

Areas of Concentrated Poverty

What do the latest ACS data tell us?

1/17/2017

Community Development Committee



What are Areas of Concentrated Poverty (ACPs)?

- Census tracts where **40%** or more of residents are living with **incomes below 185% of the federal poverty threshold**:
 - Family of four: Income under \$44,875 in 2015
 - One person living alone: Income under \$22,352 in 2015
- A subset are Areas of Concentrated Poverty where at least half the residents are people of color (ACP50):
 - Related to what HUD calls “Racially/Ethnically Concentrated Areas of Poverty” (R/ECAPs)

Outline

- Poverty context
- Where are Areas of Concentrated Poverty?
- How are Areas of Concentrated Poverty changing?
- What distinguishes Areas of Concentrated Poverty from the rest of the region?

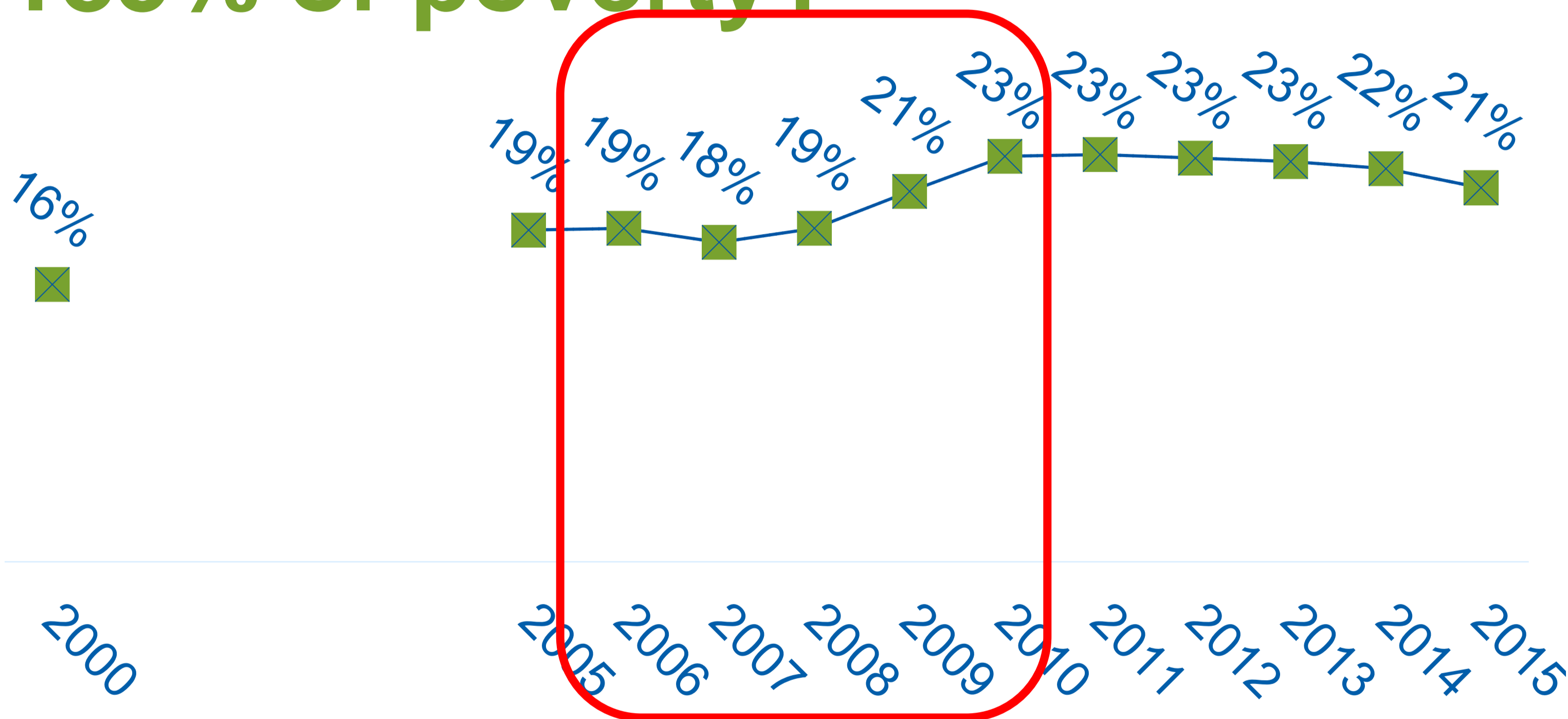
Poverty context

Who are people in poverty?

- Among those whose income is less than 185% of the federal poverty threshold:
 - Almost half identify as White, non-Latino
 - Nearly 80% have a high school diploma; nearly 20% have a college degree (among those age 25+)
 - Two-thirds have worked in the past year, but just one-fifth work full-time, year-round (among civilians age 16-64)
- Where do they get their money?
 - 68% of income comes from wages, salaries, or self-employment
 - Only 2% is from public assistance

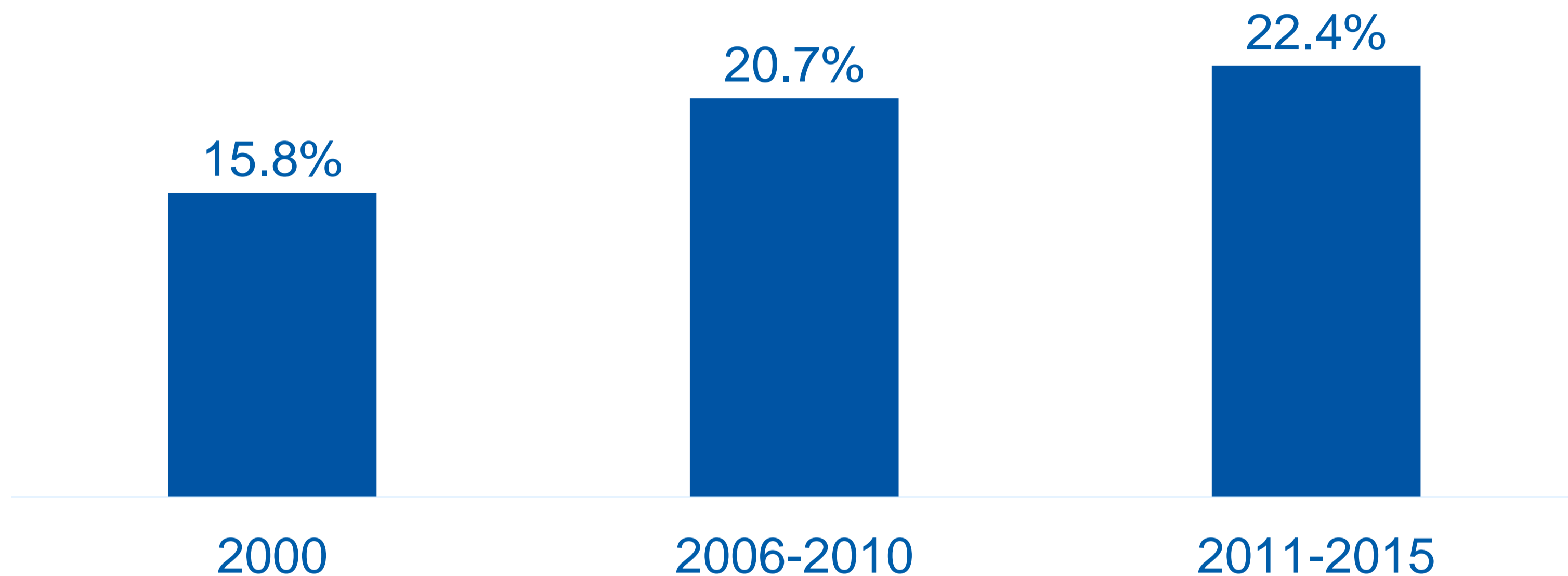
*Source: U.S. Census Bureau, American Community Survey
Public Use Microdata Sample (2011-2015)*

What share of people are below 185% of poverty?



Source: U.S. Census Bureau, 2000 Census and American Community Survey one-year estimates

What share of people are below 185% of poverty?

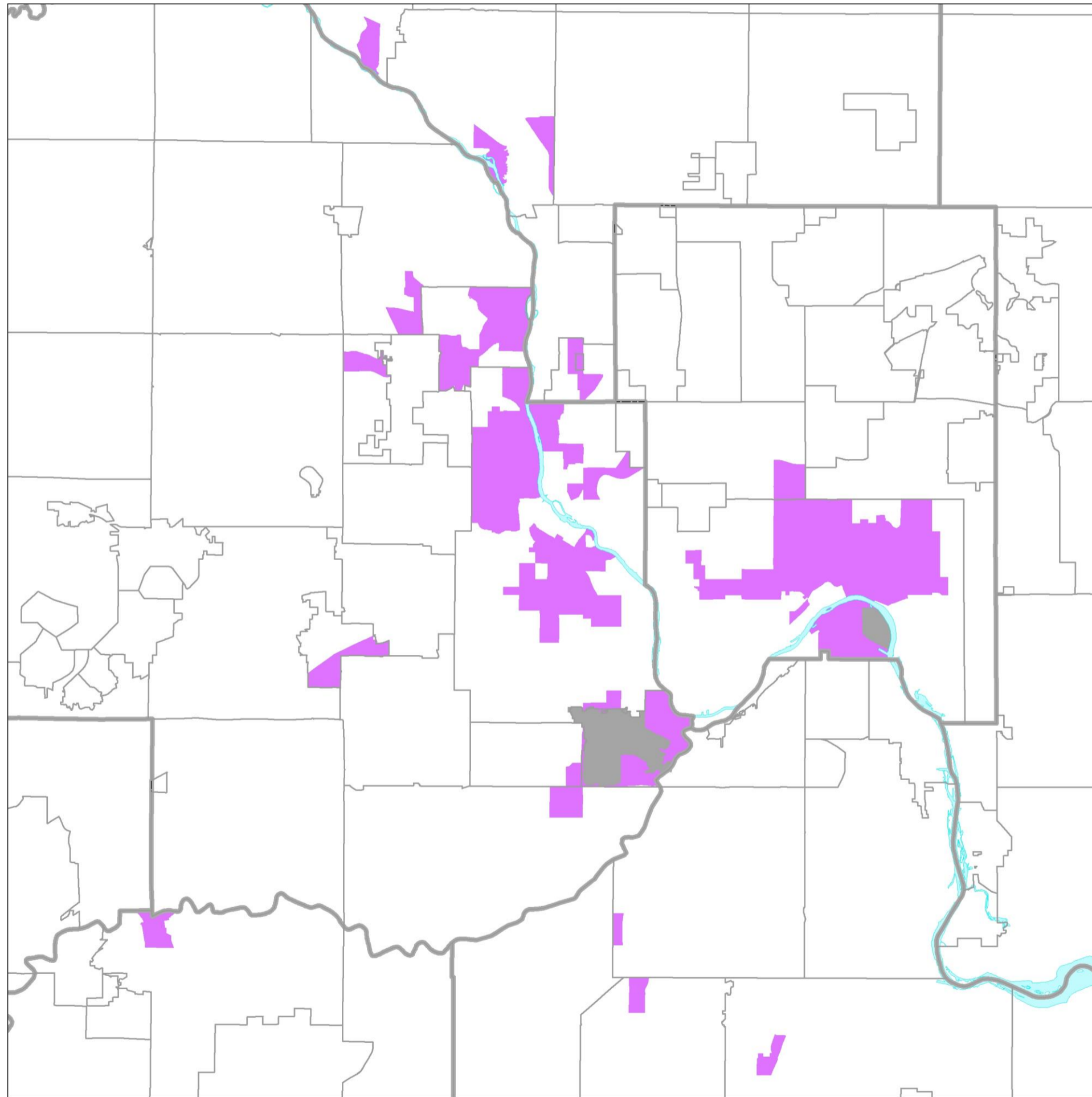


(These are the time periods available for census tract data.)

Source: U.S. Census Bureau, 2000 Census and American Community Survey five-year estimates. The poverty rate is the share of residents whose individual or family income is less than 185% of the federal poverty threshold.

Where are Areas of Concentrated Poverty?

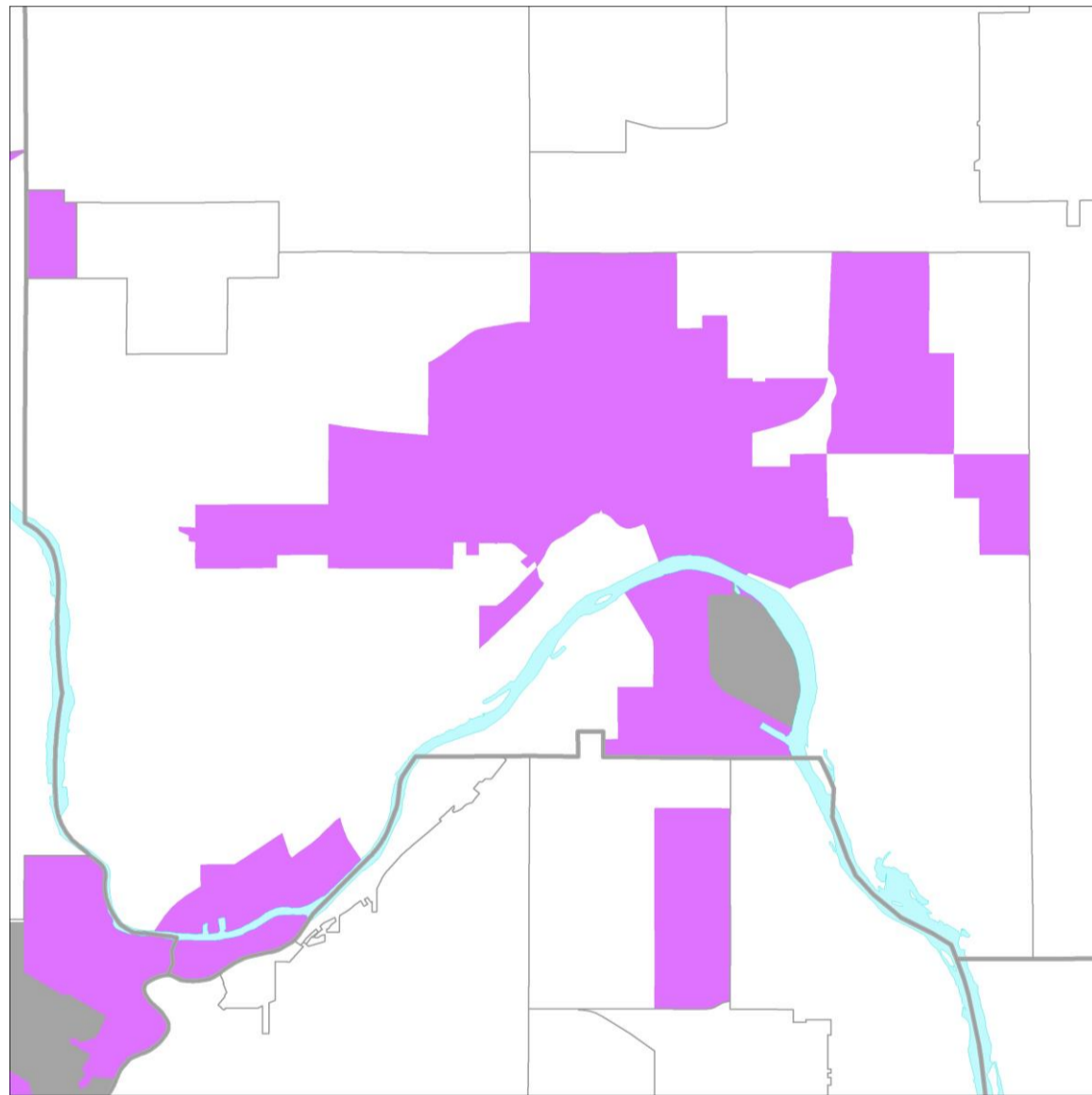
Concentrated poverty is growing



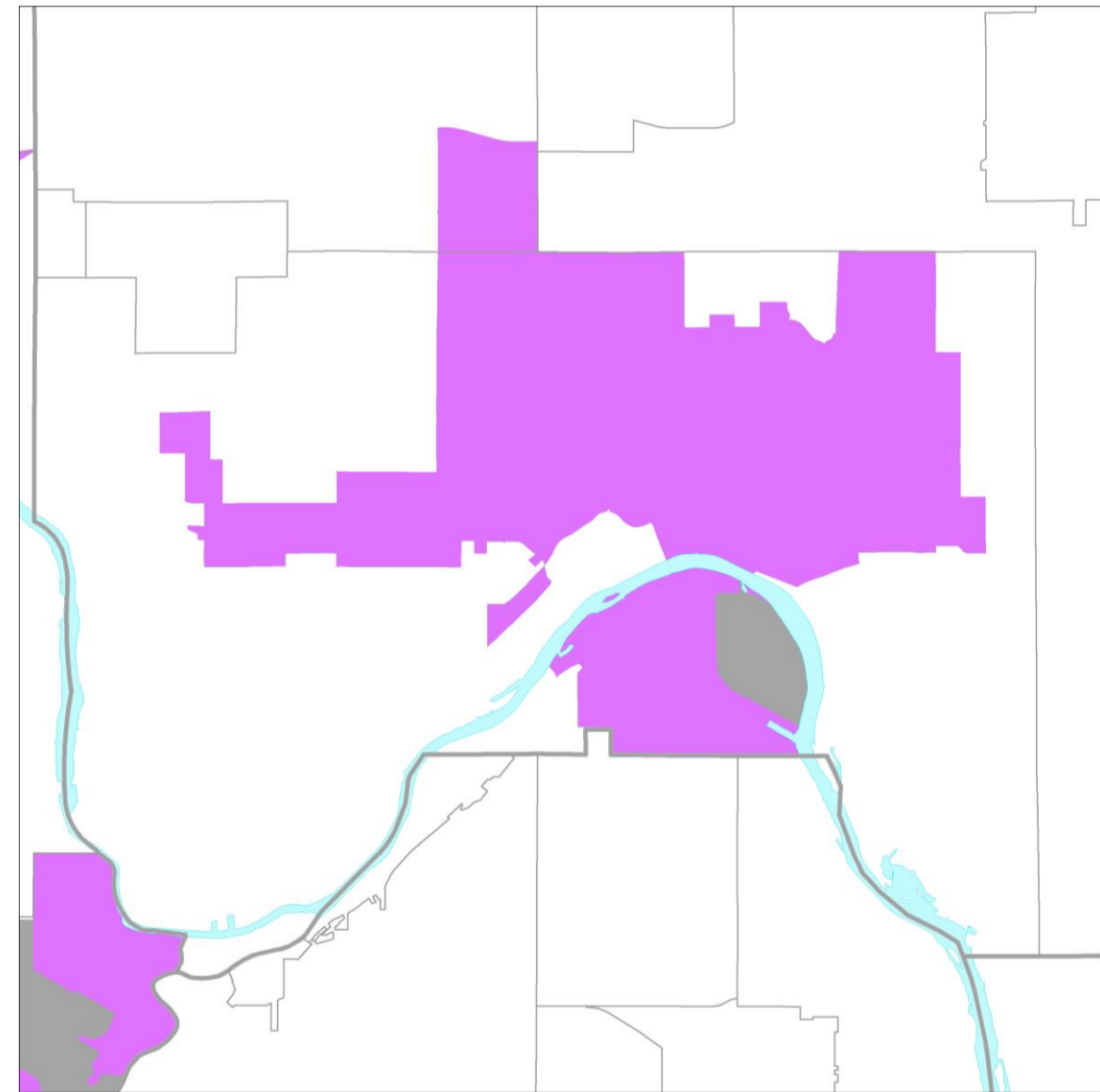
2000
2006-2010
2011-2015

Source: U.S. Census Bureau, 2000 Census and American Community Survey five-year estimates. The highlighted census tracts are those where at least 40% of residents have incomes that are less than 185% of the federal poverty threshold.

Concentrated poverty is growing: Contiguous growth in Saint Paul



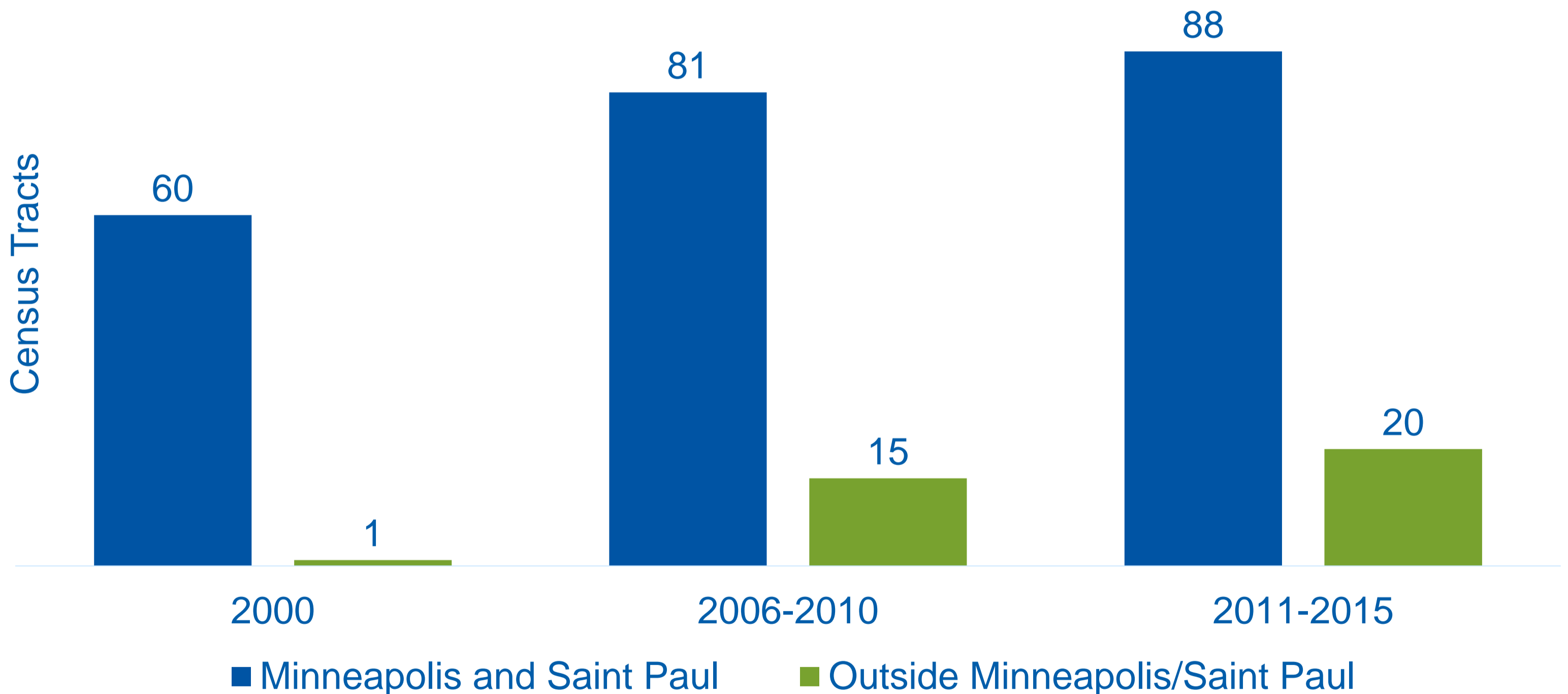
2006-2010



2011-2015

*Source: U.S. Census Bureau, American Community Survey five-year estimates.
The highlighted census tracts are those where at least 40% of residents have incomes that are less than 185% of the federal poverty threshold.*

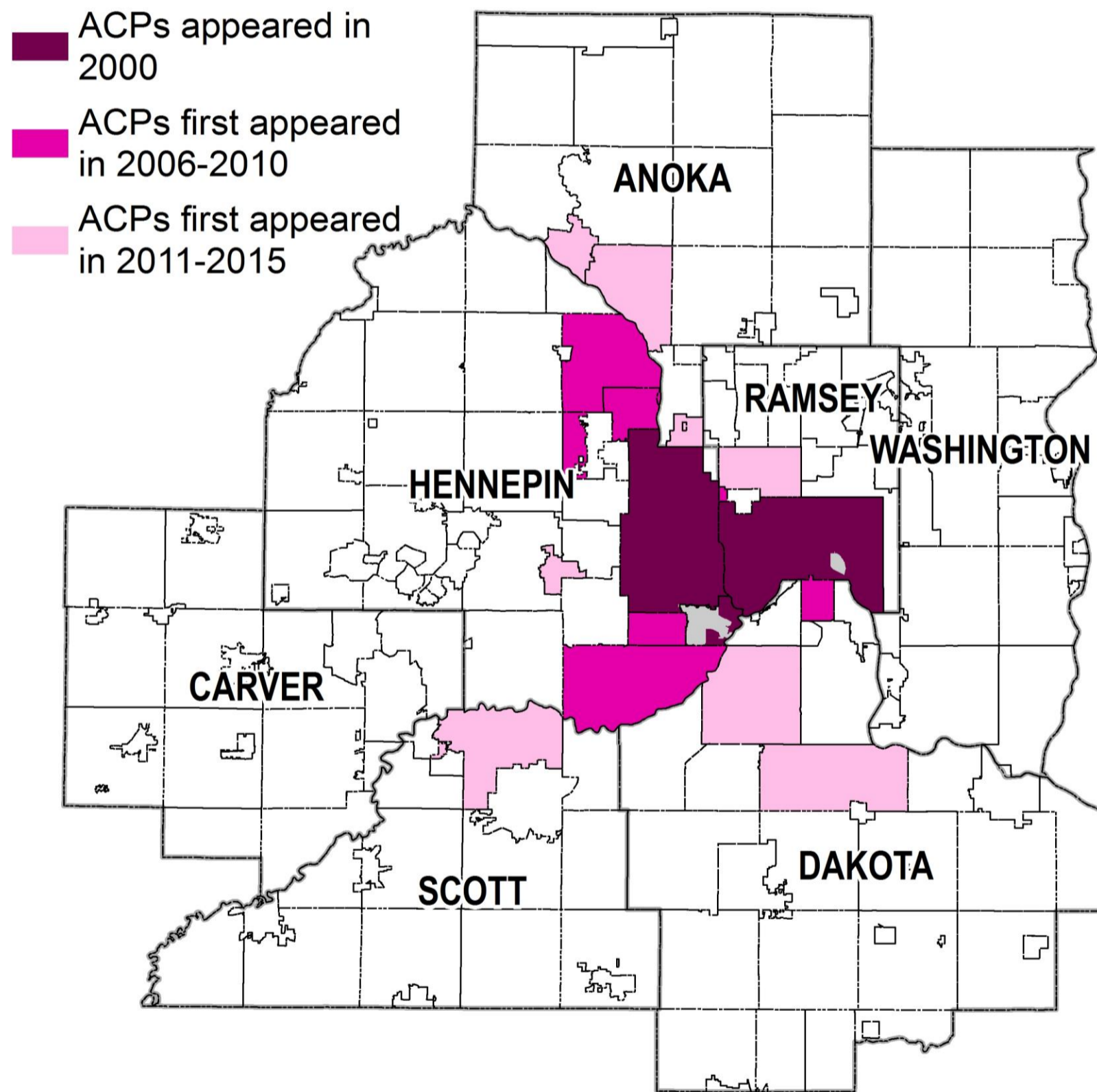
Areas of Concentrated Poverty have grown rapidly in suburbs



Source: U.S. Census Bureau, 2000 Census and American Community Survey five-year estimates. The highlighted census tracts are those where at least 40% of residents have incomes that are less than 185% of the federal poverty threshold.



Concentrated poverty is expanding into the suburbs

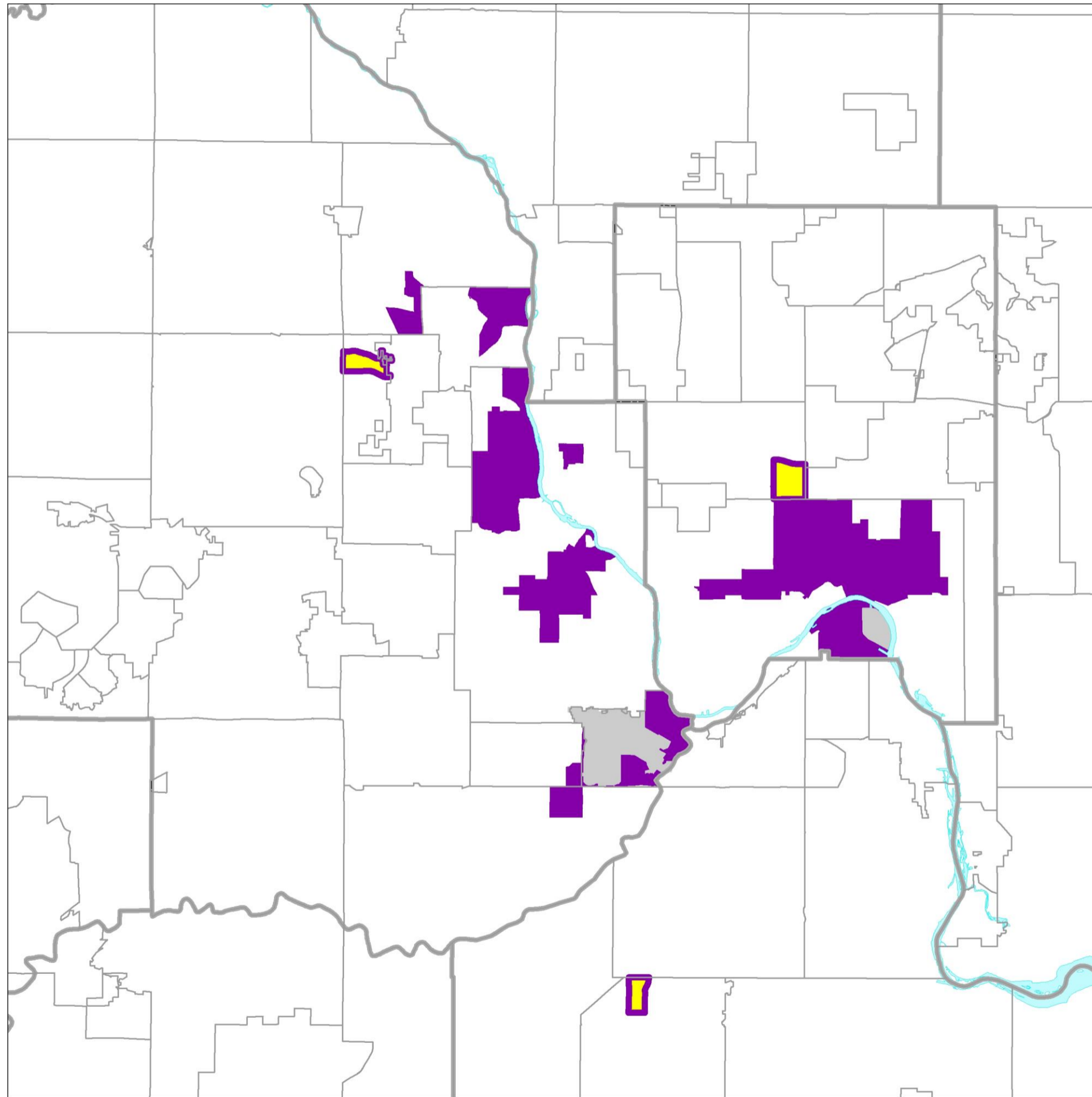


- In 2000: Minneapolis, Saint Paul, and Fort Snelling
- 2006-2010: 7 additional suburbs
- 2011-2015: 9 additional suburbs

Source: U.S. Census Bureau, 2000 Census and American Community Survey five-year estimates. The highlighted census tracts are those where at least 40% of residents have incomes that are less than 185% of the federal poverty threshold.

Adding in concentrations of race

Areas of
Concentrated
Poverty where at
least half the
residents are
people of color



2000

2006-2010

2011-2015

New ACP50s in:

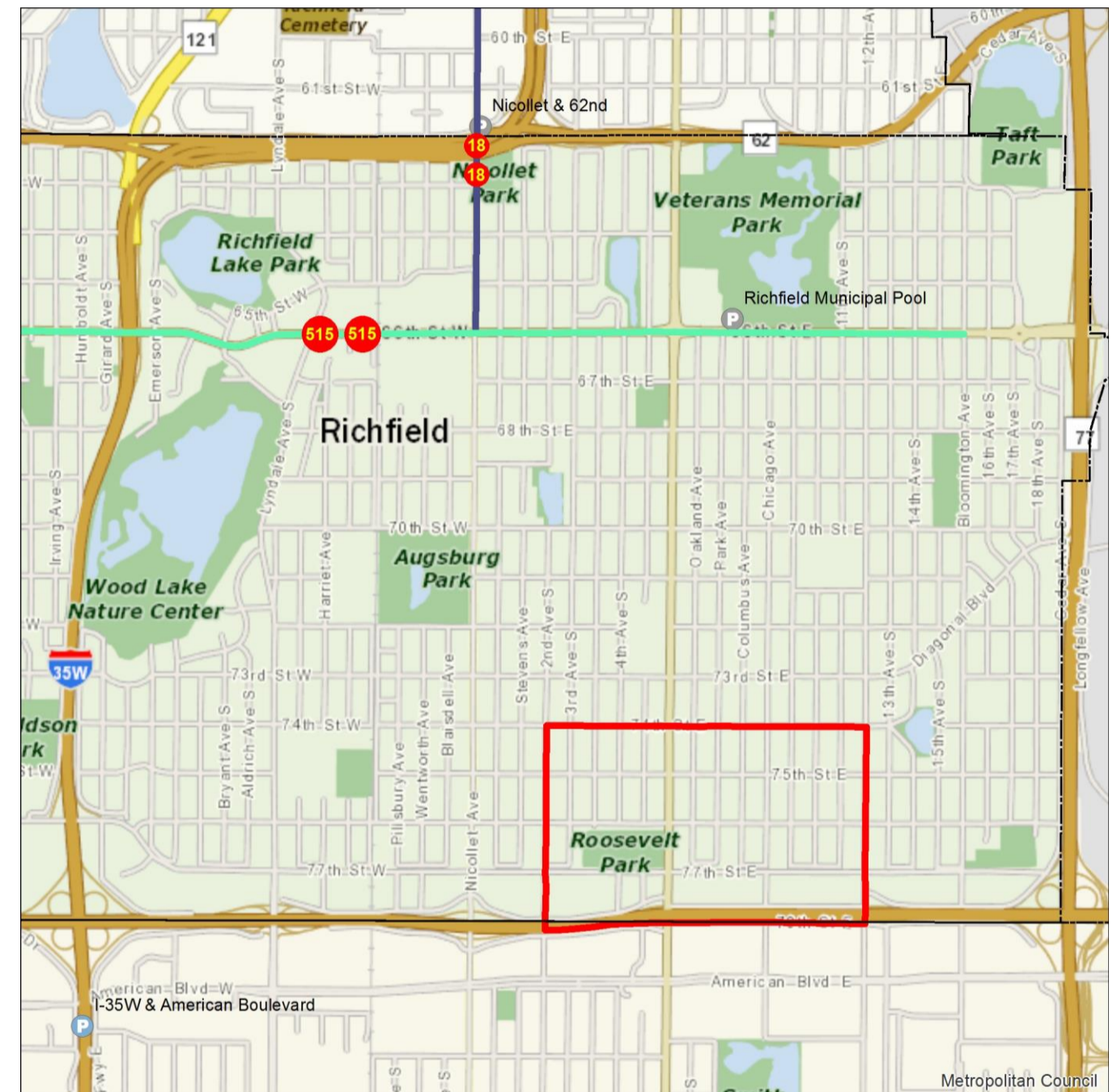
- Apple Valley
- New Hope
- Roseville

Source: U.S. Census Bureau, 2000 Census and American Community Survey five-year estimates. The highlighted census tracts are those where at least 40% of residents have incomes that are less than 185% of the federal poverty threshold AND where at least 50% of residents are people of color.

How are Areas of Concentrated Poverty changing?

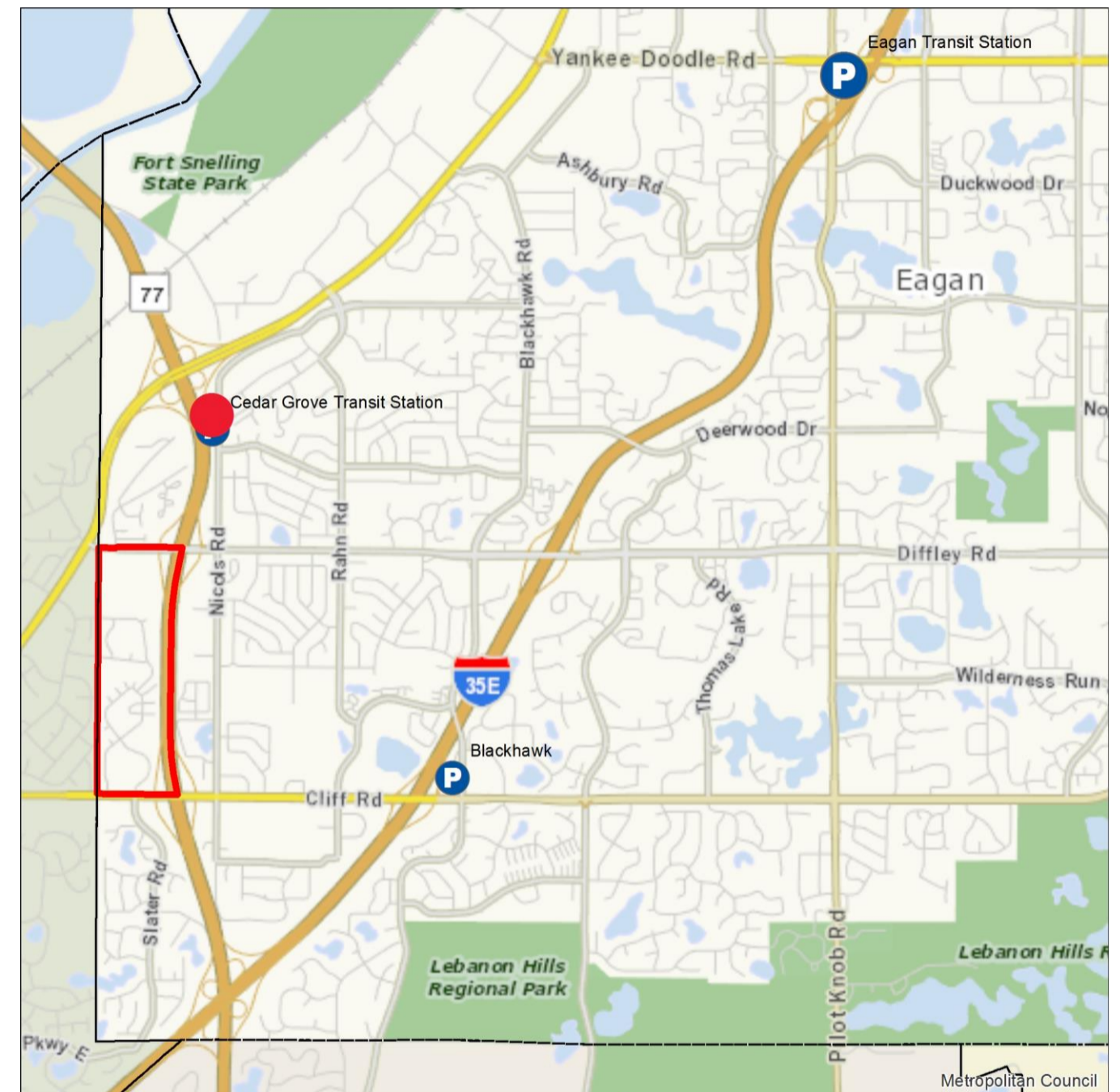
Richfield: One tract is no longer an ACP50

- Declining poverty
 - 46.2% in 2006-2010
 - 33.8% in 2011-2015
- No evidence of big increase in home values or median rents
- No evidence of dramatic shifts in race/ethnicity or age
- Apartment “upscaling”?

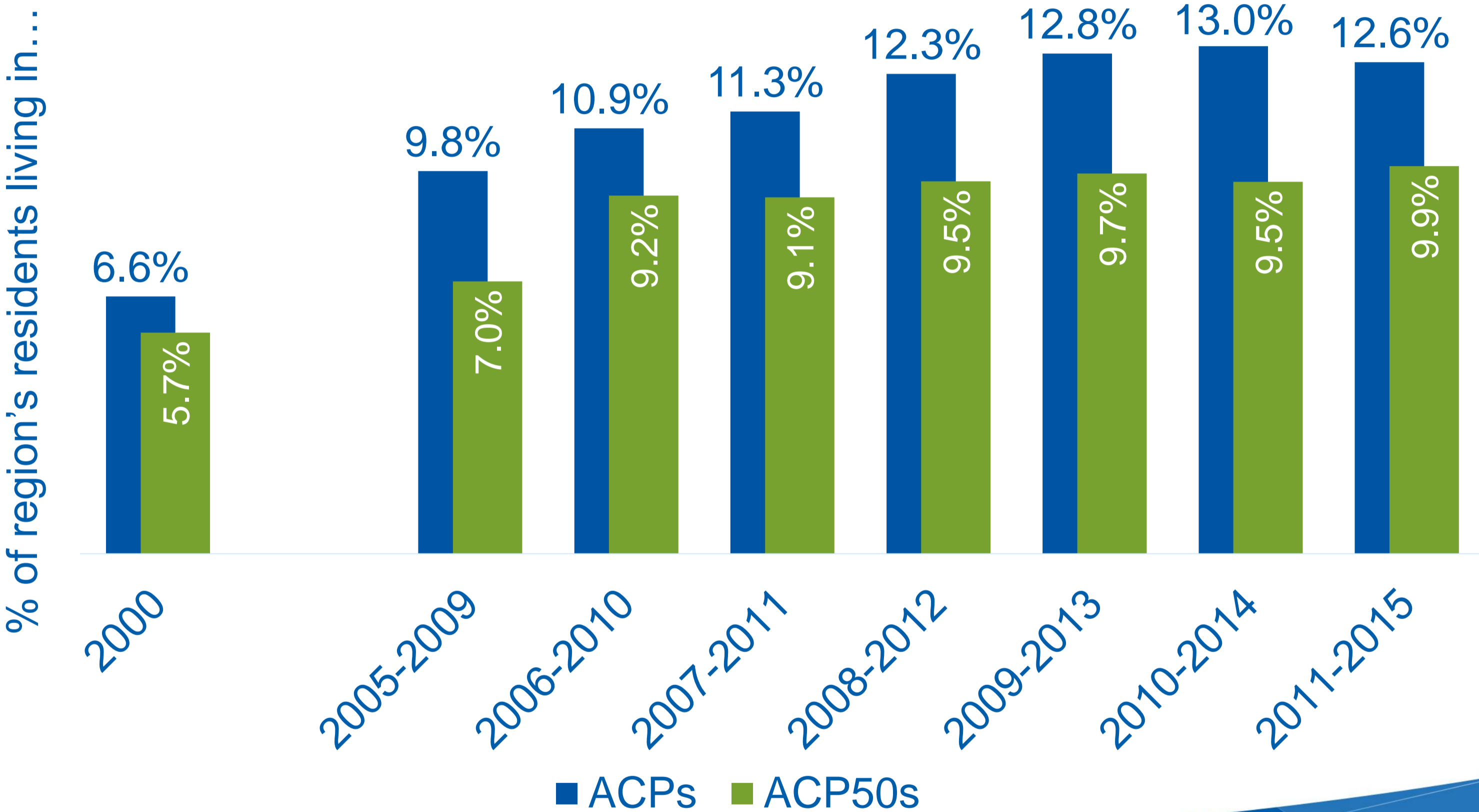


Eagan: A new ACP

- Sharp increase in poverty
 - 13.9% in 2006-2010
 - 42.6% in 2011-2015
- No evidence of big increase in home values or median rents
- No evidence of dramatic shifts in race/ethnicity or age
- Apartment market?



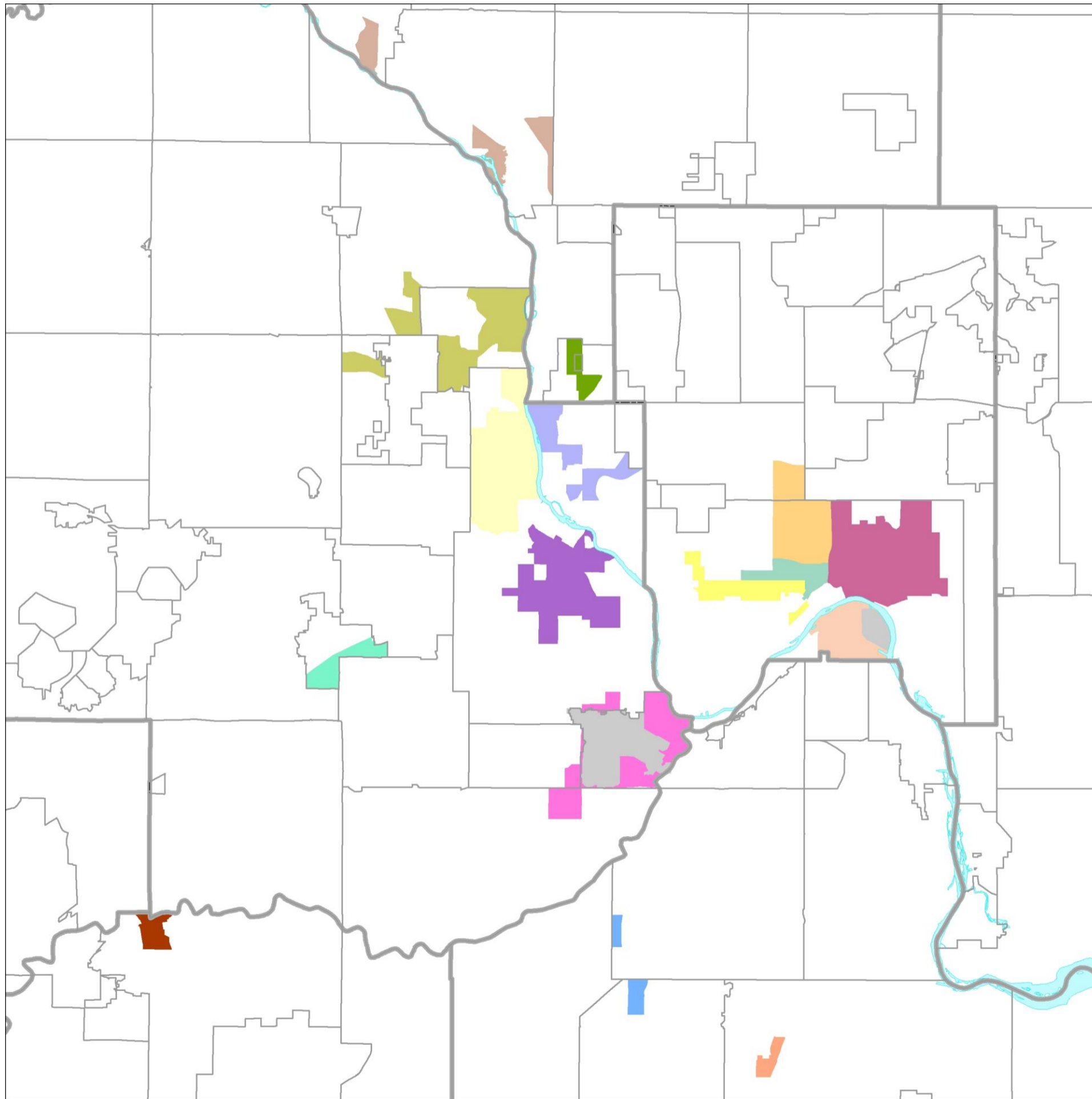
Have ACPs peaked?



Source: U.S. Census Bureau, 2000 Census and American Community Survey five-year estimates.

What are the characteristics of Areas of Concentrated Poverty?

ACP areas

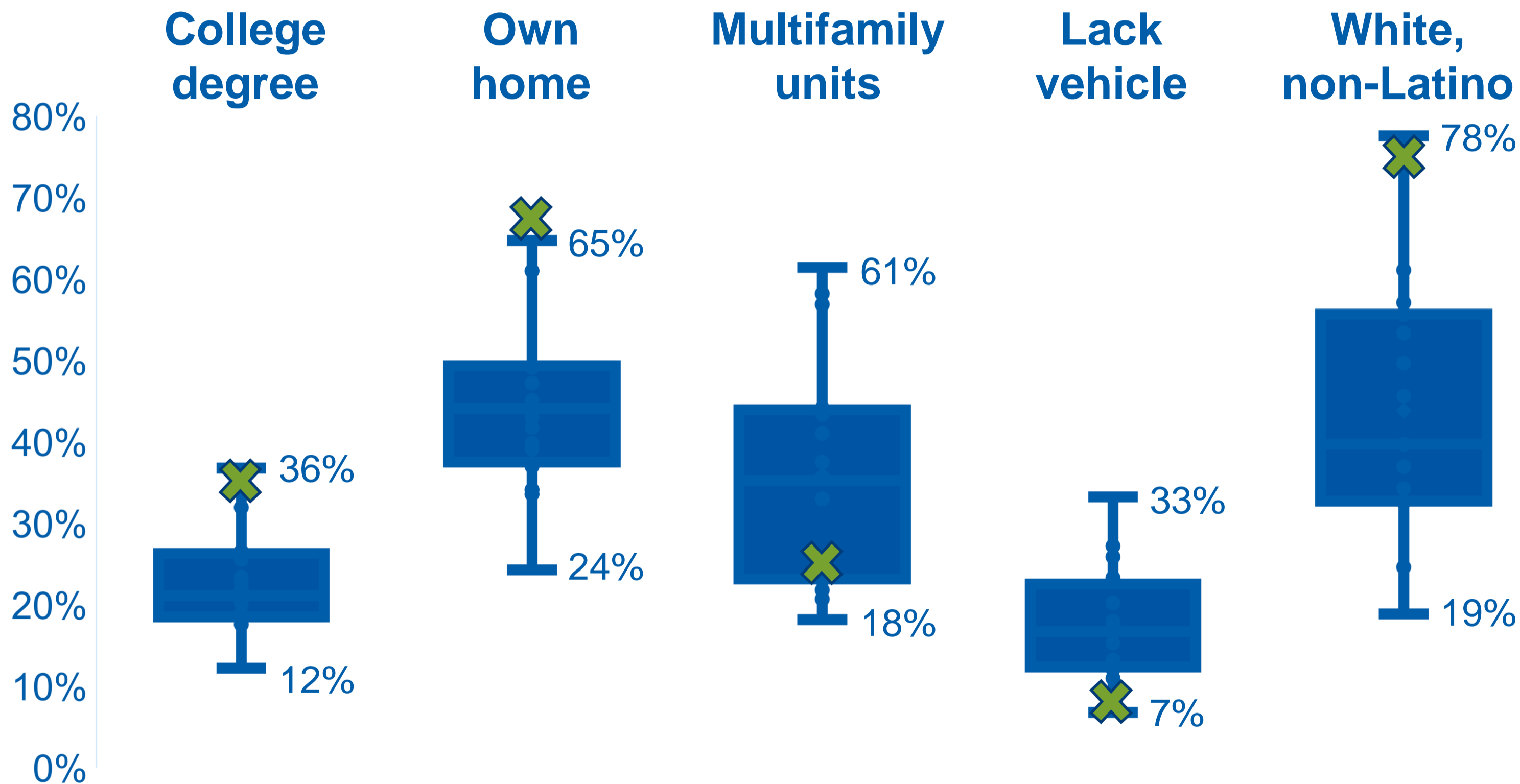


Tracts grouped into areas using:

- **Demographics**
- **Housing characteristics**
- **Jurisdictional boundaries**
- **Community designations**

Source: U.S. Census Bureau, 2000 Census and American Community Survey five-year estimates. The highlighted census tracts are those where at least 40% of residents have incomes that are less than 185% of the federal poverty threshold.

Wide variation in ACP areas



x - Twin Cities region value

Summing up

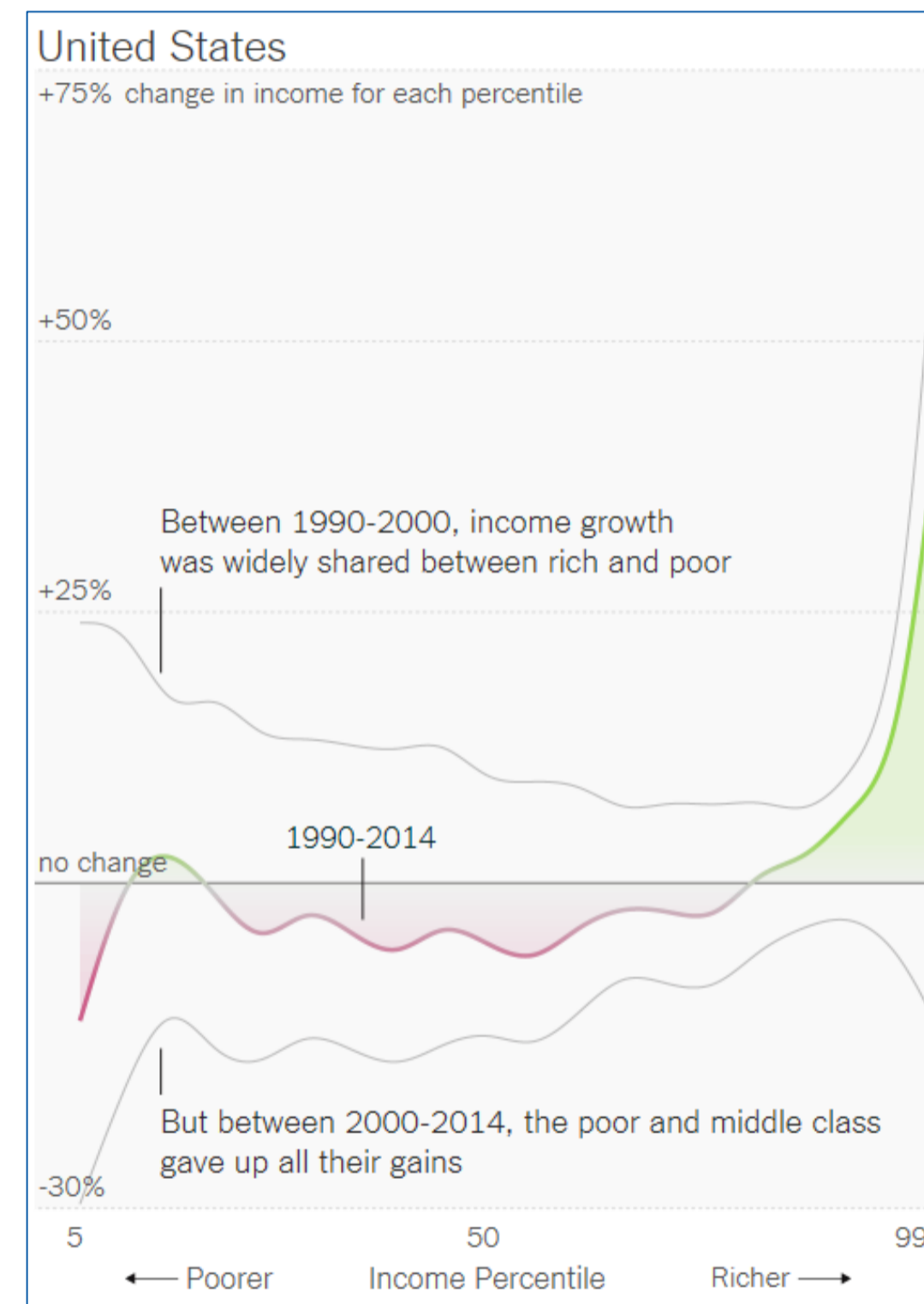
- The region's poverty rate shows signs of declining
- Areas of Concentrated Poverty have expanded over the past decade, especially in the suburbs
- Early signs that Areas of Concentrated Poverty have peaked
- Other than poverty, no single characteristic distinguishes Areas of Concentrated Poverty from the rest of the region

Policy Implications

- What are the investments – both the Council’s and beyond the Council’s alone – that these communities need to turn around past history?
- Where are we prioritizing transit investments?
- Where are we funding Livable Communities Act investments?
- Where are Housing Choice Voucher recipients choosing to live?
- How can we collaborate with other stakeholders to increase our leverage to reduce concentrated poverty?

Upcoming analyses

- Examination of our changing income distribution and how it varies by race/ethnicity
 - Based on chart from www.nytimes.com/interactive/2016/09/06/upshot/up-geo-inequality.html
- Analysis of disparities by ability/disability status



For further information:

Visit:

www.metrocouncil.org/data

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