et. al., 2003). What is in question is whether utilization of these services has important and beneficial social or economic effects on the poor. And what is also in question is whether the same forces that act to limit pure private development of low-income housing in suburbs also act to limit government subsidized low-income housing.

Immigrant Competition in Housing Markets

What is also missing are answers to the question of whether and to what extent racial preferences by white suburbanites vary with the race or ethnicity of newcomers into the suburbs. Insight into this question may help to explain, among other things like the dynamics of enclave neighborhoods, why Latinos and Asians, especially the poor, have been able to suburbanize much faster than that of blacks over the past decade. Some research at the metropolitan level has shown

that whites' tolerance for residential integration is conditioned by the race of their potential neighbors, with Asian topping the hierarchy, Latinos in the middle and blacks on the bottom (Charles, 2005).

What is needed is a better understanding of how these racial preferences for Latinos and Asians may lead to competitive advantage in their housing search. While there is a pretty well established literature in labor economics on whether and how immigrants impact native workers in the labor market, little research has attempted to investigate how and whether immigrants impact natives, especially blacks, in the housing market. In a competitive model of housing markets where racial preferences of decision-makers favor Latinos and Asians over blacks, we may find immigrant competing blacks out of, or displacing them from, certain housing markets. The growth of immigration and its concentration in certain regions and metropolitan areas implies that a large influx of immigrant may also result in substantial increases in housing prices and rents, thus negatively impacting natives housing choice or consumption.

The thin research in this area suggests that large scale immigration does affect housing prices in the short run, but not over the longer period as housing markets seem to adjust quite well to increased demand from immigrants (Greulich, et. al., 2004; Saez, 2003; Susin, 2001). This research however does not examine how these relationships may differ by the race of natives. Immigrant destination points are in many ways nonrandom (following well established patterns (Singer, 2004)) and many are located in central cities potentially near black neighborhoods. Combined with racial preferences of housing market decision-makers such as landlords, rental or real estate agents, negative effects of immigration on blacks' housing consumption could well exist but would be masked by these more general aggregate analyses of natives. What is needed is a better understanding of the processes, mechanisms and reasons for such racial and ethnic change at the neighborhood level between immigrants and natives, especially native blacks, and how these may influence Latinos and Asians greater suburbanization as compared to blacks.

Conclusion

This paper has revisited the race, place and poverty debate. In light of the growing racial and ethnic diversity of the U.S. population, it investigated the extent to which the race, place, and poverty connection has changed over the past few decades and if so in what ways. It also sought to critically examine the factors that reinforce the race, place and poverty connection such as racial segregation, decentralization, mismatch and transportation as well as the geography of low-income housing and immigrant competition in housing markets, and how these factors may or may not play out differently given growing diversity.

The empirical trends documented in the paper show results fairly consistent with much about what we know about the race, ethnicity, poverty and suburbanization debate. These include that poverty remains concentrated among minority groups, especially among blacks and Latinos, and remains higher in the central cities than suburbs. The majority of the poor still live in central cities, especially for blacks, but that this pattern is increasingly less true for Latinos and Asians as their poor populations have been suburbanizing at an increasingly clip. The white poor have been suburbanized since the 1960s.

However, a few less obvious patterns emerged from the analysis. In particular, central cities have become much more black since the 1960s, especially among the poor, probably result from much greater suburbanization of Latinos, Asians and whites over the past two decades. The phenomenal growth and rapid suburbanization of Latinos and Asians is on the other hand leading to profound changes in the diversity of populations and poverty in suburban areas. Thus, at the very general level the chocolate cities/vanilla suburbs, poor/rich model of urban America is increasingly being replaced with a picture of chocolatier central cities and neopolitan suburbs (especially for the poor), with growing diversity in the geographic location of the poor, except the black poor.

These changes have deep implications and raise a number of unanswered questions. These include why has the black poor remained centralized over this period despite growing

decentralization of the poor more generally? And what are the consequences (above and beyond what we already know about the effects of minority concentrated poverty) of this increasing isolated pockets of deep black poverty in urban America? The growing diversity of poverty and ethnicity in suburban America begs questions about the types of Latino/Asian/immigrant neighborhoods and black neighborhoods that are developing in suburban areas, whether they are emerging in inner-ring suburban areas or in newly developing suburban fringes, whether the poor are isolated in these neighborhoods or are economically integrated with their respective co-ethnic nonpoor.

Over the past two decades, we have learned a lot about what poverty looks like in central city ghettos, and to a lesser extent barrios, and what the effects are of this poverty and the mechanisms through which these effects manifest themselves. But we know very little about what poverty looks like in these growing suburban ethnic enclaves, how long such poverty endures, whether the effects of poverty concentration are similar there than in cities, or whether the mechanisms that reinforce such poverty are the same as those in cities. These questions become all the more important in light of the fact that while such suburban areas have become much more diverse along these dimensions, racial and ethnic segregation there has virtually remained at the same level over the past decade. The reasons and factors that reinforce suburban racial segregation are important areas of inquiry as well.

But racial segregation among and between racial and ethnic minorities has declined even while such segregation from whites has remained steady especially in suburban areas and between Latinos and Asians and whites. These trends beg related questions of where growing *minority* integrated neighborhoods are occurring within metropolitan areas and in which metropolitan areas (i.e., highly immigrant gateway areas, large or small metropolitan areas) and regions these changes are changing the fastest. They also beg they question of what the socio-economic mix of these neighborhoods is, and whether the growing integration of minorities is generating conflict or cooperation for local resources.

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Table 1: Poverty in the U.S. by Metropolitan Area Type, 2000

	Poverty Rate	Total Population	Poverty Population	% of Poverty Population
U.S. Total	14.8	281,421,906	41,650,442	100.0
Nonmetropolitan	18.0	49,963,594	8,993,446	21.6
Metropolitan	14.0	231,458,312	32,404,164	78.4
Central City	21.6	49,393,204	10,668,932	25.6
Suburb	9.5	93,300,845	8,863,580	21.3
Unknown	14.6	88,764,262	12,959,582	31.3

Figure 1
Poverty Rates by Race and Ethnicity in Central Cities and Suburbs, 1960 to 2000

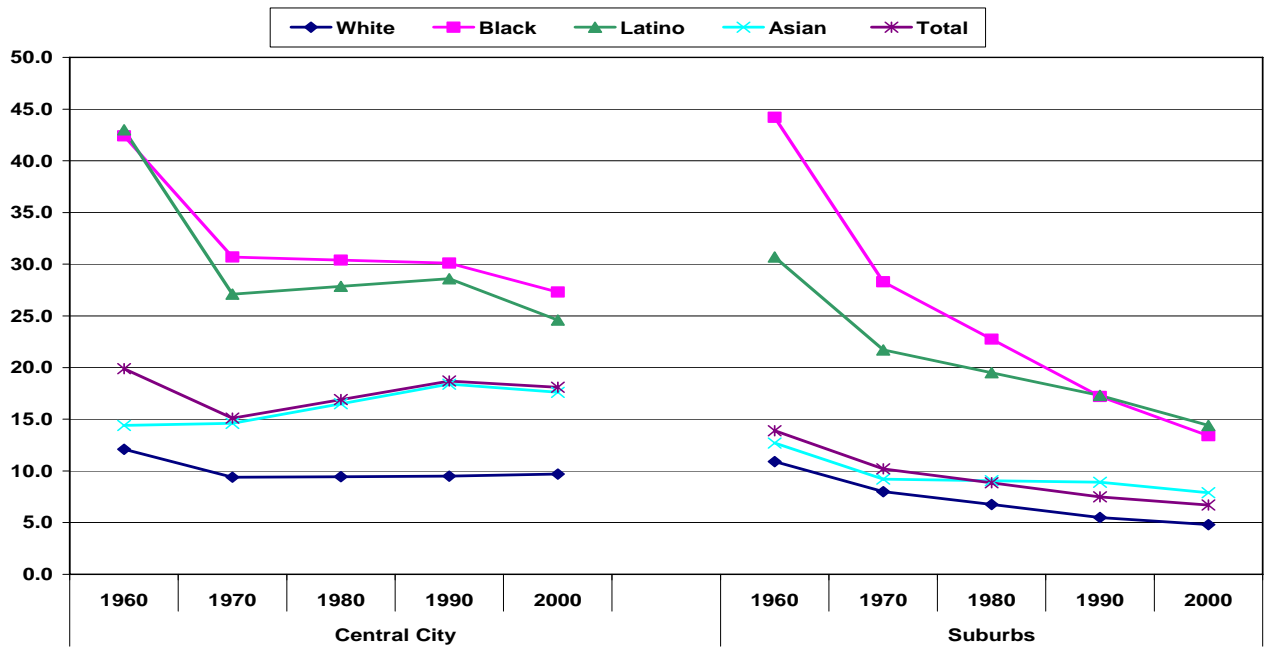


Figure 2
Difference in Poverty Rates (by Race and Ethnicity) between Central Cities and Suburbs, 1960 to 2000

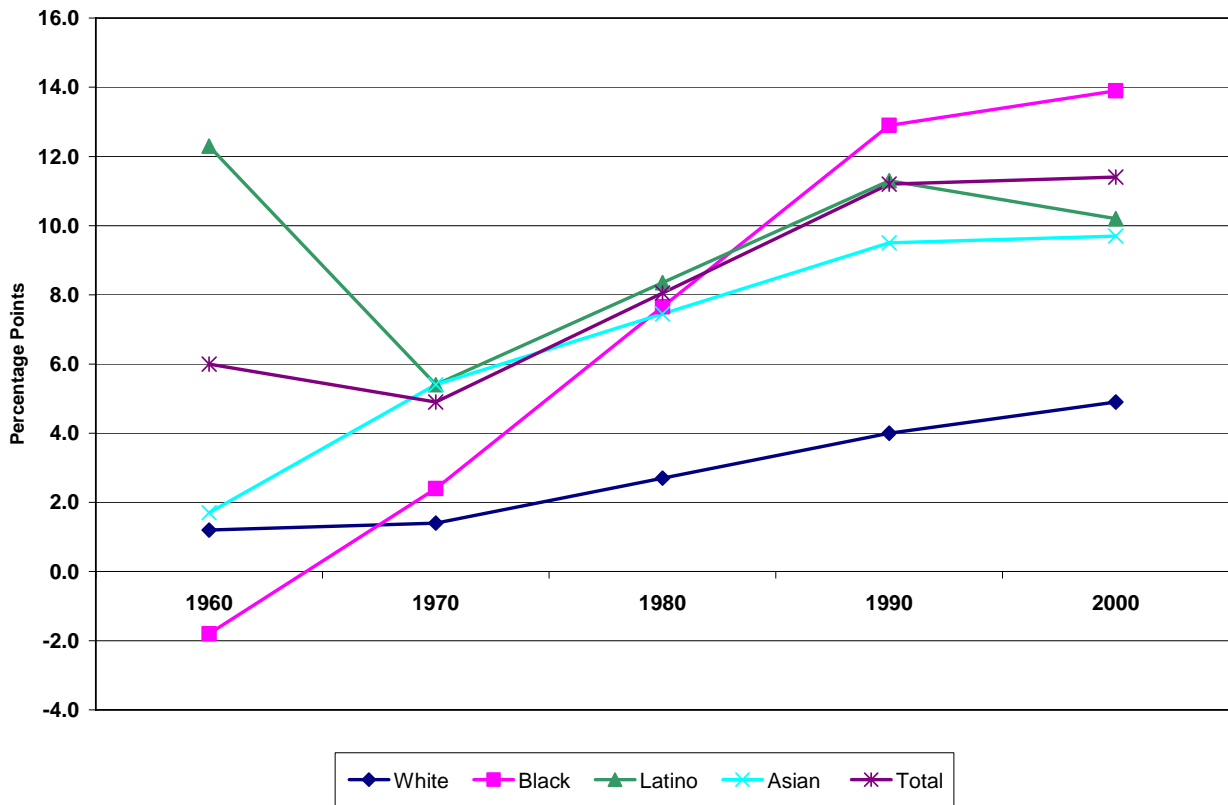


Figure 3
Percentage of the Poor Living in Central Cities within Metropolitan Areas by Race/Ethnicity, 1960 to 2000

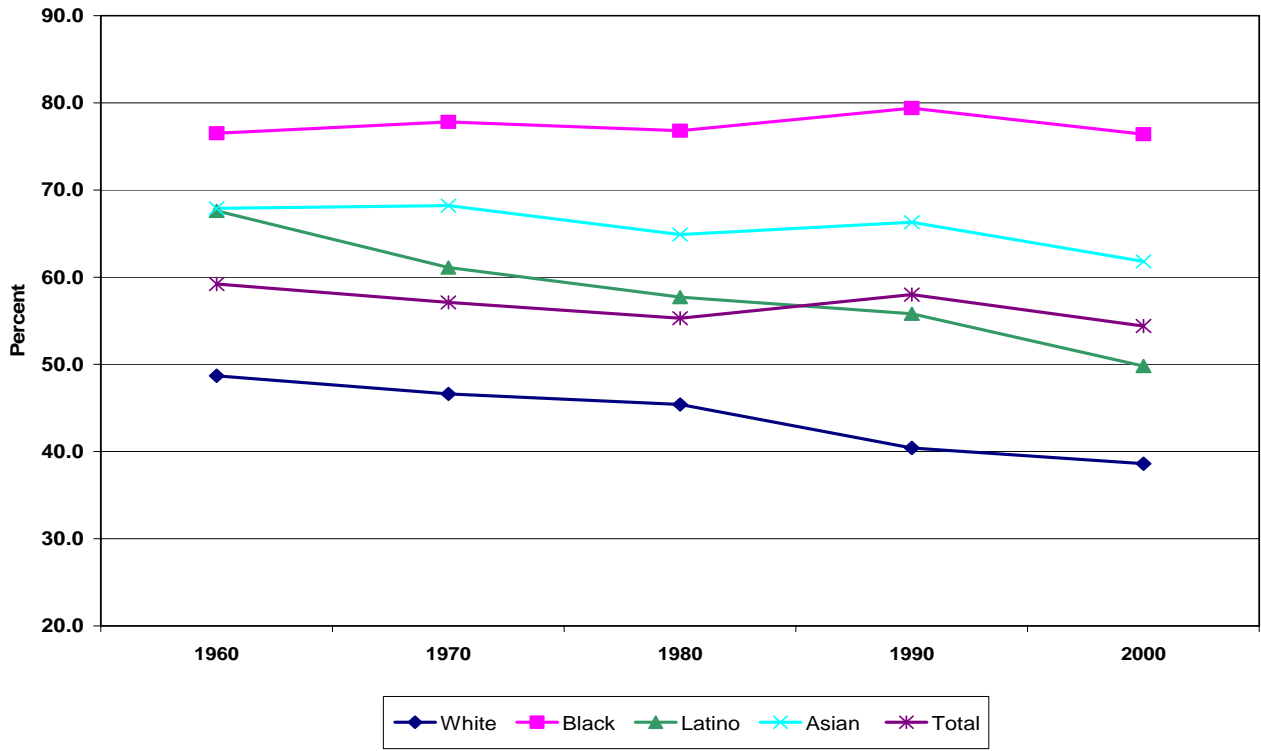


Figure 4
Percentage of the Nonpoor Living in Central Cities within Metropolitan Areas by Race/ethnicity, 1960 to 2000

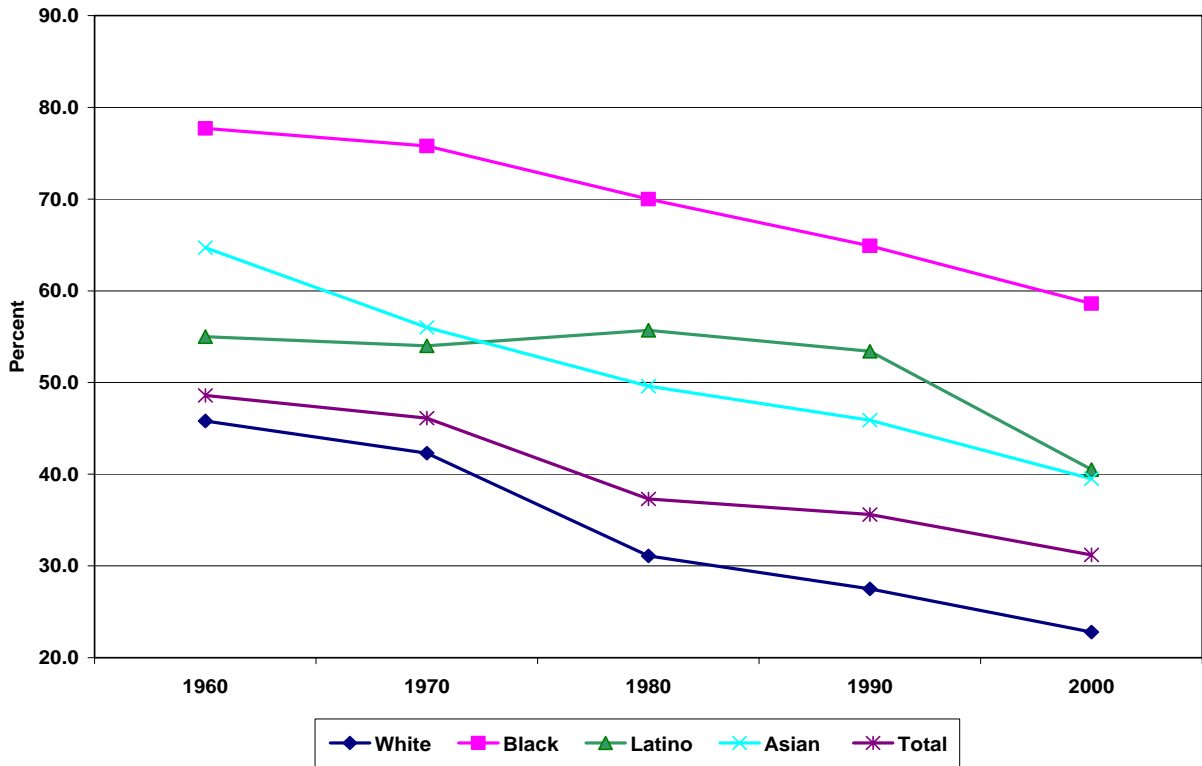


Figure 5
Difference in Living in Central Cities between the Poor and Nonpoor (by Race and Ethnicity), 1960 to 2000

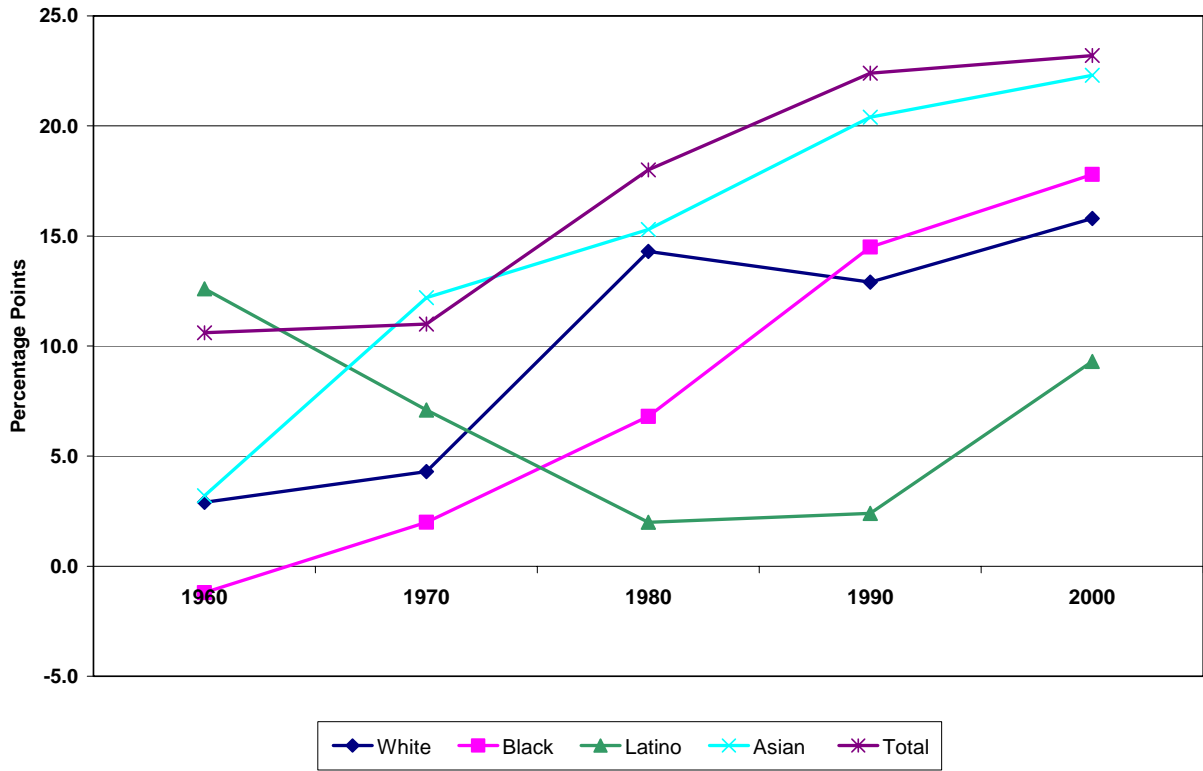


Figure 6
Racial and Ethnic Composition of the Poor in Central Cities and Suburbs, 1960 to 2000

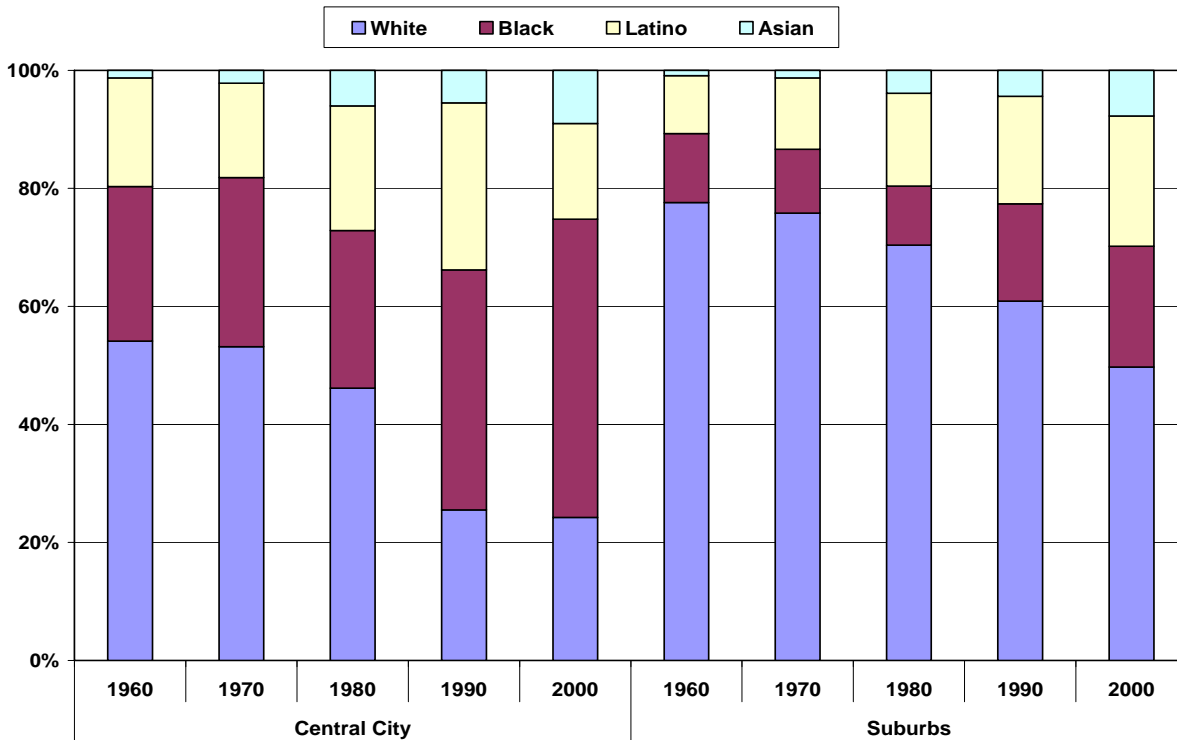


Figure 7
Racial and Ethnic Composition of the Nonpoor in Central Cities and Suburbs, 1960 to 2000

