

The Twin Cities Region's Areas of Concentrated Poverty Endure

Key findings

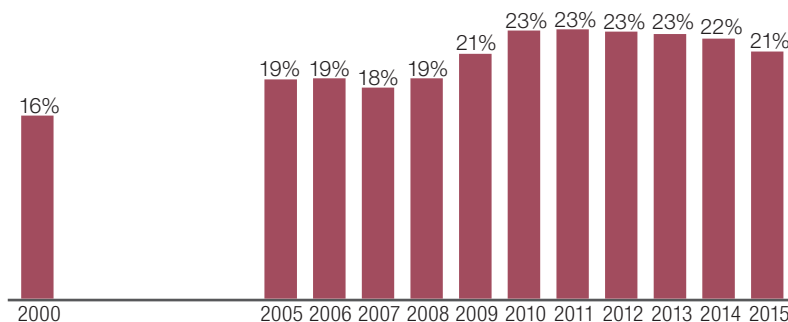
Since 2014, we've tracked trends and geographic patterns of poverty in the Twin Cities region—in particular, concentrated poverty, which is known to have a disproportionately negative effect on residents' economic mobility, health, and overall well-being. Note that throughout this report, we refer to "poverty" as those with income below 185% of the federal poverty threshold in 2015 (a family of four with income below \$44,875 or a single adult with income below \$22,352, for example).

<p>Our focus</p>	<p>What does the most recent data show about poverty in the Twin Cities region?</p>	<p>How have the region's Areas of Concentrated Poverty changed most recently?</p>	<p>Aside from poverty, do Areas of Concentrated Poverty share certain characteristics?</p>
<p>Our findings</p>	<p>After a four-year plateau following the Great Recession, the region's overall poverty rate fell slightly for the second consecutive year. Within the region, the share of residents in poverty has increased in suburban and rural areas between 2006-2010 and 2011-2015, but these trends differ by city.</p> <p style="text-align: right;">Pages 1 & 2</p>	<p>Relative to 2006-2010, the number of Areas of Concentrated Poverty have grown, according to the latest data (2011-2015). This growth took place near established concentrated poverty—especially in Saint Paul. Also, nine new suburban areas had Areas of Concentrated Poverty for the first time.</p> <p style="text-align: right;">Page 4</p>	<p>We grouped the 108 census tracts identified as Areas of Concentrated Poverty in 2011-2015 into 16 clusters, then compared demographic and housing characteristics. Our analysis shows that other than vague similarities in housing stock, Areas of Concentrated Poverty differ quite a bit.</p> <p style="text-align: right;">Page 5</p>

The region's poverty rate declines overall, but not everywhere

After climbing during the Great Recession—going from 18% in 2008 to 23% in 2010—then plateauing for several years thereafter, the region's poverty rate declined for the second consecutive year. Even with these improvements, over 651,000 residents—or one in every five—had incomes below 185% of poverty in 2015. Further, our previous work shows that poverty rates in the Twin Cities area differ significantly by race and ethnicity, strongly suggesting that poverty may not be waning for all the region's residents [[read more in "Behind the Curve: Racial and Ethnic Disparities in the Twin Cities Metro in 2015" PDF](#)].

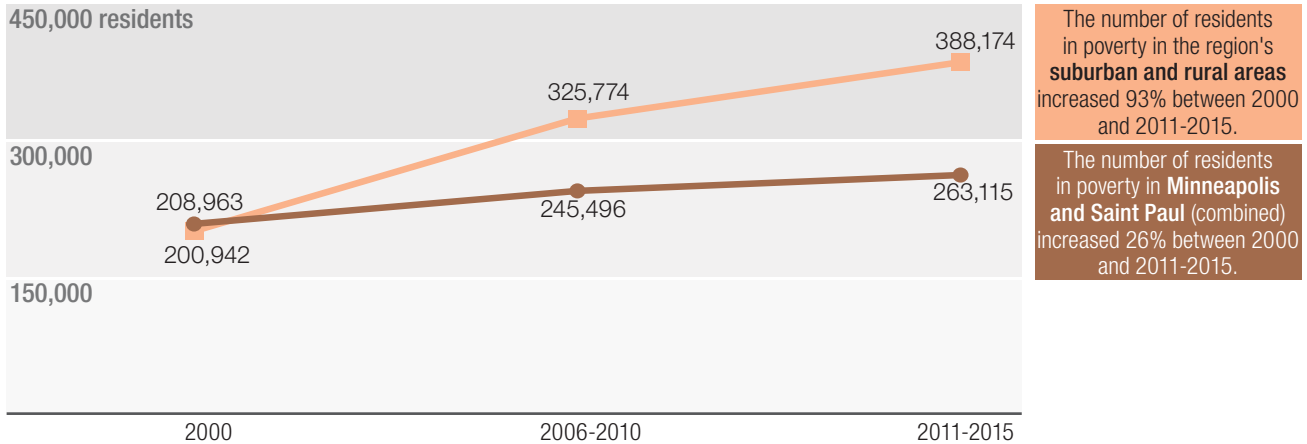
FIGURE 1. SHARE OF POPULATION IN POVERTY IN THE TWIN CITIES REGION



Source: U.S. Census Bureau, Decennial Census, 2000; U.S. Census Bureau, American Community Survey One-Year Estimates, 2005-2015. Read Appendix F in our 2014 report, "[Choice, Place, and Opportunity: An Equity Assessment of the Twin Cities Region](#)" [PDF] to learn why we measure the region's poverty at 185% of the federal poverty threshold.

To drill down into more geographic detail requires us to use the five-year estimates from the American Community Survey, rather than the annual estimates used in Figure 1. Poverty rates in Minneapolis and Saint Paul (combined) are more than double that of the region's suburban and rural communities (for example, in 2011-2015 Minneapolis and Saint Paul's combined poverty rate was 39.2%, compared with that of the region's suburban and rural areas, 17.4%). However, the region's suburban and rural areas have added many more residents in poverty both by number and by share between 2000 and 2011-2015 (Figure 2). In fact, the region's suburban and rural communities had 1.5 times the number of residents in poverty in 2011-2015 (about 388,000 residents) compared with Minneapolis and Saint Paul (about 263,000 residents).

FIGURE 2. RESIDENTS IN POVERTY BY LOCATION



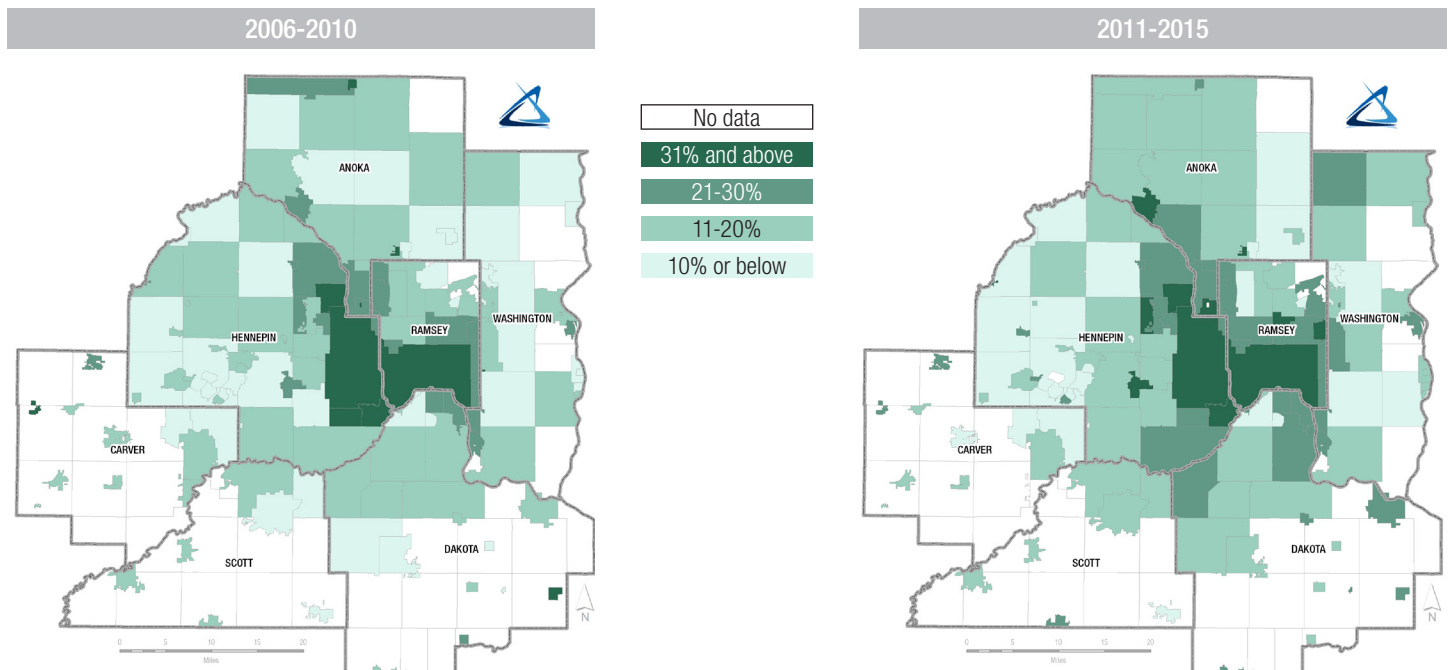
The number of residents in poverty in the region's **suburban and rural areas** increased 93% between 2000 and 2011-2015.

The number of residents in poverty in **Minneapolis and Saint Paul (combined)** increased 26% between 2000 and 2011-2015.

Source: U.S. Census Bureau, Decennial Census, 2000; U.S. Census Bureau, American Community Survey Five-Year Estimates, 2006-2010 and 2011-2015.

Figure 3 further disaggregates poverty trends in 2006-2010 and 2011-2015. Between these two time periods several cities experienced double-digit increases in the share of residents in poverty, including Spring Lake Park (+11.5%), Hopkins (+11.3%), Columbia Heights (+10.4%), Anoka (+10.3%), and North Saint Paul (+10.0%).¹ Yet other cities saw sizeable declines in their share of residents in poverty over this time period, such as Carver (-11.2%), Arden Hills (-6.2%), and Oak Grove (-6%). In 2011-2015, the cities with the highest shares of residents in poverty were Saint Paul (40.8%), Brooklyn Center (39.5%), Columbia Heights (39.1%), Minneapolis (37.9%), and Anoka (37.3%). It's clear that even in the post-recession years, poverty is present, spreading, and in some cases deepening, in cities across the Twin Cities region.

FIGURE 3. SHARE OF POPULATION IN POVERTY BY CITY



Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2006-2010 and 2011-2015.

Note: Only incorporated places, as defined by the U.S. Census Bureau [LINK], are mapped in Figure 3 (plus Fort Snelling, which we added separately.)

Why does concentrated poverty matter?

All areas of the Twin Cities region have some share of residents in poverty. Since 2014, we've identified and tracked a specific measure of poverty in the region: Areas of Concentrated Poverty, which are census tracts where at least 40% of residents live with incomes below 185% of the federal poverty threshold. So, what is distinct about concentrated poverty? Why do we continue to analyze it?

Research on concentrated poverty suggests it may have an overarching impact on residents—even those who are not themselves low-income—such as reducing potential economic mobility and negatively affecting their overall health and well-being.² Further, where one lives matters because it influences both the level of access and the assortment of opportunities available to you, like jobs, high-performing schools, and safe neighborhoods, which vary by place.

Limited income often means limited housing choice. In 2011-2015, about 12% of the region's total population lived in an Area of Concentrated Poverty (Figure 4). In the same timeframe, 31% of the region's population in poverty lived in an Area of Concentrated Poverty, a decidedly disproportionate share. If concentrated poverty exposes residents to certain harms, then a sizeable (and growing) share of the region's residents may not participate in or contribute to our region's overall prosperity.

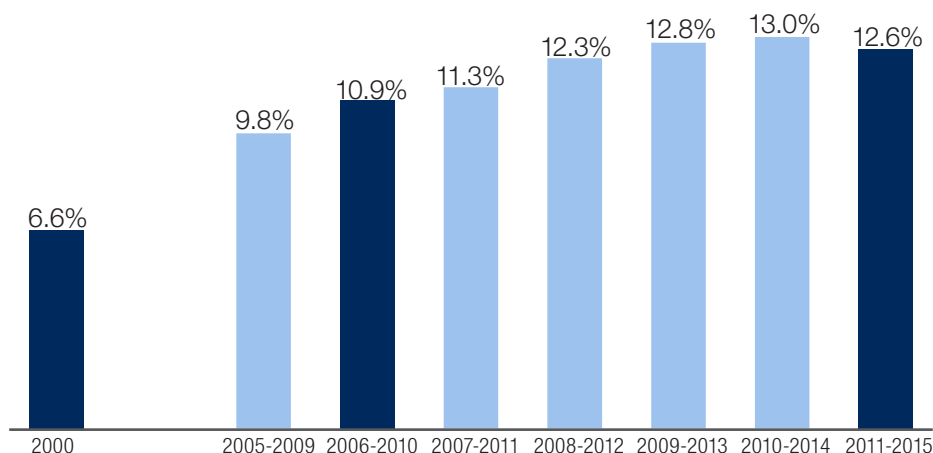
A considerable (and growing) share of residents are exposed to the harms of concentrated poverty, which may limit their participation in the full range of opportunity in the Twin Cities Region.

A new foundation for Areas of Concentrated Poverty trends

For the last three years, we have tracked Areas of Concentrated Poverty in the Twin Cities region using data from the U.S. Census Bureau. We've previously documented that Areas of Concentrated Poverty in the Twin Cities region have been responsive to broader economic conditions. For example, we identified 81 census tracts as Areas of Concentrated Poverty in the region in 1990; by 2000, that number fell to 61 tracts region-wide, largely due to the economic upswing of the 1990s. Post-2000, we rely on estimates from the American Community Survey. These data are released annually but the census tract-level data are grouped in five-year periods; at present, we only have two datasets without overlapping years in the same geographic boundaries. Figure 4 shows the share of the region's residents living in Areas of Concentrated Poverty in all available datasets, highlighting the years that provide the most accurate comparisons. After jumping +4.3% between 2000 and 2006-2010 (the peak of the Great Recession), the share increased again between 2006-2010 and 2011-2015 but by far less (+1.7%).

Going forward, we will characterize trends in the region's Areas of Concentrated Poverty based on how the most recently published data relates to the 2006-2010 Areas of Concentrated Poverty.

FIGURE 4. SHARE OF THE REGION'S RESIDENTS LIVING IN AREAS OF CONCENTRATED POVERTY



Source: U.S. Census Bureau, Decennial Census, 2000; all other years U.S. Census Bureau, American Community Survey Five-Year Estimates.

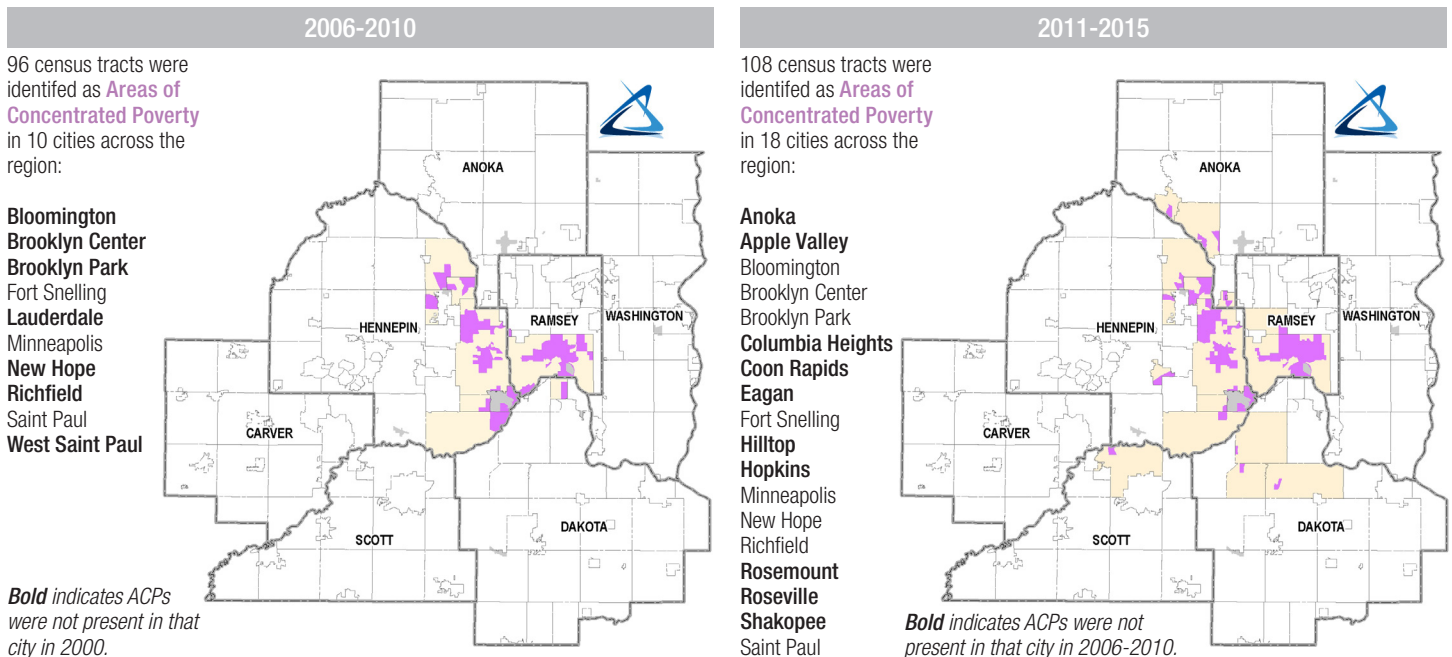
Areas of Concentrated Poverty have expanded in the past five years

The number of Areas of Concentrated Poverty region-wide has increased, going from 96 census tracts in 2006-2010 to 108 in 2011-2015 (Figure 5). There are two distinct geographic trends of note:

- The number of cities with at least one Area of Concentrated Poverty nearly doubled between 2006-2010 and 2011-2015, primarily expanding to the region's suburban communities.
- Both Minneapolis and Saint Paul had net gains in Areas of Concentrated Poverty, further building out their well-established pockets. For example, Saint Paul added six new census tracts identified as Areas of Concentrated Poverty, going from 32 in 2006-2010 to 38 in 2011-2015. Minneapolis' Areas of Concentrated Poverty had a net gain of three census tracts in this period.

Areas of Concentrated Poverty rarely "spring up"—typically, these census tracts have had high shares of residents in poverty but fell just under our 40% threshold. For instance, we identified 20 census tracts as Areas of Concentrated Poverty in 2006-2010 that were no longer on the map in 2011-2015. In this iteration of our analyses, however, we saw one exception: the new Area of Concentrated Poverty in Eagan. This census tract's poverty rate went from 13.9% in 2006-2010 to 42.6% in 2011-2015. Why this occurred is unclear, though we did note that a single multifamily building accounts for about half of that tract's housing units. We speculate that these apartments may be one of few naturally occurring affordable housing options for low-income residents in Eagan.

FIGURE 5. RECENT CHANGES IN THE TWIN CITIES REGION'S AREAS OF CONCENTRATED POVERTY



Source: Metropolitan Council analysis of U.S. Census Bureau, American Community Survey Five-Year Estimates, 2006-2010 and 2011-2015.

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

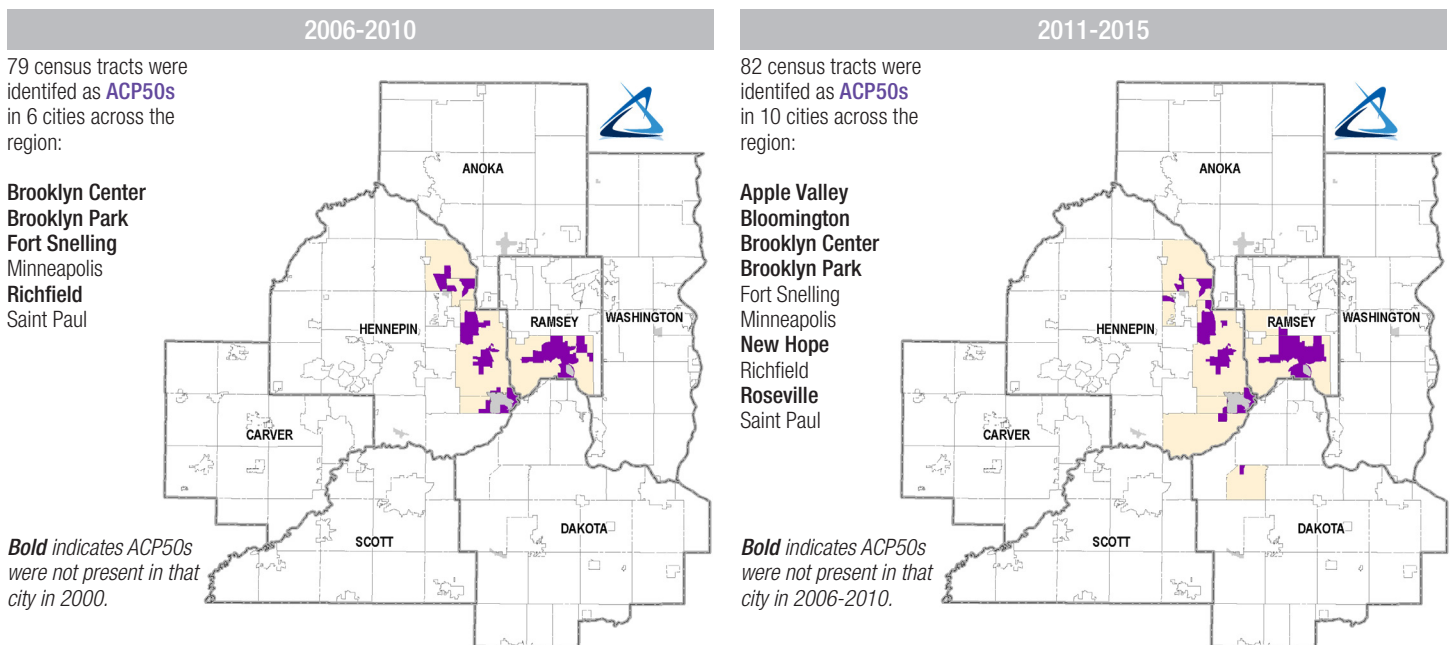
People of color face race-specific barriers that can limit their housing choices. As a result, people of color are more likely to live in Areas of Concentrated Poverty than White residents, regardless of income.³ For example, over a third of Black residents (39%) lived in an Area of Concentrated Poverty in 2011-2015, compared with only 6% of White residents. Given this overrepresentation of people of color in high-poverty areas, there is a considerable number of Areas of Concentrated Poverty where at least half the residents are people of color. We distinguish these census tracts as a specific subset of Areas of Concentrated Poverty.

People of color in the Twin Cities Region are more likely to live in Areas of Concentrated Poverty than White residents, regardless of income.

Eighty-two of the 108 census tracts identified as Areas of Concentrated Poverty in 2011-2015 have majority residents of color (Figure 6). Between 2006-2010 and 2011-2015, the Twin Cities region added four Areas of Concentrated Poverty where at least half the residents are people of color in four new cities: Apple Valley, Bloomington, New Hope, and Roseville. Overall, however, the share of the region's population living in Areas of Concentrated Poverty where at least half the residents are people of color was largely static between these two periods (9.2% in 2006-2010 compared with 9.9% in 2011-2015).

We've previously highlighted that race plays a role that is above and beyond income in places of concentrated poverty. In other words, Areas of Concentrated Poverty where the majority of residents are White tend to be more responsive to economic conditions, whereas Areas of Concentrated Poverty where the majority of residents are people of color remain high-poverty places (i.e., they don't come off the map). **However, for the first time in carrying out this analysis, we now have an exception: a census tract identified as an Area of Concentrated Poverty where at least half the residents were people of color in Richfield in 2006-2010 was no longer on the map in 2011-2015 after its poverty rate fell by more than 13 percentage points.** Again, we tried to better understand what drove this significant change between the two time periods but no clear reason emerged after reviewing property sales, changes in rental costs, and other markers of residential turnover. (We are optimistic about this finding but caution that it may be a statistical anomaly in the survey data.)

FIGURE 6. RECENT CHANGES IN THE TWIN CITIES REGION'S AREAS OF CONCENTRATED POVERTY WHERE AT LEAST HALF THE RESIDENTS ARE PEOPLE OF COLOR

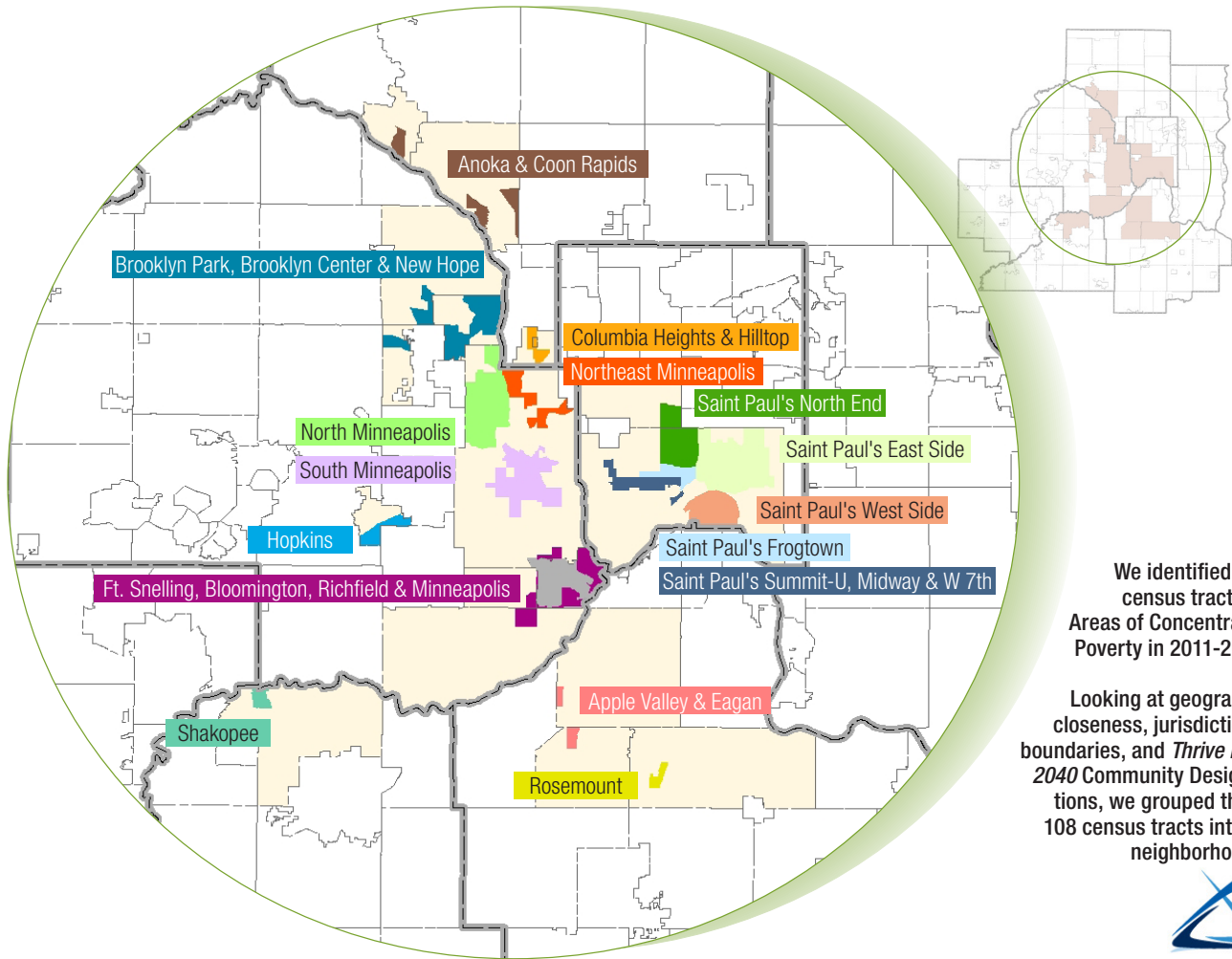


Source: Metropolitan Council analysis of U.S. Census Bureau, American Community Survey Five-Year Estimates, 2006-2010 and 2011-2015.

Areas of Concentrated Poverty close up: varied and vibrant neighborhoods

Based on proximity, jurisdictional boundaries, *Thrive MSP 2040* Community Designations, and demographic and housing characteristics, we grouped the 108 census tracts identified as Areas of Concentrated Poverty in 2011-2015 to create 16 high-level neighborhood profiles (Figure 7). The 16 Areas of Concentrated Poverty neighborhoods show wide-ranging diversity in both demographic and housing characteristics. Some are deeply impoverished while others are much closer to our threshold (poverty rates range from 40% to 64%). They differ in their share of residents of color (22% to 81%), share of non-English speaking households (14% to 52%), and employment and high school graduation rates (see Figure 7). The housing types in Areas of Concentrated Poverty neighborhoods vary (the share of single family homes ranges between 18% and 64%) as does the average monthly rent (a nearly \$500 per month spread). The presence of publicly-funded housing units across the 16 neighborhoods goes from zero or very few to three in every 10 housing units.

FIGURE 7. AREAS OF CONCENTRATED POVERTY IN 16 NEIGHBORHOOD PROFILES



We identified 108 census tracts as Areas of Concentrated Poverty in 2011-2015.

Looking at geographic closeness, jurisdictional boundaries, and Thrive MSP 2040 Community Designations, we grouped these 108 census tracts into 16 neighborhoods.



	People						Housing			
	Total population	Poverty rate	% Residents of color	% Non-English spoken at home	% Adults with high school diploma	% working-age employed	Housing units	% of units that are detached homes	Average monthly rent	Publicly funded units per 1,000
Anoka & Coon Rapids	8,988	44%	22%	16%	60%	68%	3,739	46%	\$900	93
Apple Valley & Eagan	4,832	46%	50%	38%	47%	78%	1,947	18%	\$951	51
Brooklyn Center, Brooklyn Park & New Hope	29,147	51%	66%	30%	55%	70%	11,686	34%	\$866	26
Columbia Heights & Hilltop	6,206	47%	47%	34%	60%	66%	2,736	50%	\$952	53
Ft. Snelling, Bloomington, Richfield & Minneapolis	11,094	45%	54%	32%	56%	74%	4,238	56%	\$892	122
Hopkins	6,287	45%	43%	21%	50%	70%	2,777	26%	\$1,108	0
North Minneapolis	53,595	57%	75%	26%	52%	60%	19,730	64%	\$884	142
Northeast Minneapolis	10,634	49%	44%	26%	46%	76%	4,666	45%	\$904	105
South Minneapolis	93,029	58%	60%	38%	40%	68%	41,715	18%	\$793	261
Rosemount	2,312	44%	39%	14%	59%	76%	840	52%	\$1,035	221
Saint Paul's East Side	71,758	55%	67%	44%	48%	63%	24,760	52%	\$813	89
Saint Paul's Frogtown	12,874	64%	81%	52%	45%	58%	4,225	39%	\$747	172
Saint Paul's North End	26,638	58%	67%	42%	49%	62%	9,961	44%	\$789	137
Saint Paul's Summit-U, Midway & West 7th	17,751	58%	63%	30%	49%	65%	7,087	35%	\$624	276
Saint Paul's West Side	12,638	56%	63%	39%	47%	69%	4,720	52%	\$747	147
Shakopee	3,666	40%	29%	27%	51%	73%	1,604	40%	\$848	116

Source: Metropolitan Council analysis of U.S. Census Bureau, American Community Survey Five-Year Estimates, 2011-2015; HousingLink, STREAMS, 2015.

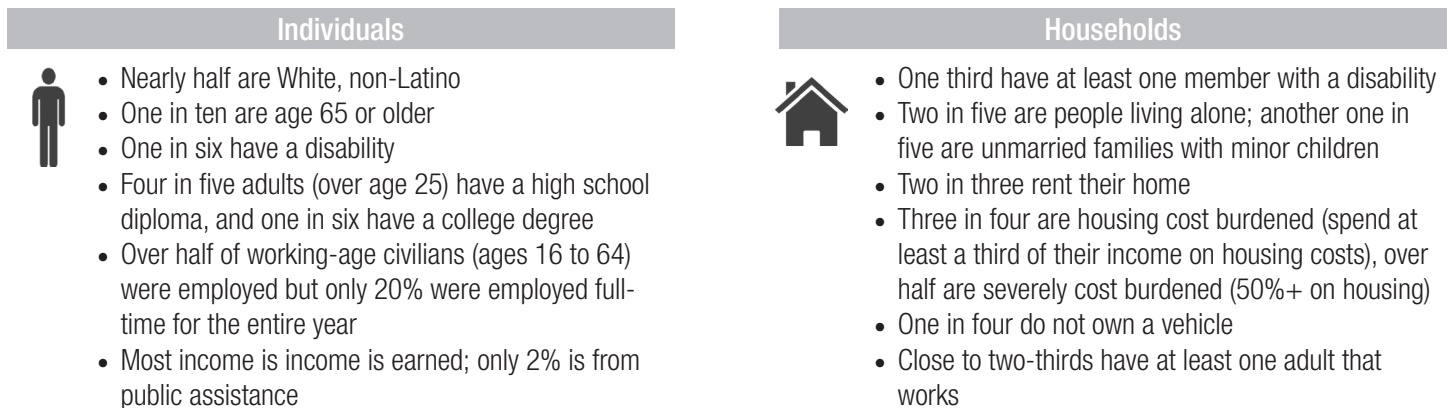
That Areas of Concentrated Poverty neighborhoods are, in fact, so different underscores an important point: the lived experience of concentrated poverty can take many different forms. It also highlights that Areas of Concentrated Poverty are vibrant neighborhoods with unique histories and built environments, and that they did not all arrive at disproportionate poverty in the same way.

Who lives in poverty in the Twin Cities region?

Areas of Concentrated Poverty are census tracts where more than 40% of the residents have incomes below 185% of the federal poverty threshold. This report has primarily focused on the location of these tracts and the trends within this definition. We don't want to overlook the low-income residents themselves, however.

Figure 8 summarizes both individual and household characteristics of the region's low-income residents. Most earn their income through employment (that may be unstable). Most spend too much of their monthly income on housing, typically renters. They are slightly more likely to have a disability or live with someone who has a disability, compared to the region overall. Lastly, people of color are overrepresented but nearly half are White, non-Latino. (Recall that only 6% of residents living in Areas of Concentrated Poverty are White, suggesting that low-income White residents tend to live outside concentrated poverty in the region).

FIGURE 8. WHO LIVES IN POVERTY IN THE TWIN CITIES REGION?



Source: U.S. Census Bureau, American Community Survey Public Use Microdata Sample, 2010-2014.

Endnotes

¹ Cities with fewer than 1,000 residents (Like Hilltop and Landfall) were excluded from these rankings, as their margins of error in the American Community Survey tend to be larger.

² See, for instance, [The Equality of Opportunity Project](#) [LINK]; and Brookings Institute's report "U.S. Concentrated Poverty in the wake of the Great Recession" (2016) [LINK].

³ See Metropolitan Council's report, "Choice, Place, and Opportunity: An Equity Assessment of the Twin Cities Region" (2014) [LINK].