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GOING BACKWARDS: A growth in concentrated poverty signals increasing levels of economic and racial segregation

By BRIAN KENNEDY II, PUBLIC POLICY FELLOW

Every day, families living in poverty face tremendous barriers placed in front of them through no fault of their own. And every day, millions of North Carolinians exude grit and resiliency and navigate those barriers. That tenacity, however, comes at a steep cost. Research and experience has shown that living in persistent poverty can cause a toll on individuals. In many cases, poverty is not isolated to an individual or single household, but affects entire neighborhoods and communities. When families already struggling to make ends meet find themselves in communities of concentrated poverty, they face a “double burden.”

This “double burden” limits economic mobility and prosperity not just for those experiencing poverty, but for every community member, and ultimately, for the entire state.

Concentrated poverty did not happen naturally but was created out of policy choices — such as state-supported discriminatory housing markets, poorly executed public housing projects, interstate and highway projects made possible through eminent domain laws, and a lack of investment in public services — that have reinforced barriers.

North Carolinians living in concentrated poverty neighborhoods face unique barriers. Often, residents are physically isolated from important resources such as jobs, access to wealth, quality education, as well as access to valuable social networks.¹ Additionally, there are often environmental and geographical barriers like elevated levels of air

What is Concentrated Poverty?

Concentrated poverty is a technical term researchers and advocates have used to describe neighborhoods and communities where a high percentage of the residents live below the federal poverty line. In most cases, concentrated poverty, or an “extreme poverty neighborhood,” is defined as a Census tract where the poverty rate is 40 percent or higher.

Another way of understanding concentrated poverty is by measuring the proportion of people who are experiencing poverty who also live in concentrated-poverty neighborhoods. This is called the concentrated poverty rate.

pollution and inferior public services.² Researchers have found that when given the change to move into economically diverse neighborhoods, people are less likely to experience negative mental and physical health.³ Without intervention, many of these neighborhoods have faced cyclical patterns of neglect, both historically and into the present. The suburbanization of jobs, disinvestment of businesses, and general stigmatization have compounded the barriers to private investment and economic mobility of residents.

Concentrated Poverty has grown significantly in recent years

Since 2000, the number of concentrated poverty neighborhoods, as well as the number of North Carolinians living in those neighborhoods, has more than tripled. In 2000, there were 37 neighborhoods in North Carolina where the poverty rate was 40 percent or higher, with 84,493 people (1.1 percent of the total population) living in those communities. In 2016, there were more than 348,000 (3.6 percent of the total population) North Carolinians living in 109 concentrated-poverty neighborhoods (See Appendix A).⁴ In that same time period, the concentrated poverty rate — that is the number of people in poverty living in concentrated poverty neighborhoods — has more than doubled from 4.1 to 10.2 percent.⁵ This points to national and state trends of growing poverty as well as growing economic segregation.

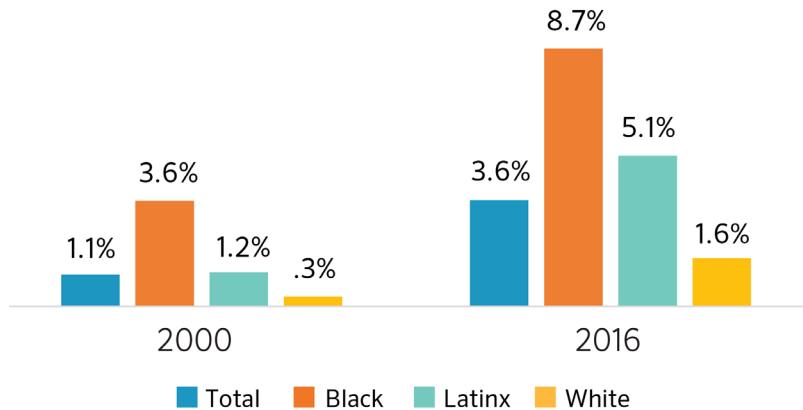
Although the total number of North Carolinians living in concentrated poverty neighborhoods has skyrocketed, certain groups have been disproportionately affected by this trend of growing poverty and economic segregation. From 2012 to 2016, African American North Carolinians were 71 percent more likely than Latinx North Carolinians to live in concentrated-poverty neighborhoods and 434 percent more likely than white North Carolinians.⁶ Even when income is not a factor, Black and brown North Carolinians are more likely to live in neighborhoods with concentrated poverty. Between 2012 and 2016, 5.8 percent of poor white North Carolinians lived in concentrated poverty neighborhoods compared to 16.6 and 8.9 percent of poor African Americans and Latinx, respectively.⁷

FIGURE 1: Census tract by poverty rate - NC

Year	0-19.9%	20-39.9%	40%+	TOTAL
2000	1,255	262	37	1,554
	80.8%	16.9%	2.4%	
2012-16	1,384	669	109	2,162
	64.0%	30.9%	5.0%	

Source: Author's analysis of U.S. Census Bureau's 2000 Census 2000 Summary File 3 and American Community Survey, 2012-2016.

FIGURE 2: Share of North Carolinians living in concentrated poverty neighborhoods

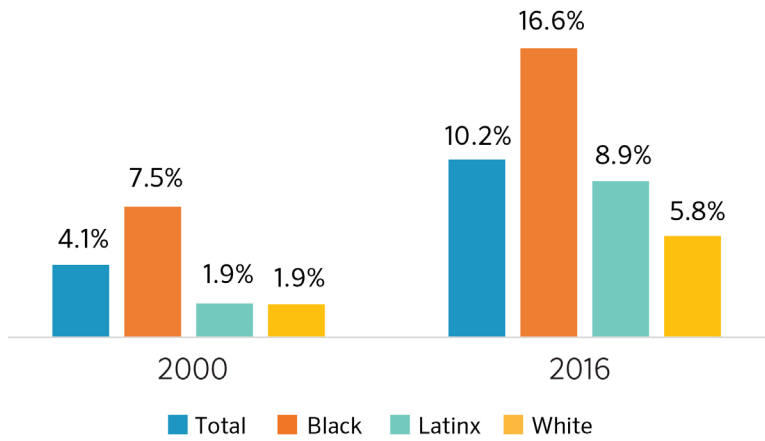


Source: Author's analysis of U.S. Census Bureau's 2000 Census 2000 Summary File 3 and American Community Survey, 2012-2016.

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The change in concentrated poverty trends do not end there. While African American North

FIGURE 3: Concentrated Poverty Rate



Source: Author's analysis of U.S. Census Bureau's 2000 Census 2000 Summary File 3 and American Community Survey, 2012-2016.

FIGURE 4: Number of North Carolinians Living in Concentrated Poverty Neighborhoods

	TOTAL	BLACK	LATINX	WHITE
2000	84,493	59,276	4,171	18,133
2012-16	348,696	179,623	44,210	101,705
Increase	313%	203%	960%	461%

Source: Author's analysis of U.S. Census Bureau's 2000 Census 2000 Summary File 3 and American Community Survey, 2012-2016.

Carolinians are more likely to live in concentrated poverty, the rate of Latinx and white North Carolinians living in concentrated poverty has risen considerably. Since 2000, the number of Latinx and whites living in concentrated poverty neighborhoods has increased by more than 900 and 400 percent, respectively. Additionally, the concentrated poverty rate among Latinx and whites have risen by 370 and 211 percent, respectively.⁸ What was once almost exclusively a problem facing Black North Carolinians is now impacting non-Blacks at an increasing rate.

The final major change in concentrated poverty is where it is having an impact. Initially considered an urban-exclusive problem, concentrated poverty is affecting an increasing number of rural counties and neighborhoods or areas (See Appendix B). In 2000, only 13 concentrated poverty neighborhoods were located in rural counties. By 2016, that number had grown to 45.⁹ As gentrification increasingly renders cities unaffordable and a lack of public transportation makes it difficult

to find and access job opportunities, more and more rural communities are experiencing high rates of poverty.

Policy makers have the tools to address concentrated poverty

Just as policy choices have created the high levels of concentrated poverty we have today, policy choices can help alleviate it. The first steps policymakers can make are to:

- 1. Boost the income of those working to earn poverty level wages. While many people have returned back to work following the Great Recession, the typical worker earns \$1,130 less today than they did before the recession, after adjusting for inflation.¹⁰ Raising the minimum wage and ensuring that workers earn a living wage is one of the first steps in reducing concentrated poverty.**
- 2. Erase the physical barriers to accessing opportunity by improving transportation networks and by locating services and programs in neighborhoods with concentrated poverty.**
- 3. Leaders must recognize the historic and continuous role of policy in driving inequalities. In turn, they must protect and enforce anti-discriminatory policies as well as proactively seek to advance racial equity through racially conscious decision making.**

Appendix A

2000

County	Number of Concentrated Poverty Neighborhoods	Number Of Residents In Those Concentrated Poverty Neighborhoods
Cumberland	4	6,883
Durham	4	4,698
Forsyth	4	7,835
Mecklenburg	4	6,281
Pitt	3	17,145
Bumcombe	2	3,992
Lenoir	2	4,009
New Hanover	2	4,376
Wilson	2	4,137
Davidson	1	3,019
Edgecombe	1	319
Guilford	1	5,165
Nash	1	407
Onslow	1	1,082
Orange	1	3,200
Pasquotank	1	2,663
Robeson	1	6,043
Wake	1	2,827
Wayne	1	412
NC	37	84,493

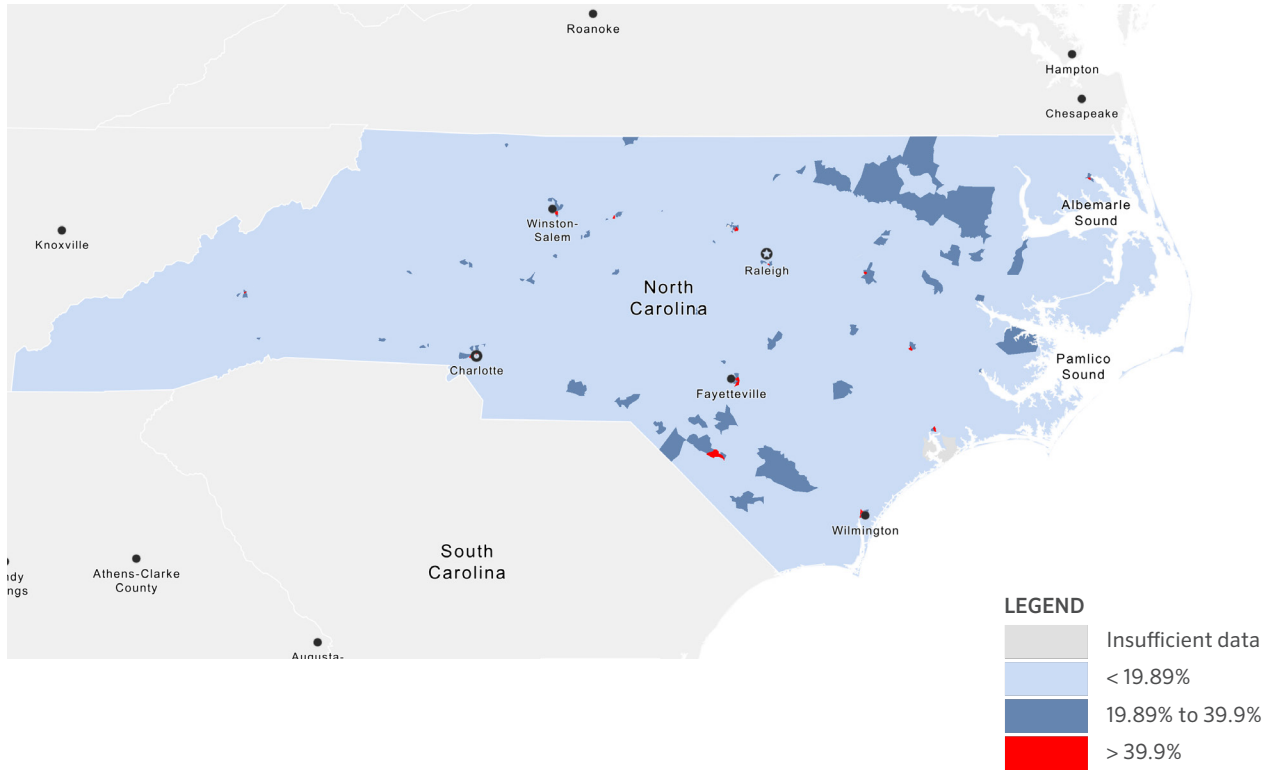
Appendix A (continued)

2016

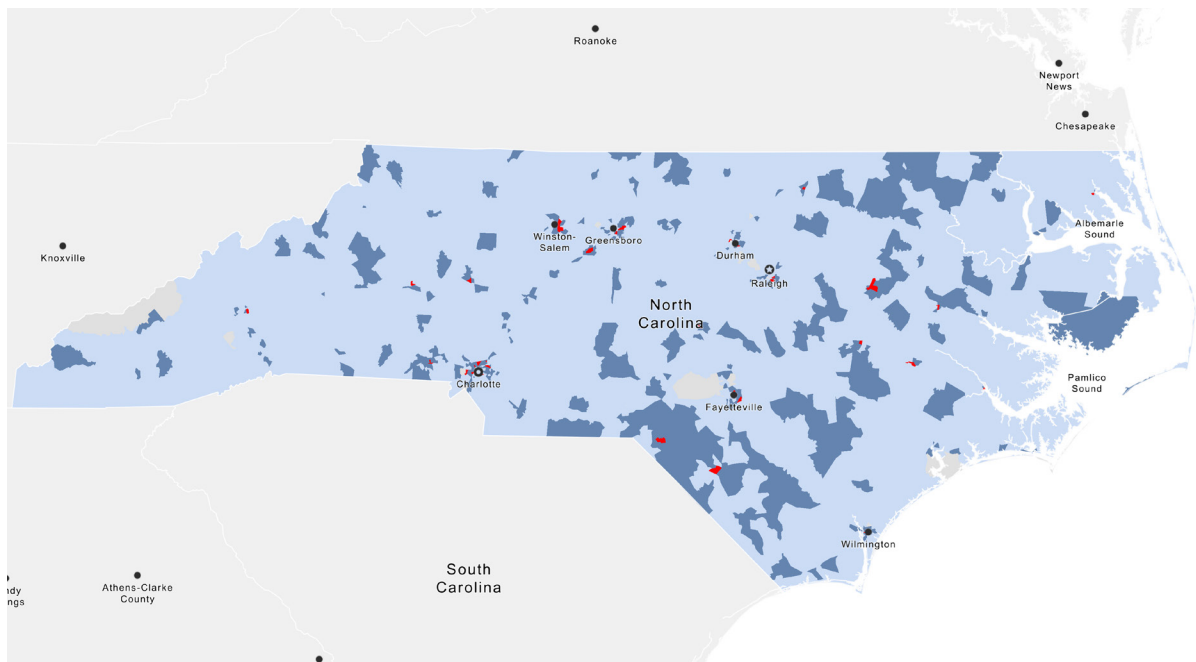
County	Number of Concentrated Poverty Neighborhoods	Number Of Residents In Those Concentrated Poverty Neighborhoods
Forsyth	14	33,140
Guilford	12	42,056
Durham	8	25,175
Mecklenburg	8	19,620
New Hanover	6	19,528
Wake	6	17,746
Cumberland	5	11,365
Pitt	5	25,334
Robeson	5	17,903
Wilson	5	12,846
Lenior	4	8,070
Orange	3	9,789
Watauga	3	16,196
Craven	2	4,955
Henderson	2	4,496
Lee	2	6,727
Scotland	2	7,968
Wayne	2	6,915
Alamance	1	3,607
Bumcombe	1	2,934
Columbus	1	4,461
Davidson	1	2,519
Duplin	1	9,395
Edgecombe	1	6,084
Gaston	1	2,277
Halifax	1	3,141
Hoke	1	3,490
Iredell	1	4,280
Pasquotank	1	2,935
Richmond	1	2,843
Rutherford	1	4,726
Vance	1	3,707
Wilkes	1	2,468
NC	109	348,696

Appendix B

2000

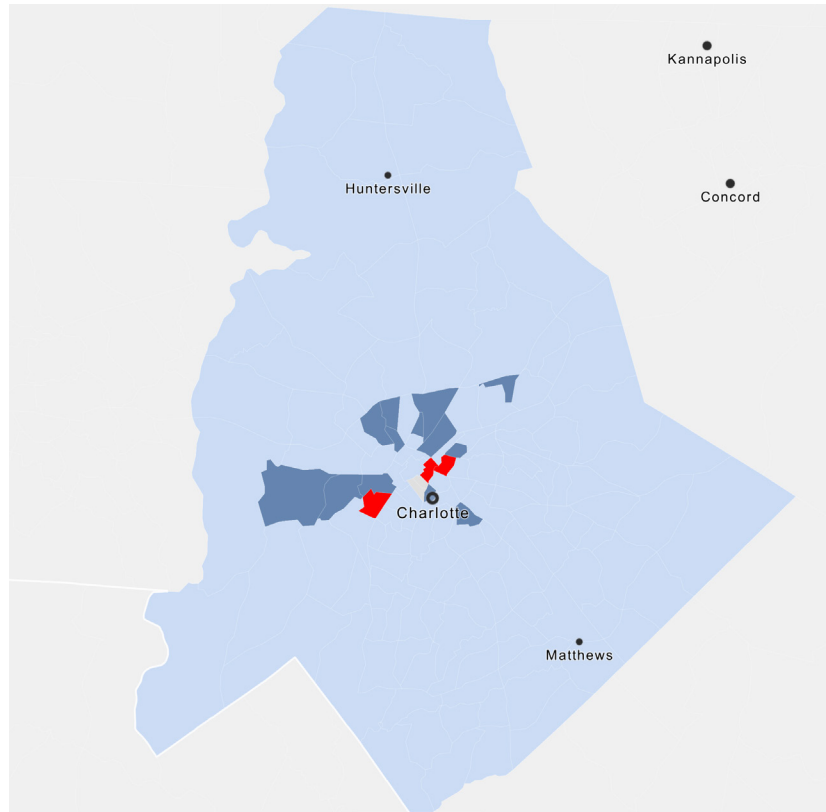


2016



Appendix B (continued)

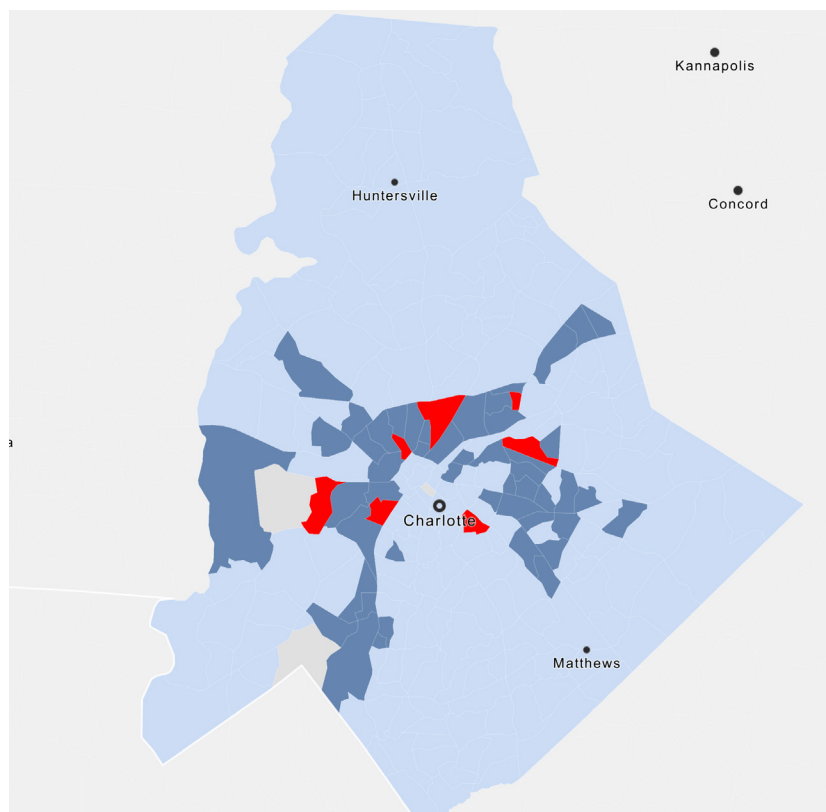
Charlotte
2000



LEGEND

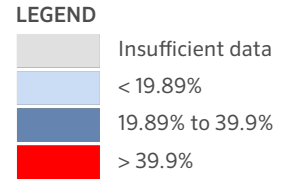
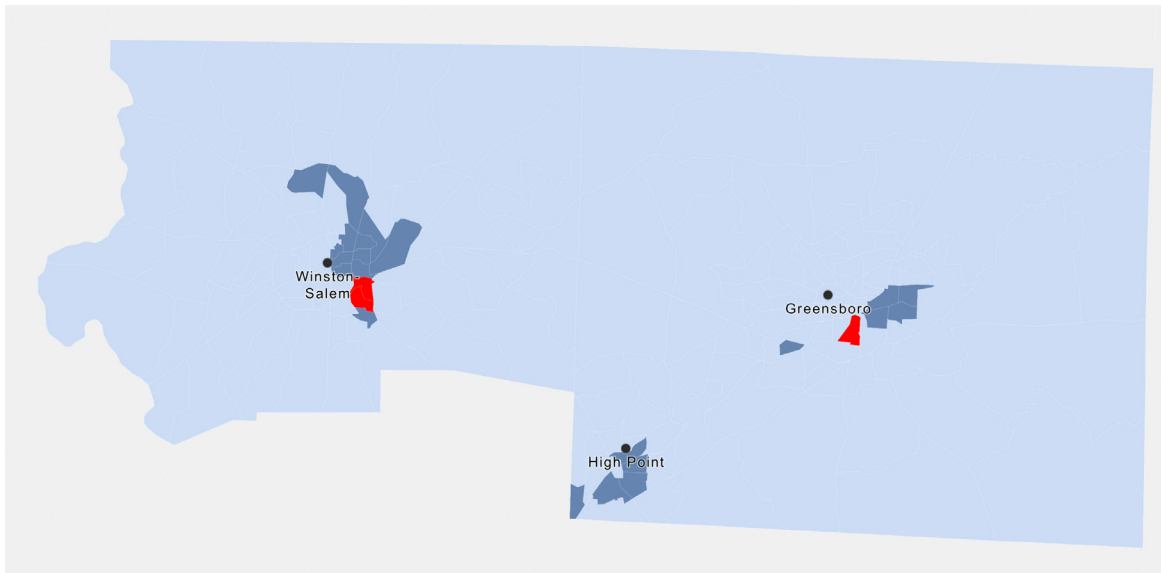
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- < 19.89%
- 19.89% to 39.9%
- > 39.9%

Charlotte
2016

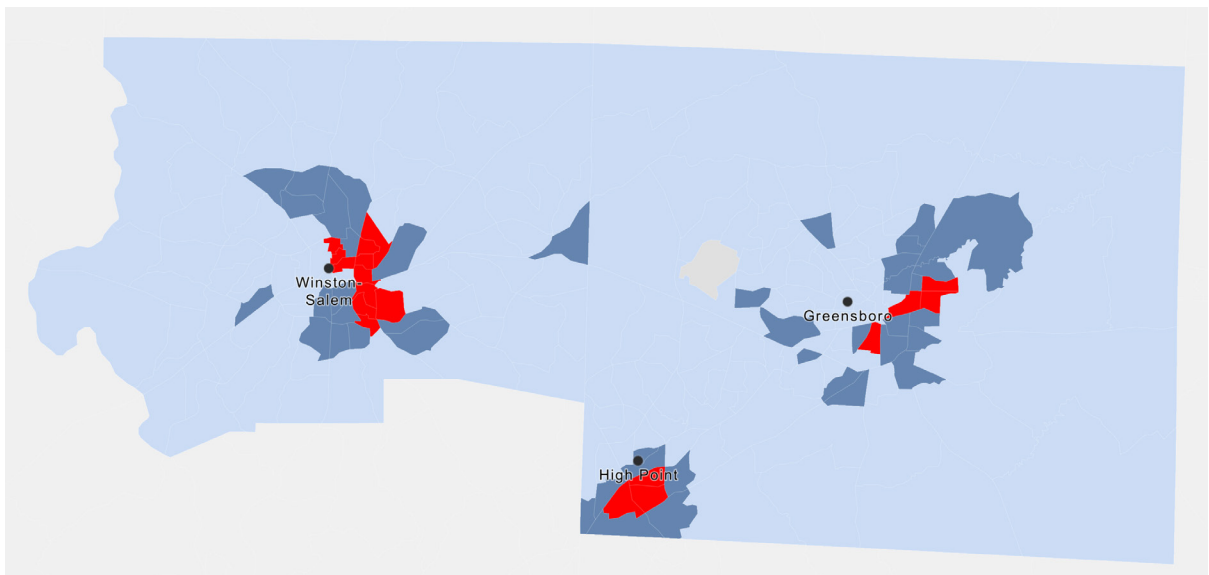


Appendix B (continued)

Greensboro/Winston-Salem
2000

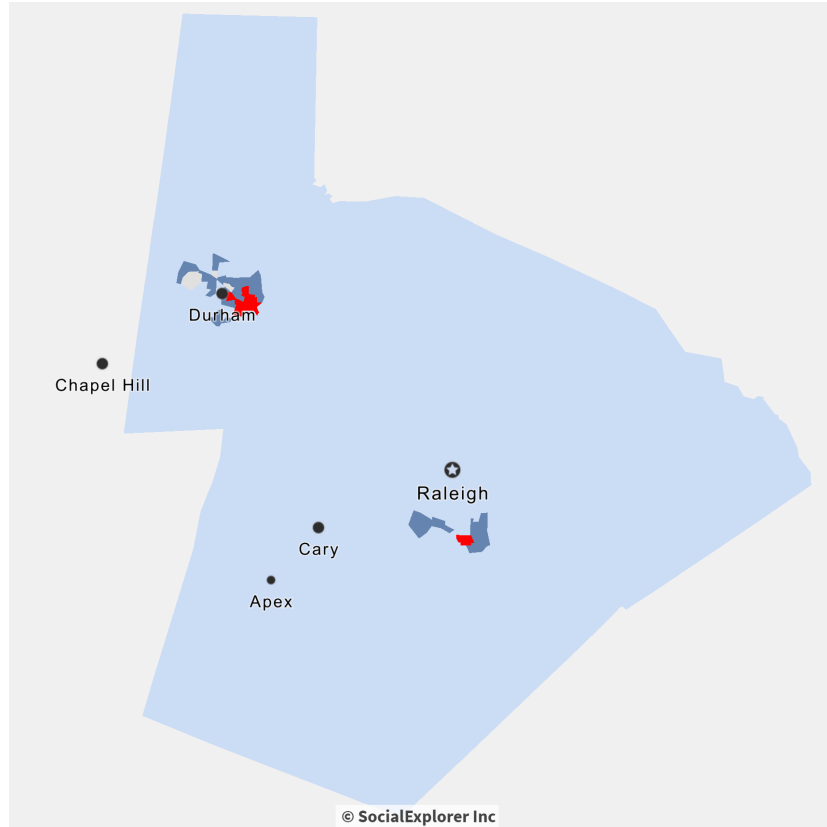


Greensboro/Winston-Salem
2016



Appendix B (continued)

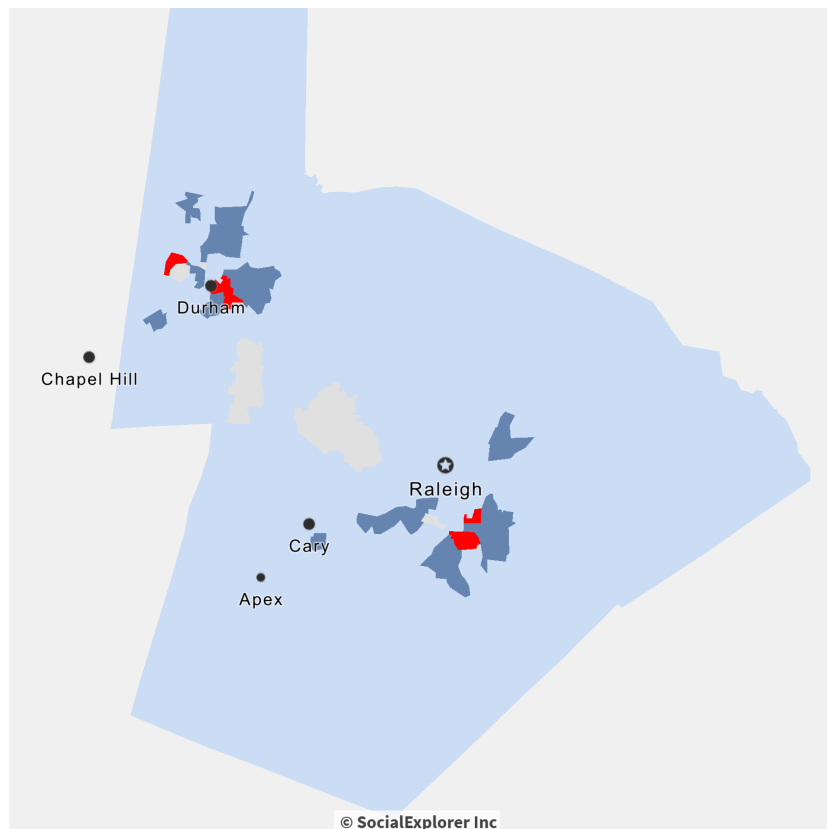
Raleigh-Durham
2000



LEGEND

- Insufficient data
- < 19.89%
- 19.89% to 39.9%
- > 39.9%

Raleigh-Durham
2016



Endnotes

1. U.S. Department of Housing and Urban Development, Understanding Neighborhood Effects on Concentrated Poverty. Winter 2011. Retrieved from: <https://www.huduser.gov/portal/periodicals/em/winter11/highlight2.html>
2. Galster, George C. (2010). The Mechanism(s) of Neighborhood Effects, Theory, Evidence, and Policy Implications, ESRC Seminar, St. Andrews University, Scotland, UK, 2010. Detroit, MI: Wayne State University.
3. Ludwig, Jens (2014). Moving to Opportunity: The Effects of Concentrated Poverty on the Poor. Washington, DC: Third Way. Retrieved from: <https://www.thirdway.org/report/moving-to-opportunity-the-effects-of-concentrated-poverty-on-the-poor>
4. Author's analysis of U.S. Census Bureau's 2000 Census 2000 Summary File 3 and American Community Survey, 2012-2016.
5. Ibid.
6. Author's analysis of U.S. Census Bureau's American Community Survey, 2012-2016.
7. Ibid.
8. Author's analysis of U.S. Census Bureau's 2000 Census 2000 Summary File 3 and American Community Survey, 2012-2016.
9. Ibid.
10. Center on Budget and Policy Priorities analysis of U.S. Census Bureau's American Community Survey, 2000-2016.