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IS SUBURBIA THE NEW FRONTIER OF POVERTY IN NORTH CAROLINA?

Suburban Poverty Rose Sharply over the 2000s

BY TAZRA MITCHELL

KEY FINDINGS

- Even though the population in North Carolina's suburbs declined by 2 percent from 2000 to 2006-2010, the number of people who were poor in the suburbs grew by 40 percent. The poor population grew 13 times more in the suburbs than in urban areas. By 2006-10, the poverty rate in the suburbs was 13.2 percent.
- From 2006-2010, the poor population living in high-poverty suburban neighborhoods quadrupled, far outpacing the growth rates in urban areas and at the state level.
- African Americans and Latinos living in the suburbs were 2 to 4 times more likely to be poor than their white counterparts in 2006-10. They were also 2 to 4 times more likely to live in high-poverty suburban neighborhoods than whites.
- Given the quick shift in the economic landscape of suburban areas, strengthening suburban safety nets and coordinating anti-poverty efforts at the regional level will be essential for rebuilding North Carolina's economy.

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Suburban Trends in North Carolina

Two recessions hit the national and state economies in the 2000s, and as a result many low- and middle-income families in North Carolina lost ground in terms of income and financial stability during that decade. Recession-related fiscal challenges such as job loss, stagnant wages, and foreclosures helped push nearly 670,000 North Carolinians into poverty from 2000 to 2010.¹ This decade-long trend of rising poverty hit suburban areas in North Carolina particularly hard.

Poverty in suburban areas in North Carolina expanded rapidly from 2000 to 2006-2010, the latest data available.² Whereas the population in the state's suburbs declined by 2 percent during this period, the number of people who were poor in the suburbs grew by 40 percent—approximately 13 times faster than the growth rate experienced in urban areas. Similarly, the number of high-poverty

neighborhoods grew more than 4 times faster in the suburbs than in urban areas.

Indeed, residents of urban areas remain more likely to be poor than suburban residents. However, the steep rise in the suburban poverty rate creates new challenges for policymakers and service providers in North Carolina.

This brief defines the suburbs as census tracts with a centroid outside of an urban area but within a metropolitan area, and this analysis excludes census tracts with populations of 500 people or fewer.³

Poverty and High-Poverty Neighborhoods in North Carolina’s Suburbs

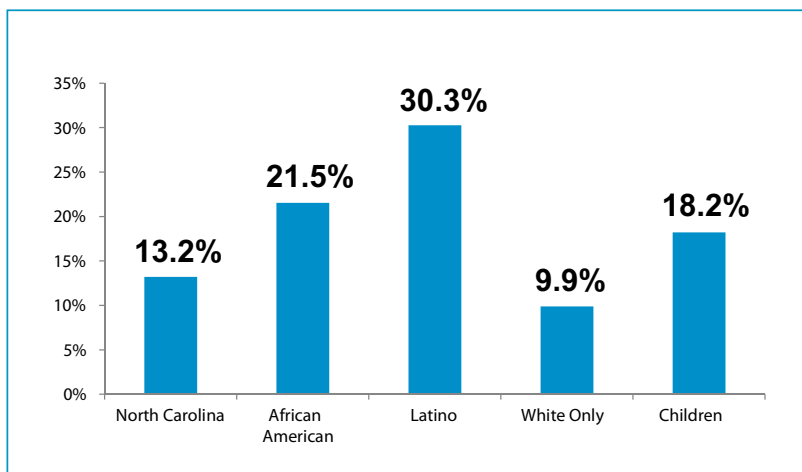
As of 2006-2010, approximately 1 in 5 neighborhoods in the state were in suburbs.⁴ Of the nearly 2.1 million residents living in suburbs, 270,974 residents lived below the federal poverty level—nearly 78,000 more than the number of impoverished residents in suburbs in 2000 (**Figure 1**). During this time period, the suburban poverty rate increased 3.9 percentage points to reach 13.2 percent. This increase in the rate of poverty in the suburbs outpaced increases in the statewide (0.7 percentage points) and urban (3.6 percent points) rates of poverty.

FIGURE 1:
Change in the Population Living in Poverty by Community Type, from 2000 to 2006-10

	Total Population				Population in Poverty			
	2000	2006-10	Difference	Percent Change	2000	2006-10	Difference	Percent Change
North Carolina	7,801,024	9,013,443	1,212,419	15.5%	957,266	1,399,945	442,679	46.2%
Suburban Neighborhoods	2,100,246	2,058,980	-41,266	-2.0%	193,521	270,974	77,453	40.0%
Urban Neighborhoods	4,690,390	4,722,300	31,910	0.7%	721,946	743,846	21,900	3.0%

Along with increases in the total suburban poor population and the suburban poverty rate, the number of high-poverty neighborhoods—census tracts with poverty rates of 20 percent or more—in the suburbs quadrupled. This spike in high-poverty neighborhoods far outpaced the growth rates in urban areas (126.6 percent) and at the state level (292 percent). In 2006-10, approximately 72,000 poor residents lived in

FIGURE 2:
Suburban Poverty Rate in North Carolina by Group (2006-10)



high-poverty suburban neighborhoods, 5 times the number in 2000.

In 2006-2010, African Americans and Latinos living in the suburbs were 2 times to 4 times more likely to be poor than their white counterparts, respectively (**Figure 2**).⁵ They were also 2 to 4 times more likely to live in high-poverty neighborhoods than whites, respectively.⁶ In 2006-2010, more than 91,500 impoverished children lived in suburbs and nearly one-third of these children lived in high-poverty suburban neighborhoods.

North Carolinians living in high-poverty neighborhoods face restricted access to the education, jobs and social networks that can improve their financial standings. Research shows that high neighborhood-poverty rates can lead to negative neighborhood outcomes such as low-quality educational opportunities, weaker employment networks, poorer health outcomes, and elevated levels of crime.⁷ While these undesirable neighborhood effects are more pronounced as the neighborhood poverty rate reaches 40 percent, research shows that these effects start to appear at the 20-percent threshold.^{8,9}

Suburban Poverty Presents Social Services Challenges

The rising number of people who are poor and living in the suburbs poses new challenges to organizations providing services to low-income residents. Because urban areas have historically housed the largest number of North Carolinians who are poor, safety-net programs—like homeless shelters, food and emergency assistance, adult education and job training programs—are less robust in suburban areas than in urban areas. Not only are there often fewer non-profit organizations in the suburbs, these organizations also tend to serve more than one jurisdiction and their locations are not always easily accessible by public transit.¹⁰

Research shows many suburban areas were unprepared to address the rising demand for services during the Great Recession and the feeble recovery. In 2010, a national survey found that of those suburban non-profits that reported a jump in demand for services, the average increase was 30 percent. Also, nearly 3 in 4 of the suburban non-profits surveyed reported that they provided help to first-time clients.¹¹ Compounding the pressure from this growing need, suburban service providers also face budget difficulties due to decreases in public and philanthropic funding.¹²

Tremendous diversity exists among suburban areas, and as a result, the opportunity structure varies from one suburban neighborhood to the next.¹³ So while there is no one-size-fits-all approach to alleviating suburban poverty, an effective solution will require planning across several policy areas and regional collaboration.¹⁴ For instance, coordinating transit planning with affordable-housing policy can ensure that transit-dependent populations are well-connected to employment networks, education opportunities, and social services.¹⁵ Regional alliances and planning will allow for the sharing of resources in order to build a strong network of care across city and county lines.

These components provide policymakers and service providers with a framework for addressing the steep rise in suburban poverty while also contending with the ongoing poverty in urban areas.

Conclusion

The number of people who are poor and the number of high-poverty neighborhoods in suburban areas grew dramatically during the 2000s, shifting the economic landscape of suburbia in North Carolina. Addressing the needs of people facing economic hardships and strengthening communities' safety nets will be critical parts of rebuilding the state's economy. By coordinating work across multiple policy areas and across urban and suburban silos, North Carolina can re-build pathways to prosperity for people who are struggling to make ends meet and are cut off from employment and job opportunities.

- 1 Poverty statistics cited in this brief are the author's analysis of the United States Census Bureau's 2000 Decennial Survey and the American Community Survey for years 2006-2010 and 2010. In 2010, the federal poverty line for a family of four was \$22,314.
- 2 The United States Census Bureau currently reports census-tract level data as five-year estimates. 2006-2010 estimates are calculated using information that is collected from independent monthly samples over the five-year period.
- 3 Per the boundaries set by the United States Census Bureau, the author of this report used ARCGIS to identify all the suburban census tracts whose centroid was within a metropolitan area but outside of an urban area.
- 4 460 of the state's 2,195 census tracts in 2006-2010 were in suburbs. However, United States Census Bureau five-year estimates are not available for 12 of 460 suburban census tracts.
- 5 This analysis calculated the odds ratio of being poor and a member of a certain racial demographic using standard statistical methods.
- 6 This analysis calculated the odds ratio of being poor and a member of a certain racial demographic and living in a high-poverty neighborhood using standard statistical methods.
- 7 For education outcomes, see: Geoffrey Wodtke, David Harding, and Felix Elwert. "Neighborhood Effects in Temporal Perspective: The Impact of Long-Term Exposure to Concentrated Disadvantage on High School Graduation." *American Sociological Review* 76 (5). 2011; and Century Foundation Task Force on the Common School. *Divided We Fail: Coming Together Through Public School Choice*. Washington: Century Foundation Press, 2002. For employment opportunities, see: Keith Ihlanfeldt and David Sjoquist. "The Spatial Mismatch Hypothesis: A Review of Recent Studies and Their Implications for Welfare Reform." *Housing Policy Debate* 9 (4). 1998; and Phillip Kasnitz and Jan Rosenberg. "Missing the Connection: Social Isolation and Employment on the Brooklyn Waterfront." *Social Problems* 43 (2). 1996. For health outcomes, see: Deborah Cohen and others. "Neighborhood Physical Conditions and Health." *Journal of American Public Health* 93 (3). 2003; and Roberto G. Quercia and Lisa K. Bates. "The Neglect of America's Housing: Consequences and Policy Responses." Working Paper. The Center for Urban and Regional Studies, University of North Carolina at Chapel Hill. 2009. For elevated crime rates, see: Margery Austin Turner and Ingrid Gould Ellen. "Location, Location, Location: How Does Neighborhood Environment Affect the Well-Being of Families and Children?" *Housing Policy Debate* 8(4). 1997.
- 8 Galster, George. "The Mechanism(s) of Neighborhood Effects: Theory, Evidence, and Policy Implications." Department of Urban Studies and Planning. Wayne State University. 2010.
- 9 To learn more about the effects of concentrated poverty, see: Mitchell, Tazra. "Barriers to Opportunity: The Growing Problems of Concentrated Poverty in North Carolina's Neighborhoods." North Carolina Budget and Tax Center. 2012.
- 10 Allard, Scott W., and Roth, Benjamin. "Strained Suburbs: The Social Service Challenges of Rising Suburban Poverty." Metropolitan Policy Program. The Brookings Institution. 2010.
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- 13 Orfield, Myron. "American Metro Politics: The New Suburban Reality." The Brookings Institution. Washington, D.C. 2002.
- 14 Kneebone, Elizabeth. "Poverty in New England: It's a Suburban Thing." *Communities & Banking*. Federal Reserve Bank of Boston. Winter 2011.
- 15 To learn more about why housing and transit planning policy should be coordinated, see: Kneebone, Elizabeth and Garr, Emily. "The Suburbanization of Poverty: Trends in Metropolitan America, 2000 to 2008." The Brookings Institution. 2010; and, Mitchell, Tazra. "Investments in Public Transit: Why Equity Matters." North Carolina Budget and Tax Center. 2011.

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