

# Areas of Concentrated Poverty

What do the latest ACS data tell us?

2/5/2018

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 \$45,442 in 2016
  - One person living alone: Income under \$22,622 in 2016
- 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)

# Why do ACPs matter?

- Place-based dimension of disparities
- Research shows that growing up in high-poverty neighborhoods constrains life chances
- Risk of disinvestment by public and private sectors
- Can affect tax bases

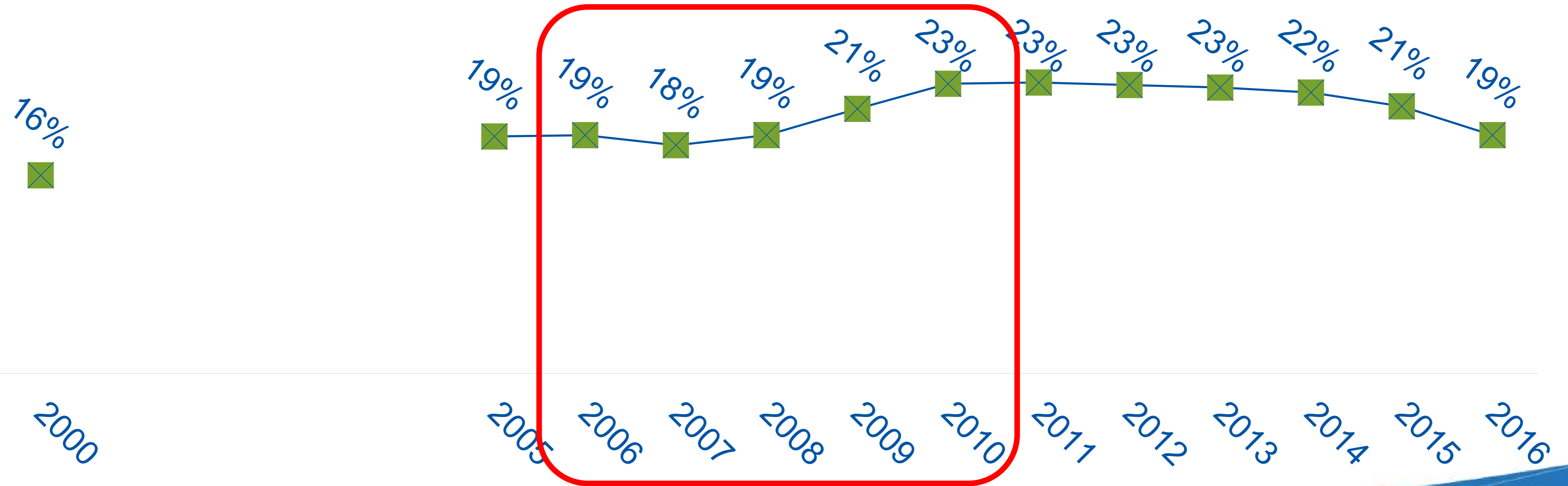
# Poverty context

# 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
  - 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

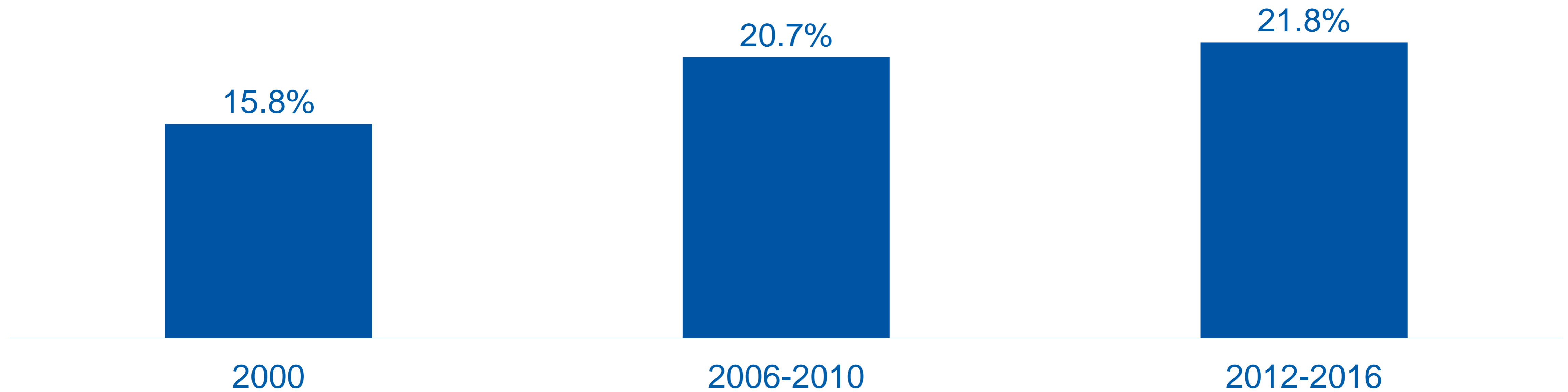
*Source: U.S. Census Bureau, American Community Survey  
Public Use Microdata Sample (2012-2016)*

# 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?



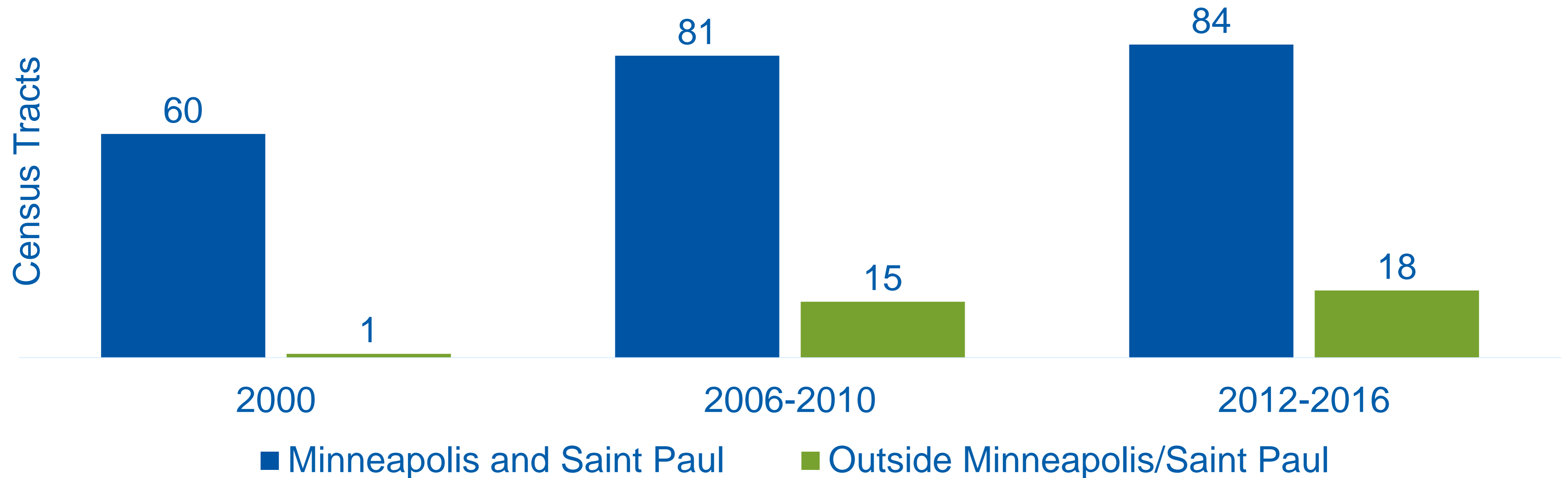
*(These are the time periods available for census tract data.)*

*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?

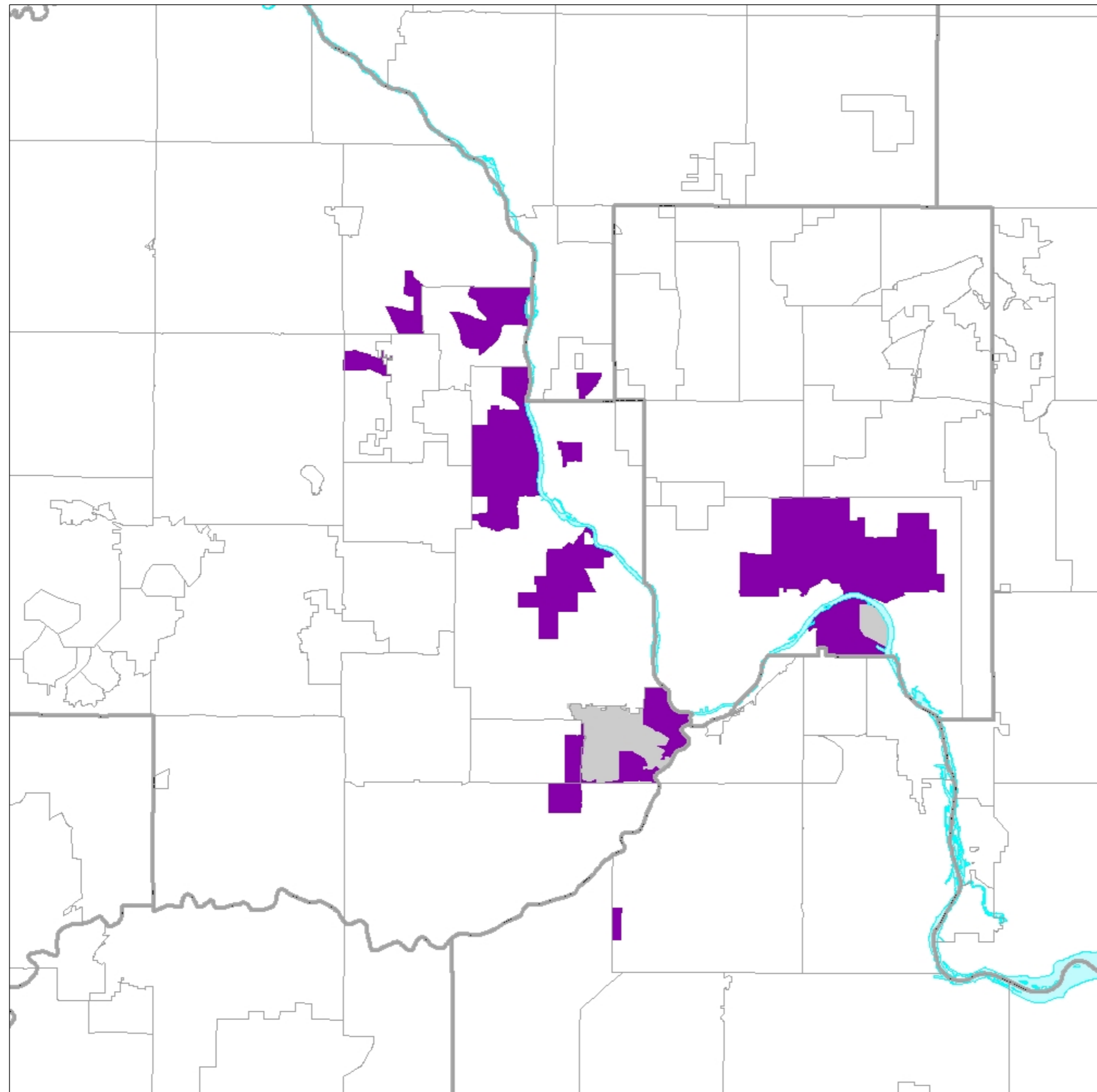


# Areas of Concentrated Poverty have grown rapidly since 2000



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



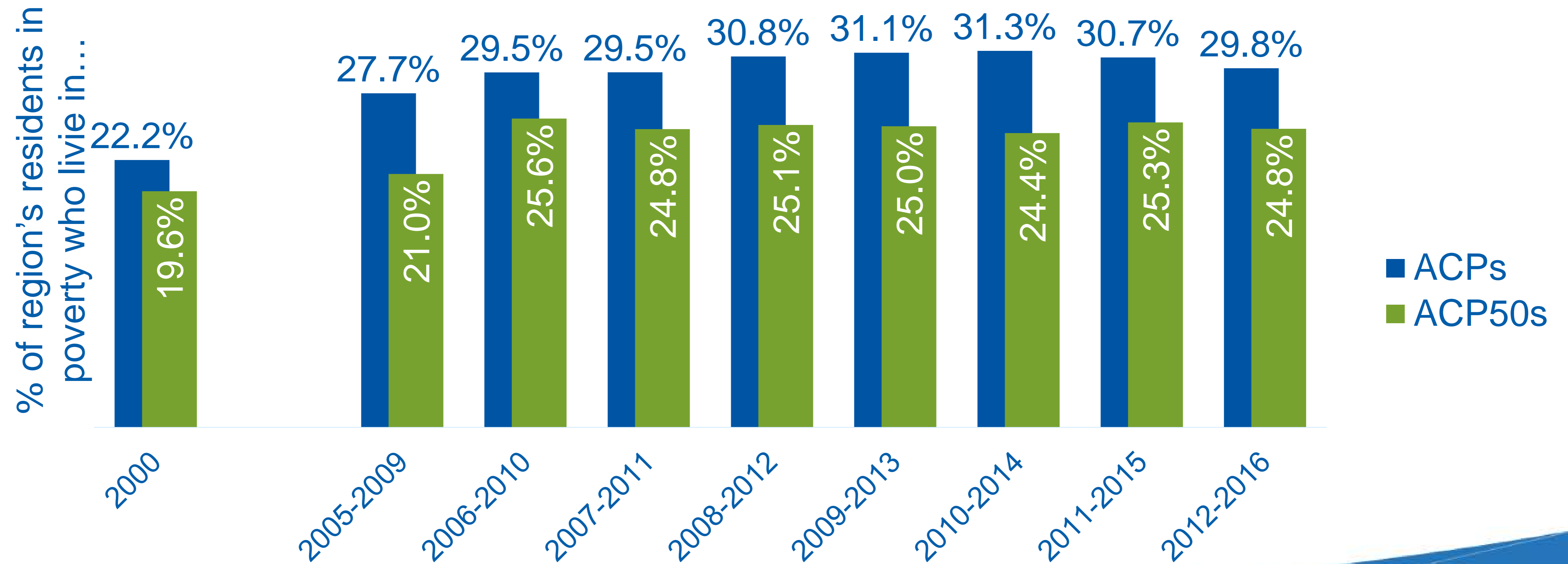
2000

2006-2010

2012-2016

ACP50s

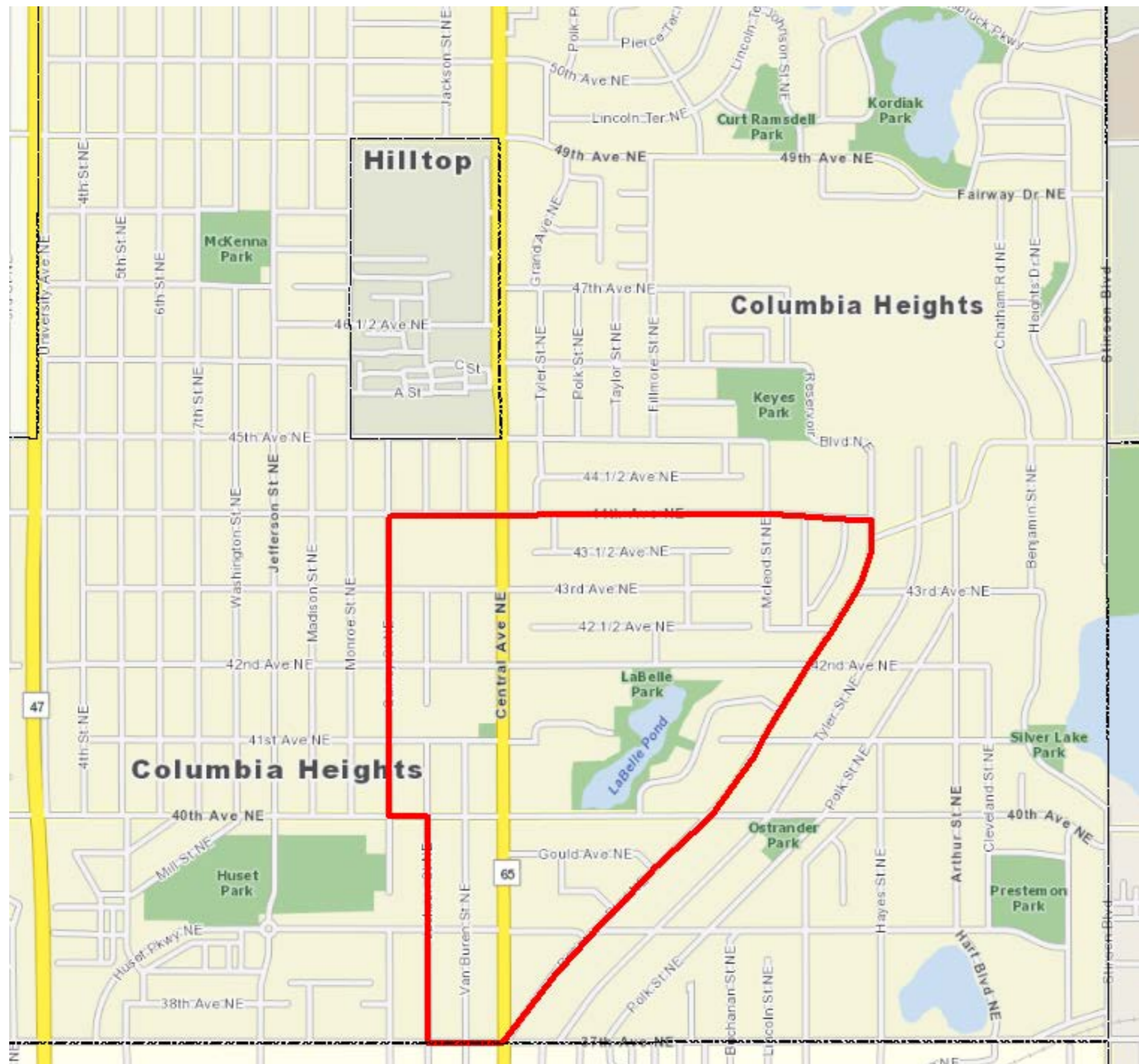
# Have ACPs peaked?



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

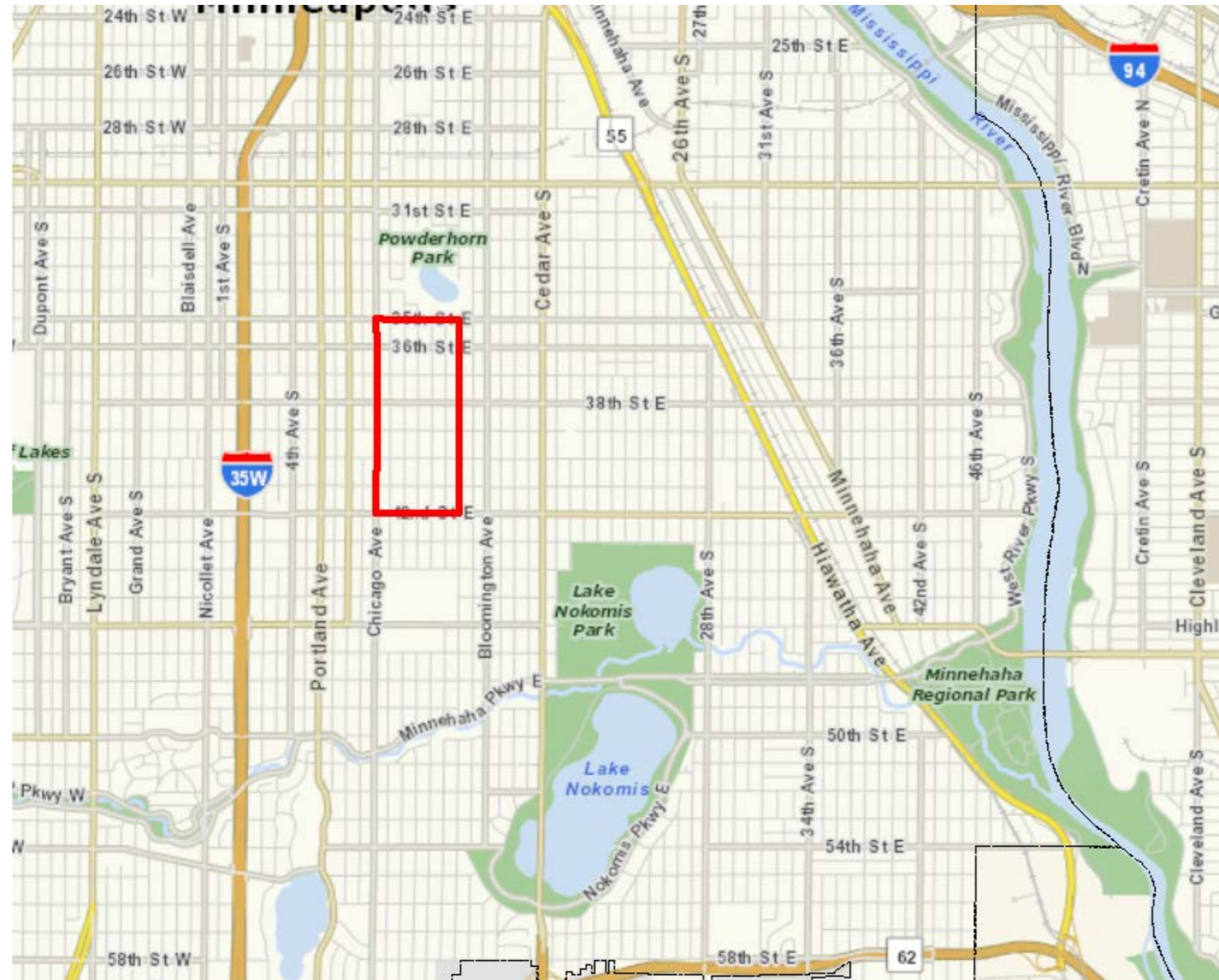
# How are Areas of Concentrated Poverty changing (or persisting)?

# Columbia Heights: A new ACP50 tract



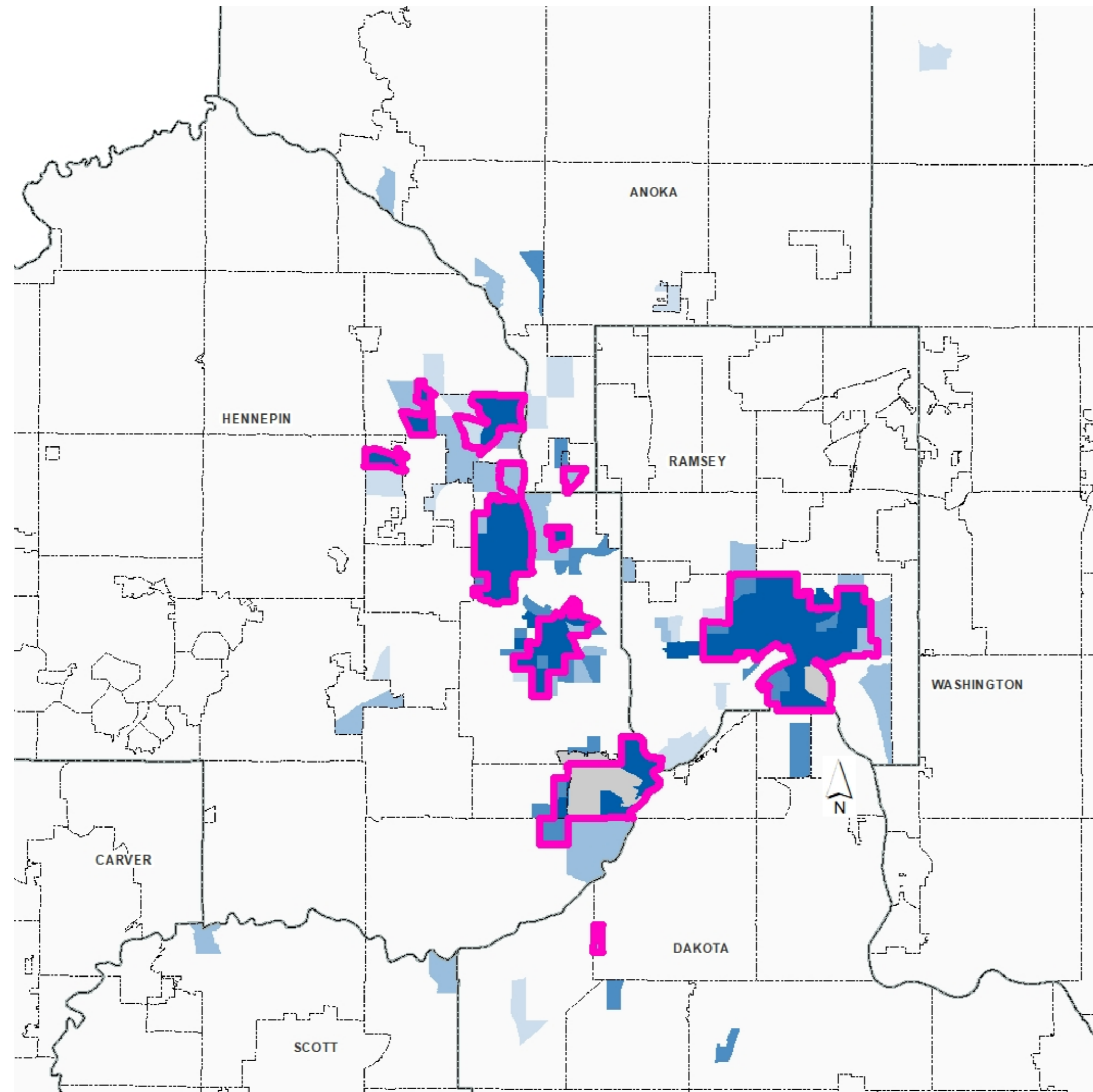
- Sharp increase in poverty
  - 24.7% in 2006-2010
  - 49.2% in 2012-2016
- Population is getting younger, more racially/ethnically diverse, and more likely to rent

# Minneapolis: One tract is no longer an ACP



- Declining poverty
  - 46.3% in 2006-2010
  - 30.5% in 2012-2016
- Increasing home values and rents
- Suggestion of an increasingly White population

# Some ACPs are more persistent



6 ACS datasets

4 – 5 ACS datasets

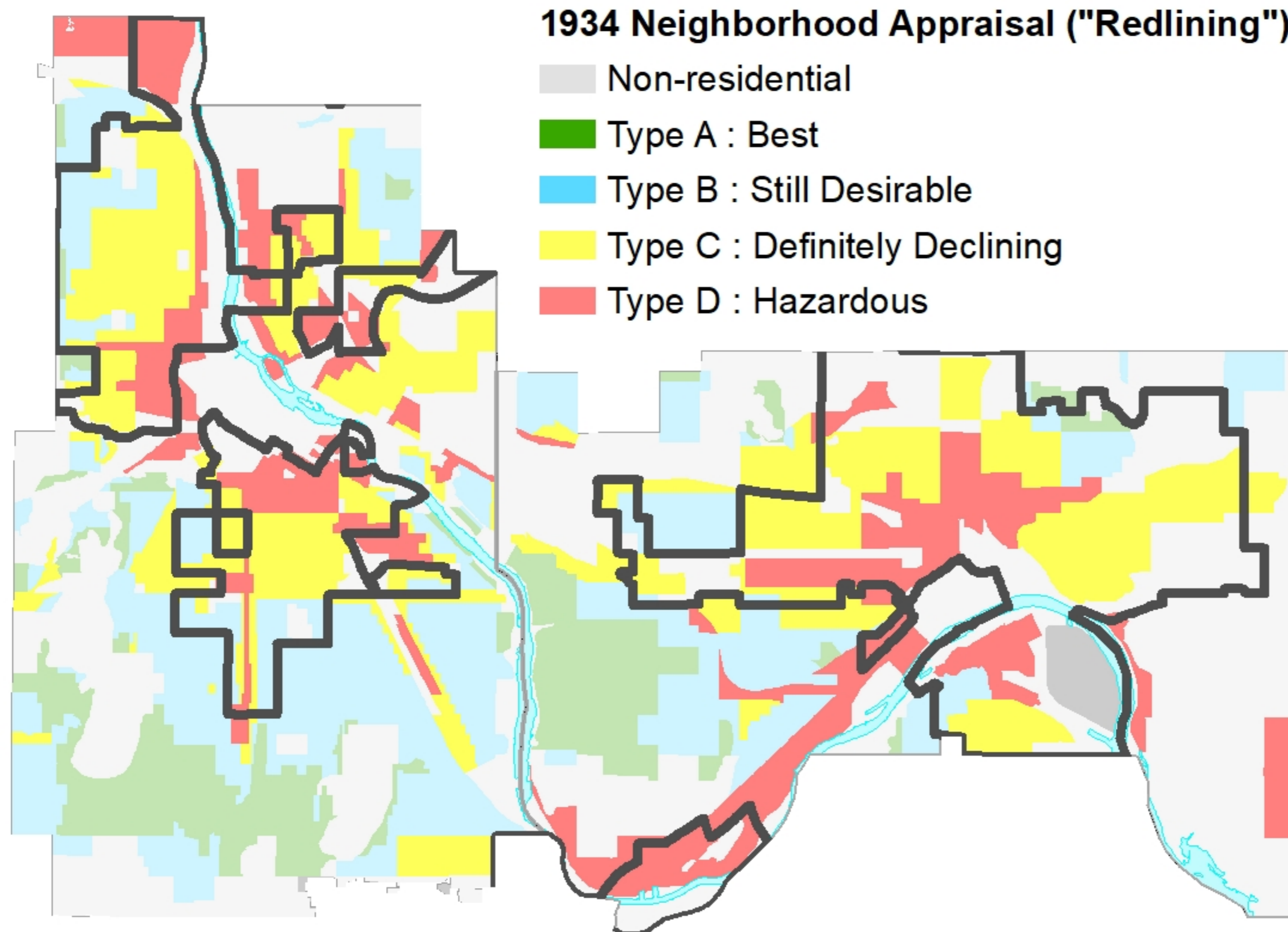
2 – 3 ACS datasets

1 ACS dataset

No ACPs

ACP50s

# Why are ACP50s so persistent?



Which mortgages could be insured?

With today's ACP50s

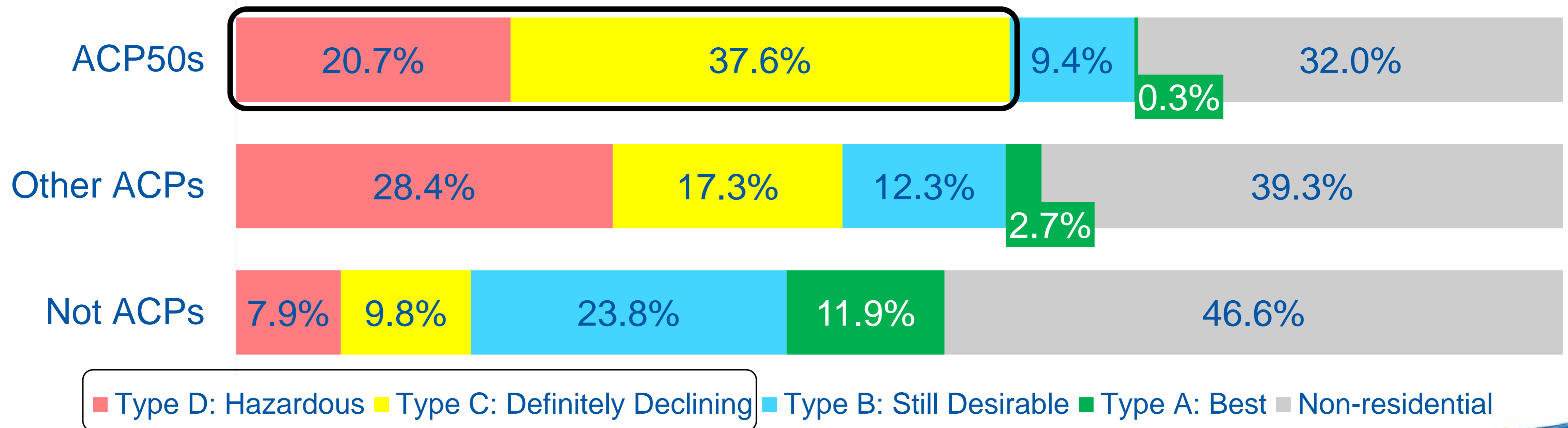
With today's ACPs

*Source: Metropolitan Council digitization of 1934 Home Owners' Loan Corporation neighborhood appraisal map; U.S. Census Bureau, 2012-2016 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.*



# Why are ACP50s so persistent?

HOLC classification of acreage (MPLS and STP)



Source: Metropolitan Council digitization of 1934 Home Owners' Loan Corporation neighborhood appraisal map; U.S. Census Bureau, 2012-2016 American Community Survey five-year estimates.

# 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 transportation 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 increase residential choice and expand opportunity for everyone?

# Summing up

- The region's poverty rate continues to decline
- Areas of Concentrated Poverty have expanded since 2000 and now exist in the suburbs
- Ongoing signs that concentrated poverty is receding—but not in areas where a majority of residents are people of color

# For further information

## Visit:

[www.metrocouncil.org/data](http://www.metrocouncil.org/data)

## Contact:

Matt Schroeder

[Matt.Schroeder@metc.state.mn.us](mailto:Matt.Schroeder@metc.state.mn.us)

