

SECTION TWO: REGIONAL POVERTY TRENDS

The changing face of poverty

Ebbs and flows in the performance of the national economy have shaped the region's poverty patterns significantly. The growing economy of the 1990s helped reduce overall poverty rates for people of color and whites alike.¹ The region's overall poverty rate declined from 8% in 1990 to 7% in 2000. Similarly, the poverty rate of white residents declined from 6% in 1990 to 4% in 2000. Poverty rates for people of color also dropped from 33% in 1990 to 21% in 2000 (Figure 2.1).

A decade later, economic turmoil and loss of employment raised poverty rates across the board. The region's overall poverty rate climbed from 7% in 2000 to 10% during the recent recession. During the same period, the poverty rate among whites increased from 4% to 6%, while the corresponding rate for people of color climbed from 21% to 25%.

2.1 Poverty rates by race in the Twin Cities region in 1990, 2000 and 2007-2011

	All races	White, non-Latino	Persons of color
1990	8.1%	5.7%	32.9%
2000	6.9%	4.0%	21.3%
2007-2011	10.3%	6.0%	24.8%

Source: U.S. Census Bureau, Decennial Census, 1990, 2000; American Community Survey five-year data, 2007-2011.

Note: Poverty in this figure refers to individuals whose family income is below 100% of the federal poverty threshold.

Figure 2.2 reveals a major shift in the racial composition of the region's residents in poverty throughout the 1990s and the 2000s. During the prosperous 1990s, the total number of white residents in poverty dropped from 116,080 in 1990 to 87,415 in 2000. In striking contrast, the corresponding number of residents of color in poverty increased from 66,600 to 91,901. As a result, people of color in poverty constituted 51% of the region's residents in poverty in 2000, up from 36% in 1990.

The region's total number of people in poverty soared from 179,316 in 2000 to 288,346 in the 2007-2011 time period. Most of this increase was among people of color. The number of white residents in poverty rose by less than 41,000 during this decade (from 87,415 to 128,306), while the number of people of color in poverty increased by more than 68,000 (from 91,901 to 160,040) in the same period.

The increase in the population in poverty during the 2000s stemmed from the economic realities of the recession rather than migration. An analysis of the characteristics of people moving into and leaving the Twin Cities region shows that migration increased the number of poor people in the Twin Cities region by only 1% in a typical year between 2007 and 2011.¹

¹ The poverty definition used in this report is 185% of the federal poverty threshold unless otherwise stated. The analysis of poverty rates by race, however, uses 100% of the federal poverty threshold as the poverty cutoff because race data is not available for the former definition of poverty.

2.2 Number of people living in poverty by race and ethnicity in the Twin Cities region in 1990, 2000 and 2007-2011

	All races	White, non-Latino		Persons of color	
	#	#	%	#	%
1990	182,680	116,080	64%	66,600	36%
2000	179,316	87,415	49%	91,901	51%
2007-2011	288,346	128,306	44%	160,040	56%

Source: U.S. Census Bureau, Decennial Census, 1990, 2000; American Community Survey five-year data, 2007-2011.

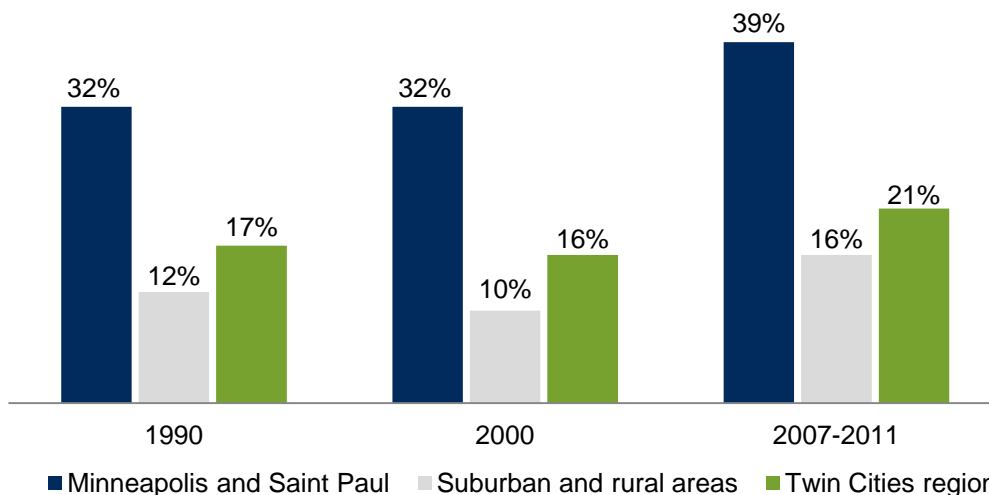
Note: Poverty in this figure refers to individuals whose family income is below 100% of the federal poverty threshold.

The changing landscape of poverty

The geography of poverty changed along with the racial composition of residents in poverty over the past three decades. Two opposing trends shaped the geography of poverty from 1990 until the recent economic recession. On one hand, poverty spread out from the region’s urban core, becoming an increasingly suburban phenomenon. On the other hand, it deepened in the core areas, which already had high concentrations of poverty.

Those in poverty are increasingly residents of suburban and rural areas of the region. The suburban and rural poor constituted 58% of the region’s total in 2007-2011, up from 49% in 1990 and 2000. Despite the growing suburbanization of poverty, however, poverty rates in Minneapolis and Saint Paul still remain much higher than suburban and rural areas as well as the region as a whole (Figure 2.3).

2.3 Poverty rates by location in the Twin Cities region in 1990, 2000 and 2007-2011



Source: U.S. Census Bureau, Decennial Census, 1990, 2000; American Community Survey five-year data, 2007-2011.

Note: Poverty in this chart refers to individuals whose family income is below 185% of the federal poverty threshold.

Maps 2.A, 2.B and 2.C (next pages) depict the spatial distribution of residents in poverty during the last two decades.

Map 2.A demonstrates that while areas of concentrated poverty in 1990 were located mostly in the urban core of the region, poverty was also visible at more moderate levels in some suburbs adjacent to Minneapolis and Saint Paul (e.g., Brooklyn Center, Columbia Heights, Newport and South Saint Paul) and in some rural areas in the western part of the region.ⁱⁱ

Map 2.B shows how the growing economy of the 1990s changed the geography of poverty by 2000. While a decade of economic growth reduced poverty in many of the second-ring suburbs and exurbs of the region, it did not do much to alleviate poverty in the urban core and inner-ring suburbs. Poverty in Minneapolis and Saint Paul remained flat at 32% even as poverty rates in both the suburban and rural areas and the region as a whole declined.

Map 2.C reflects the grim economic reality of the 2000s and the concurrent rise in poverty levels in most of the region. A comparison of Map 2.B and Map 2.C illustrates the rapid suburbanization of poverty during this decade. In this period, the increase in the total number of residents in poverty was far more significant in suburbs than in the cities. The total number of suburban residents in poverty went up by 73%, from 200,942 in 2000 to 347,005 a decade later. In comparison, the same total in Minneapolis and Saint Paul climbed only by 19%, from 208,963 to 247,734. In fact, there were almost 100,000 more suburban residents in poverty than in Minneapolis and Saint Paul by the end of the 2000s (Figure 2.4).

2.4 Number of people living in poverty by location in 1990, 2000 and 2007-2011

	Minneapolis and Saint Paul	Suburban and rural areas
1990	198,184	187,187
2000	208,963	200,942
2007-2011	247,734	347,005

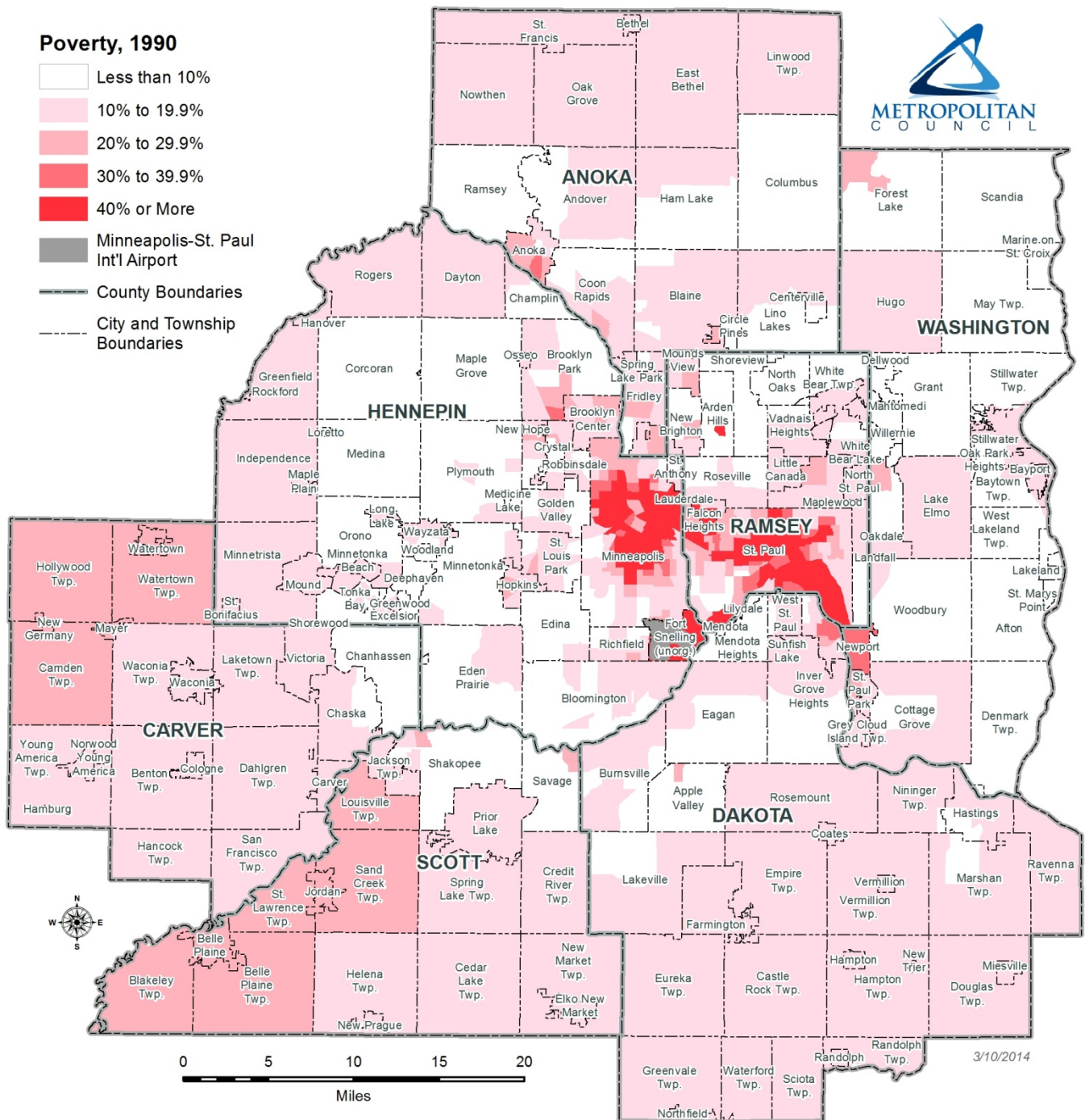
Source: U.S. Census Bureau, Decennial Census, 1990, 2000; American Community Survey five-year data, 2007-2011.

Note: Poverty in this chart refers to individuals whose family income is below 185% of the federal poverty threshold.

In addition to painting a picture of widespread poverty, Maps 2.B and 2.C show a significant deepening of poverty in the urban core and inner-ring suburbs. The two maps illustrate the expanding size of areas of concentrated poverty, especially in South Minneapolis, North Minneapolis and the eastern part of Saint Paul. The maps also demonstrate a similar trend of intensifying poverty in many suburban areas, including Brooklyn Park, Brooklyn Center, Richfield, Bloomington and West Saint Paul.

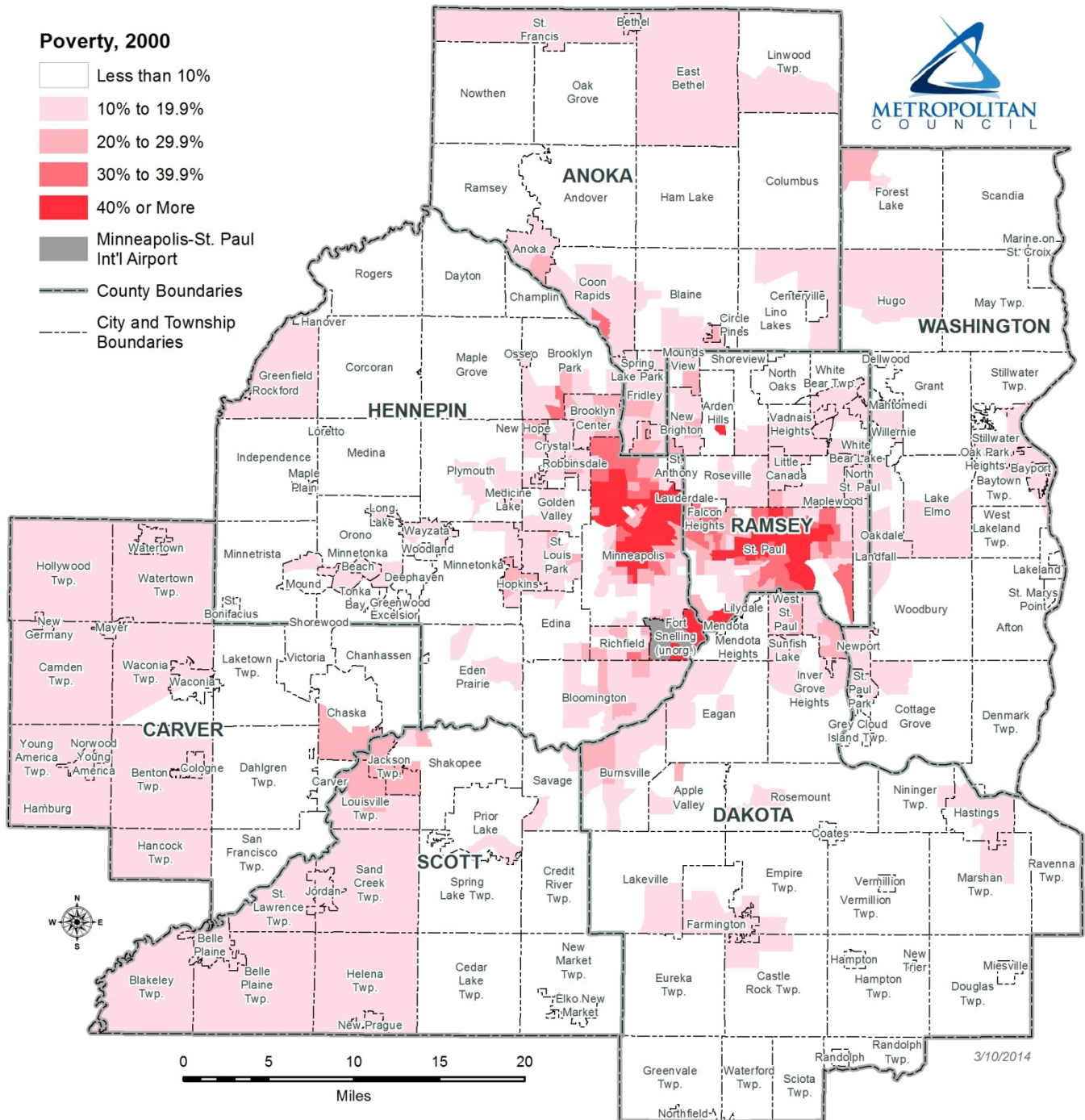
ⁱⁱ The term “area of concentrated poverty” refers to census tracts where at least 40% of residents whose family income is below 185% of the federal poverty threshold. Appendix F describes why the Council chose this poverty threshold over the threshold suggested by the U.S. Department of Housing and Urban Development.

Map 2.A Percentage of individuals below 185% of federal poverty threshold by census tract, 1990



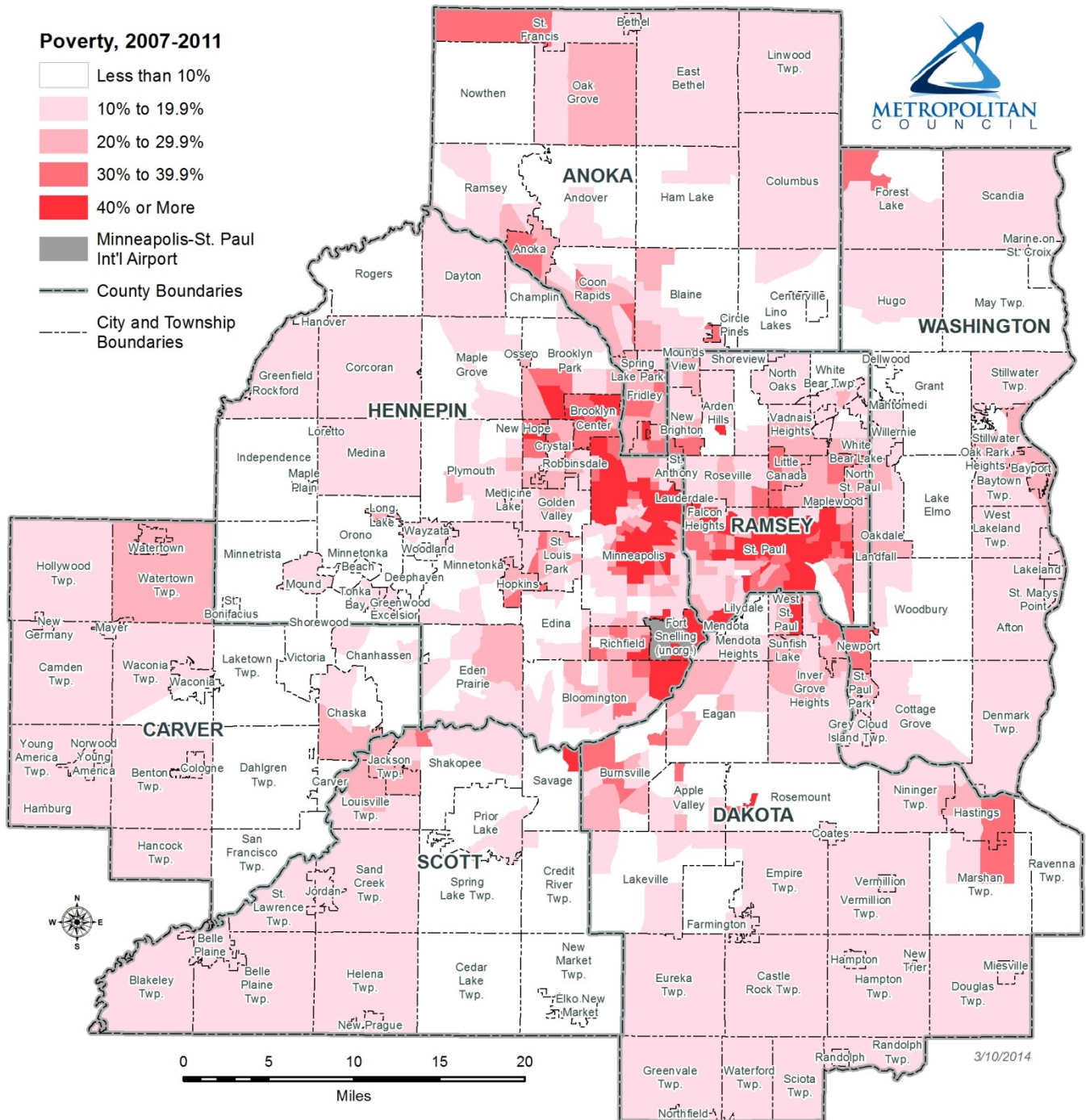
Source: U.S. Census Bureau, Decennial Census, 1990.

Map 2.B Percentage of individuals below 185% of federal poverty threshold by census tract, 2000



Source: U.S. Census Bureau, Decennial Census, 2000.

Map 2.C Percentage of individuals below 185% of federal poverty threshold by census tract, 2007-2011



Source: U.S. Census Bureau, American Community Survey 5-Year data, 2007-2011.

Concentrated poverty remained a problem in the central cities even during the 1990s when overall poverty rates were declining. The number of people living in areas of concentrated poverty in the central cities increased slightly from 218,609 in 1990 to 220,164 in 2000. In contrast, other than a census tract in Fort Snelling, there were no suburban census tracts that qualified as areas of concentrated poverty in 2000.² Areas of concentrated poverty expanded quite dramatically between 2000 and 2010, impacting far more residents in both the cities and the suburbs. The sudden jump in the number of suburban people living in areas of concentrated poverty was striking. The number soared from fewer than 500 in 2000 to 49,528 in 2010. The number of Minneapolis and Saint Paul residents living in areas of concentrated poverty increased even more, from 220,164 in 2000 to 287,320 in 2010.

¹ U.S. Census Bureau, 2007-2011 American Community Survey (analysis of summary tables B07012 and B07412).

² Fort Snelling was the only non-central-city census tract that qualified as an area of concentrated poverty in 1990 and 2000. The population of this tract was 130 and 442 in 2000. Tracts which included mostly students and prisoners were excluded from this analysis.