

Areas of Concentrated Poverty in 2016

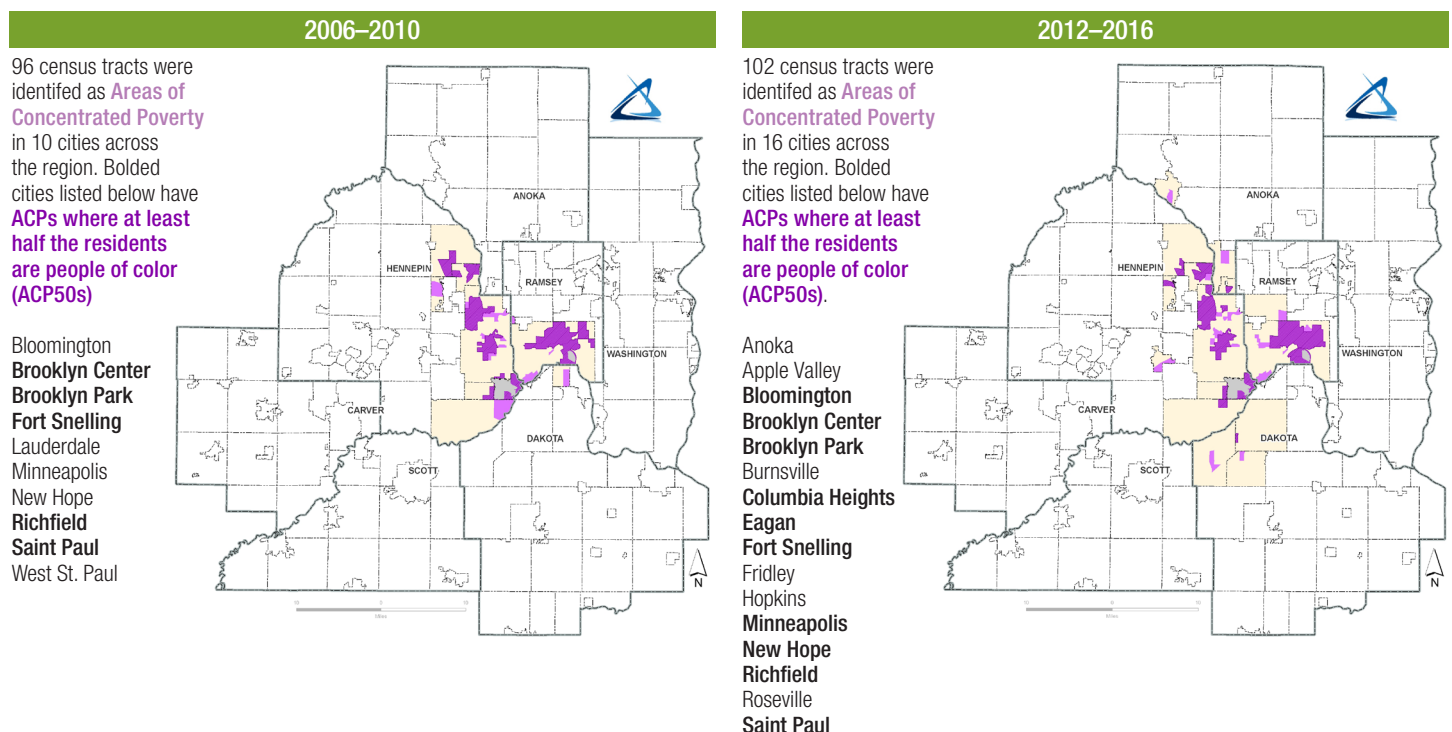
We've tracked trends and geographic patterns of poverty in the Twin Cities region since 2014—in particular, concentrated poverty. Concentrated poverty is known to have a negative influence on residents' economic mobility, health, and overall well-being.¹ This annual analysis is intended to highlight "the place-based dimensions of disparities" in our region.²

For the third consecutive year, American Community Survey estimates show a decline in the region's poverty rate. After cresting in the years immediately following the Great Recession (from 2010 to 2013) at 23%, the share of the region's residents in poverty was 19% in 2016. While this trend is encouraging, the region's poverty rate remains higher than it was in 2000 (at 16%). Despite this recent ebb in the overall poverty rate, Areas of Concentrated Poverty—census tracts where at least 40% of residents have incomes below 185% of the federal poverty threshold—have grown.

Areas of Concentrated Poverty have expanded considerably in number and geographic scope since 2000, but less so in the past five years. Sixty-one census tracts were identified as Areas of Concentrated Poverty in 2000 with all but one located in Minneapolis and Saint Paul. In 2006-2010, 96 tracts were identified as Areas of Concentrated Poverty in 10 cities across the region; the most current data show 102 tracts across 16 cities (Figure 1).

Concentrated poverty intersects with race and ethnicity—four in every five Areas of Concentrated Poverty are also census tracts where at least half the residents are people of color (Figure 1). In fact, a person of color (regardless of their income) is as likely to live in an Area of Concentrated Poverty as a person living in poverty due to race-based barriers to housing choice. (For a full discussion, see [Choice, Place, and Opportunity: An Equity Assessment of the Twin Cities Region](#) [LINK].)

FIGURE 1. AREAS OF CONCENTRATED POVERTY IN THE TWIN CITIES REGION



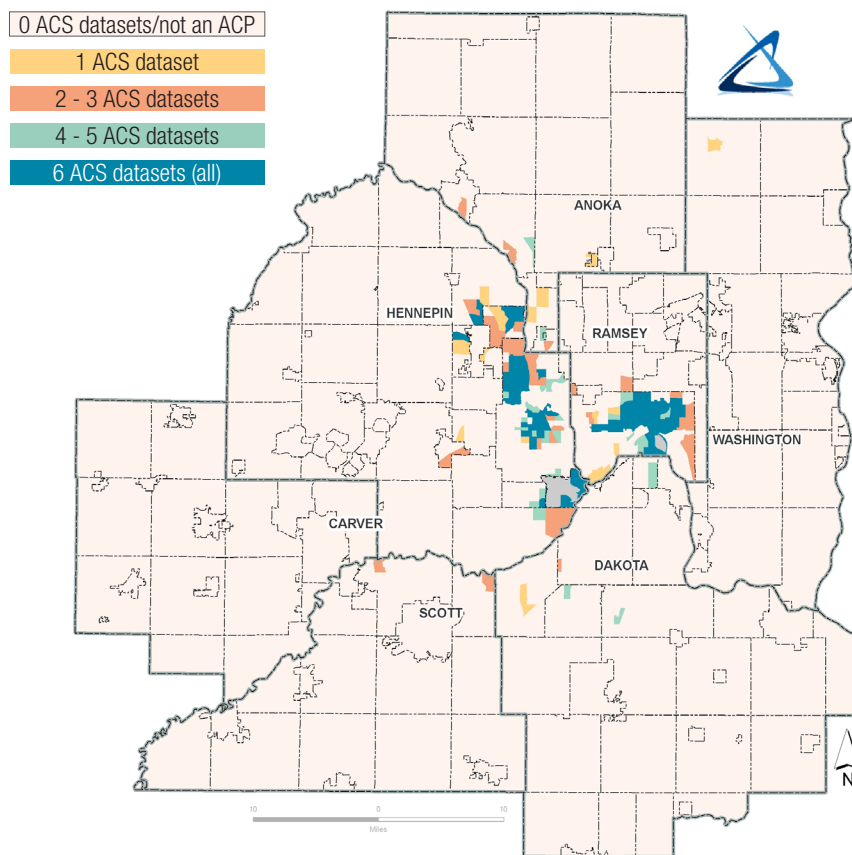
Source: Metropolitan Council analysis of U.S. Census Bureau, American Community Survey Five-Year Estimates, 2006-2010 and 2012-2016.

While concentrated poverty is concerning, context is important.

First, people in poverty live in all areas of the Twin Cities region.³ Thirty percent of the region's population in poverty lived in an Area of Concentrated Poverty in 2012-2016 (and that share is down slightly for the second consecutive year). In other words, the majority of people in poverty live **outside** of Areas of Concentrated Poverty.

Second, concentrated poverty fluctuates.⁴ Figure 1 provides a snapshot of Areas of Concentrated Poverty at two points in time, 2006-2010 and 2012-2016. Figure 2 below summarizes the six American Community Survey (ACS) datasets following 2006-2010 and how often a census tract was identified as an Area of Concentrated Poverty. For example, 71 census tracts have met the threshold for an Area of Concentrated Poverty in all six datasets, leaving little doubt they are high-poverty areas (Figure 2). In contrast, 48 census tracts were identified as an Area of Concentrated Poverty three times or less, signaling elevated poverty but perhaps with fewer overarching negative impacts than more entrenched poverty.

FIGURE 2. HOW OFTEN WERE CENSUS TRACTS IDENTIFIED AS AREAS OF CONCENTRATED POVERTY IN ACS?



Source: Metropolitan Council analysis of U.S. Census Bureau, American Community Survey Five-Year Estimates, 2007-2011, 2008-2012, 2009-2013, 2010-2014, 2011-2015, and 2012-2016.

Endnotes

¹ Here, we refer to "poverty" as those with income below 185% of the federal poverty threshold in 2016 (a family of four with income below \$45,442 or a single adult with income below \$22,622, for example).

² See the Twin Cities' current regional development guide, *Thrive MSP 2040* [LINK], page 41.

³ See our *MetroStats*, [Areas of Concentrated Poverty Endure](#) [PDF] for an in-depth discussion of recent regional poverty trends.

⁴ We also describe how margins of error factor into our analysis of American Community Survey data in our *MetroStats*, [Concentrations of Poverty: Growing and Suburbanizing in the Twin Cities Region](#) [PDF].