

RESIDENTIAL MOBILITY OF THE POOR AND THE GROWTH OF POVERTY IN INNER-RING SUBURBS¹

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Abstract: This study builds on recent research on the growth of suburban poverty by tracking bi-annual poverty trends in inner suburbs from 1989 to 2005 through data reported by the Panel Study of Income Dynamics. Contrary to analyses based on the 1990 and 2000 censuses, this research finds that inner-ring suburban poverty increased from 1989 through 1997 but then declined and stabilized at levels similar to those of 1989. It will be shown that most of these changes were driven by transitions into and out of poverty, and that the migration of the poor between central-city and suburban neighborhoods has little effect on poverty rates. These results suggest that such poverty is highly dependent upon economic conditions, which may indicate an increase in inner-ring poverty since 2005. [Key words: poverty, suburbs, urban, mobility.]

The expansion of urban poverty in the 1970s and 1980s spawned a large literature on its causes and consequences, with a particular interest in the social and economic penalties for individuals who live in high-poverty neighborhoods (Wilson, 1987; Massey and Denton, 1993; Jargowsky, 1996; Wilson, 1996; Kasarda, 1989; Ricketts and Sawhill, 1988). Although urban poverty in general, and concentrated urban poverty in particular, declined during the 1990s (Jargowsky, 2003; Berube and Frey, 2002; Kingsley and Pettit, 2003; Iceland, 2005), there may have been an increase in suburban poverty over the past two decades (Berube and Frey, 2002; Kingsley and Pettit, 2003). This observation remains largely conjecture primarily because it is based on a small number of studies that rely on the two data points of 1990 and 2000 censuses. The purpose of this study is to more fully investigate trends in central-city and suburban poverty since the 1980s using data from the Panel Study of Income Dynamics (PSID), and to take advantage of the longitudinal nature of the PSID to evaluate certain basic hypotheses regarding suburban poverty.

SUBURBAN POVERTY

The 2000 census revealed not only that central-city poverty had declined since 1990 but that suburban poverty may actually have increased during the same decade. For example, Kingsley and Pettit (2003) found that the suburban share of high-poverty neighborhoods (i.e., greater than 30% poverty) in the 100 largest U.S. metropolitan areas increased from 11% in 1980 to 15% in 2000. Berube and Frey (2002) examined central-city and suburban poverty rates in the largest 102 metropolitan areas; they found that the

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poverty rates of central cities declined during the 1990s but increased slightly in the suburbs, and that 49% of all the urban poor people resided in the suburbs in 2000 (up from 46% in 1990). And more recently, Berube and Kneebone (2006) focused on the 100 largest metropolitan areas and found that in 2005, 52% of metropolitan residents living below the poverty line were found in suburbs, versus 48% in central cities.

A number of factors are likely at work concerning any relative increase in suburban versus central-city poverty. First, Jargowsky (1996) linked the increase of high-poverty urban neighborhoods between 1970 and 1990 to the economic health of metropolitan areas, and so the decline in central-city poverty is probably linked to the economic expansion of the 1990s (Kingsley and Pettit, 2003). Second, national trends in the relative increase in suburban versus central-city poverty may reflect regional trends. For instance, Cooke and Marchant (2006) found that the decrease in concentrated urban poverty in the 1990s was greatest in the aging large industrial cities of the Midwest and Northeast, which benefitted most from the economic conditions of the 1990s. They also found the greatest increase in concentrated suburban poverty in Southern and Western metropolitan areas that experienced high rates of immigration. The relative paucity of central-city housing opportunities for newcomers in those urban areas contributed to the pull of inner-ring suburbs as a likely destination for low-income immigrants.³

Third, the geographic distribution of housing supply was also a significant factor. Beginning in the 1990s, a range of government programs both reduced the supply of public housing and increased housing choice among the poor (Goetz, 2003; Clark, 2008). Most importantly, the federal government during the 1990s increased the supply and portability of Section 8 housing vouchers and demolished post-World War II housing projects, replacing them with less densely settled, mixed-income housing through the HOPE VI program:

On the one hand, a growing number of cities have created “mobility programs” that use tenant-based Section 8 subsidies to move families out of neighborhoods of concentrated poverty. These programs are part of a larger shift in federal housing subsidies from project-based to tenant-based assistance, that has been unfolding for more than 20 years. On the other hand, housing authorities are making a concerted effort to redefine and redevelop existing public and assisted housing projects by introducing a greater mix of incomes and uses at the project sites. (Goetz, 2003, pp. 54–55)

Finally, residential mobility, especially among the poor, generally involves short distances and relocation to neighborhoods that are similar to their former neighborhood. Thus, the poor may be leaving high-poverty, central-city neighborhoods and moving to

³The term “inner-ring” is somewhat controversial in that it may reify a simplistic and dated model of residential patterns following a concentric-ring pattern around the central city. But what is implied is a focus on the first wave of post-World War II suburbanization that took place outside of central-city boundaries. Suburbanization, of course, had been a trend since the late 19th century, but at a much smaller scale, and most of those incipient suburbs were either inside the boundaries of central cities at the time or were since annexed into central-city jurisdictions. In contrast, the first post-World War II suburbs were generally located within short commuting distance from the central city and thus did form a ring, albeit discontinuous, around the central city.

other central-city neighborhoods or, importantly, to inner-ring suburbs, which may be exacerbated by a decline in central-city housing stock due to HOPE VI.

Any increase in suburban poverty is significant, because the municipalities that would be experiencing an increase in poverty might not have the resources to prevent the negative neighborhood effects associated with an increasingly poor population (see Galster, 2007 for a review of neighborhood effects). Whereas inner-ring suburbs do not face the same set of issues confronted by central cities in the 1970s and 1980s, such as massive deindustrialization, small, fiscally constrained inner-ring suburbs are not in a good position to address any increase in poverty.

Indeed, inner-ring suburbs face a unique set of circumstances. They must cope with aging housing, school systems, and infrastructures along with declining incomes and an over-reliance on property taxes. Furthermore, public policy was mainly developed to aid central cities and has ignored the problems faced by inner-ring suburbs (Leigh and Lee, 2005; Puentes and Orfield, 2002). Inner suburbs also do not have the concentration of social service agencies necessary for serving a large poor population. Hudnut (2003, p. 21) claims that "inner-ring suburbs are caught in a policy blind spot," and Puentes (2002, p. 12) notes that "first suburbs are penalized for not being in severe states of decline, and are unable to receive resources ... until it is too late." It is therefore plausible that any dispersal of the poor beyond central-city neighborhoods would eventually result in their reconcentration in inner-ring suburbs, along with the unintended effect of recreating negative neighborhood effects in the poorest inner-ring neighborhoods.

The fundamental problem faced by researchers investigating suburban and especially inner-ring poverty are data limitations. First, this is a recent trend that has only been observed using the two data points of the 1990 and 2000 censuses. Small increases in suburban poverty observed in 2000 compared to 1990 could simply be random or specific to that decadal time period. It is important to know how those trends unfolded before 1990, between 1990 and 2000, and since 2000. Second, of particular interest are inner-ring suburbs, because they are most likely to have experienced growth in poverty and were least able to accommodate a growing poor population. Most studies to date have simply relied on a broad definition of suburbs as those metropolitan census tracts lying outside the central city. But regional variations in annexation and central-city boundary delimitation raise questions as to how well this definition identifies suburban, much less inner-ring, areas (Cooke and Marchant, 2006). Finally, since these earlier studies have relied on census data, it has not been possible to address why poverty has grown in these areas. In particular, census data cannot discern whether the emergence of suburban poverty results from the in-migration of the poor from central cities in response to poverty dispersal policies.

DATA AND METHODS

This research uses geocoded data from the Panel Study of Income Dynamics (PSID) to address these limitations.⁴ The PSID is a nationally representative sample of nearly

⁴Some of the data used in this analysis are derived from Sensitive Data Files of the Panel Study of Income Dynamics, obtained under special contractual arrangements designed to protect the anonymity of respondents. These data are not available from the author. Persons interested in obtaining PSID Sensitive Data Files are directed to the PSID website at PSIDHelp@isr.umich.edu.

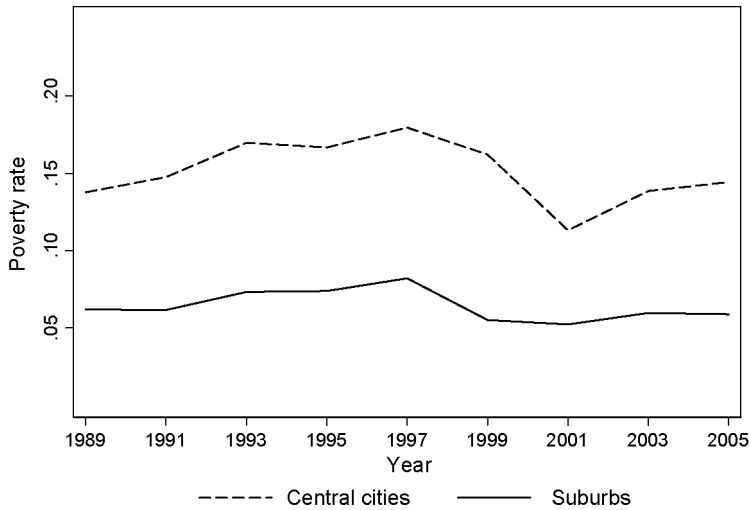


Fig. 1. Intrametropolitan poverty rates based on census-based definitions.

8,000 families and more than 65,000 individuals that was collected annually between 1968 and 1997 and bi-annually since then. This analysis is based on a restricted version of the PSID that provides precise data on place of residence, which makes it the best source of data on residential mobility for small areas over time. One drawback is that the sample is too small to analyze the movement of individuals within any particular metropolitan area. However, aggregate national and regional patterns of locational change of individuals between central city, inner-ring, and outer suburbs can be accurately tracked.

One benefit of the PSID is that it is specifically designed to focus on income dynamics; but for a variety of reasons, the PSID family income, family size, and poverty thresholds do not exactly match official census poverty rate thresholds. This analysis uses adjusted PSID family income poverty thresholds provided by Grieger, Schoeni et al. (2008) and Grieger, Danziger et al. (2008), which have a very high correlation (0.96) with official census poverty rates since 1989. It also follows the procedures outlined by both sources (*ibid.*) to estimate poverty rates by using the combined immigrant and core samples along with the most recent longitudinal weights.

The specific sample consists of all valid observations (i.e., for which there were no missing analytical variables) from the combined immigrant and core samples of the geocoded version of the PSID, biannually from 1989 through 2005, involving residents of an MSA or PMSA (1999 definitions) that could be matched with the census tract classification data used by Cooke and Marchant (2006) (discussed below). This resulted in a base sample of 111,333 person-years distributed across 315 MSAs and PMSAs between 1989 and 2005 for the conterminous United States.

Intrametropolitan location is examined using three different geographic definitions. The first approach is to use official census definitions of central cities and suburbs, whereby suburbs are defined as constituting that part of a metropolitan lying outside the census-defined central city (henceforth referred to as the census-based method). Figure 1

shows the estimated bi-annual changes in poverty according to the PSID. Comparing 1989 to 2005, neither central city nor suburban poverty had changed. However, in both cases there was an increase in poverty through the mid-1990s, a pronounced decrease around the turn of the century, and in the years since both central city and suburban poverty have slightly increased. The increase in poverty in the mid-1990s, followed by a decline in the late 1990s and early 2000s, was more noticeable in central cities. From this perspective, it appears as if the concern over suburban poverty is unwarranted; indeed, the data presented by those using only the findings of the 1990 and 2000 censuses indicates only minimal increases in suburban poverty.

However, Cooke and Marchant (2006, pp. 1973–1974) take issue with the census-based categories:

These definitions mask some important differences in the characteristics of neighborhoods both within and between metropolitan areas (Mikelbank, 2004). For example, in 2000, the Hartford, CT, metropolitan area had a population of 1,130,000 and the Jacksonville, FL, metropolitan area had a population of 1,100,000. However, the actual municipality of Hartford had a population of only 122,000 in an area of merely 17 square miles, while the municipality of Jacksonville had a population of 736,000 in an area of over 758 square miles. These are obviously two extremes ... that demonstrate the difficulty of relying on census statistics to conduct comparative urban research on the characteristics of central cities and suburbs.... A large, sprawling political jurisdiction like Jacksonville is likely to contain large areas that are suburban in character and a small, under-bounded city like Hartford contains no areas that would be considered suburban.

As an alternative, Cooke and Marchant (2006) adapted methods developed by Leigh and Lee (2005), and employed data from the neighborhood change database (Tatian, 2002) to classify all the census tracts in 330 MSAs and PMSAs into the following categories (henceforth referred to as the Cooke-Marchant method): (1) *urban core*—centrally located census tracts with greater than 400 pre-1940 housing units per square mile; plus any contiguous tract that has both more than 200 pre-1940 housing units per square mile and a population density of at least 1,000 people per square mile; (2) *inner ring*—any tract that is not identified as part of the urban core, with greater than 400 1950–1969 housing units per square miles, plus any continuous tract containing more than 200 1950–1969 housing units per square mile and a population density of at least 1,000 people per square mile; (3) *outer ring*—any tract that has not been identified as central city or inner ring according to the method outlined above.

Figure 2 shows the changes in the poverty rate from 1989 through 2005 using the Cooke-Marchant definitions of urban core, inner-ring, and outer-ring suburbs. This approach reveals a very different pattern. First, the general trend in central-city poverty is mirrored in the trend in urban-core poverty. Comparing 1989 to 2005, there has been no change, but this masks a slow increase until the mid-1990s, a marked decline around the turn of the century, and subsequently a general increase. Second, the trendline for outer-ring poverty is essentially flat. However, the trend for inner-ring suburbs is more meaningful: patterns of growth and decline nearly match those seen for the urban core and central cities—a general increase until the mid-1990s, a decline in the late 1990s, and a

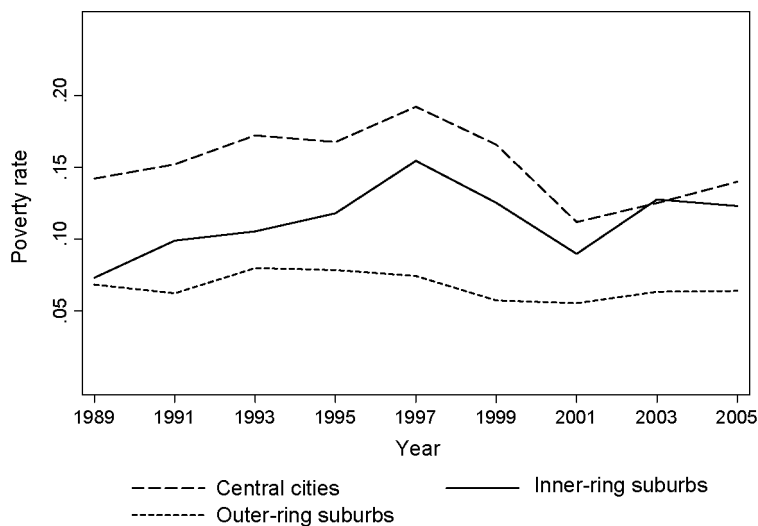


Fig. 2. Intrametropolitan poverty rates based on Cooke-Marchant definitions.

slow increase since then. But these year-to-year fluctuations appear to be placed atop of an increasing trend in inner-ring poverty between 1989 and 2005. Indeed, by 2003 inner-ring poverty was greater than urban-core poverty, and over the period from 1989 to 2005 the gap between inner-ring and urban-core poverty essentially disappeared. This is due as much to the decline in urban-core poverty as an increase in inner-ring poverty, but the point seems clear: there has been a general shift in the areas that are experiencing increasing poverty toward areas adjacent to the older urban core dominated by post-World War II housing.

A valid criticism of this analysis is that many, if not most, inner-ring suburbs lie within central-city boundaries and that it is not useful for policy research because municipal boundaries are ignored. A simple solution is to combine both approaches by first classifying all census tracts in central cities as central-city, and then to use the Cooke-Marchant classification to classify the remaining (non-central city) census tracts, henceforth referred to as the hybrid method.⁵ Figure 3 shows the changes in the poverty rate from 1989 to 2005 using this method. Here the trends in central-city and outer-ring poverty echo previously described patterns, but the trend in inner-ring poverty is more complex. These are truly inner-ring areas that lie outside central-city boundaries. But rather than seeing a general increase in poverty, there was an increase from 1989 until 1997 and then a decrease, resulting in no effective change from 1989 to 2005. As implied by previous research using census data, there was some change in poverty in inner-ring suburbs during the 1990s but this does not appear to have been permanent.

⁵Urban core tracts that are not part of a central city are reclassified as inner-ring.

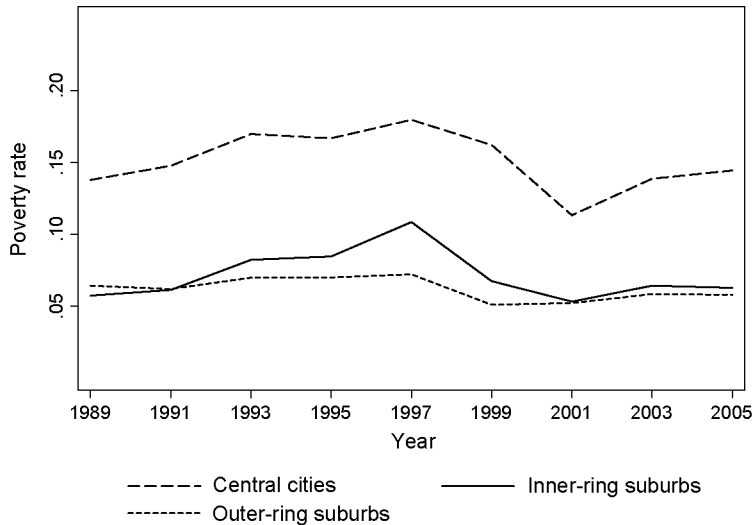


Fig. 3. Intrametropolitan poverty rates based on hybrid definitions.

The contrasting visions of the two classifications in regard to inner-ring poverty are easy to reconcile. Areas adjacent to older urban cores with high concentrations of post-World War II housing have experienced increases in poverty. When these areas are analyzed without respect to municipal boundaries, it appears as if inner-ring poverty is increasing over time. But when those inner-ring areas are analyzed with respect to central-city boundaries, the increase in inner-ring poverty is short-lived. Both of these approaches reveal increases in poverty in areas adjacent to older urban cores with a high density of post-World War II housing but which straddle central-city boundaries. Whether or not these lie in central cities or suburban municipalities, these are areas that generally have not experienced high levels of poverty in the past and therefore marks a change in the geography of poverty.

This analysis, like others, has so far ignored possible causes for these observed changes.⁶ Accordingly, the main question addressed in the remainder of this study is the degree to which any changes in central-city, inner-ring, and outer-ring poverty are driven by intrametropolitan patterns of mobility among the poor and non-poor within the improved economy of the 1990s. An increase in the inner-ring poverty rate, for example, could be due to either an increase in the number of poor people or a decrease in the number of non-poor people living in inner-ring suburbs. In turn, these changes may be traced

⁶Several studies by South and Crowder (South and Crowder, 1997; Crowder, 2000; Crowder and South, 2003; South et al., 2005; Crowder et al., 2006) do examine individual mobility between central cities and suburbs, but these are more focused on the influence of individual characteristics, particularly race, in ability to move to suburban areas. The focus here is on the changing characteristics of urban areas, inner-ring suburbs, and outer-ring suburbs.

to either transitions in and out of poverty and/or the relative in- and out-migration of both the poor and the non-poor.

This research follows a path similar to that taken by both Gramlich et al. (1992) and Quillian (1999). Defining the bi-annual net change in the number of poor people in any one of the three types of areas as the difference between the number of poor people (P^p) added to the population less the number of non-poor people (P^n) added to the population between t and $t+2$:

$$Net\ Change = (P_{t+2}^p - P_t^p) - (P_{t+2}^n - P_t^n). \quad (1)$$

The first term on the RHS (the change in the number of poor people) can then be defined as a function of the number of people making the transition from non-poverty to poverty ($T^{n,p}$) minus the number of people making the transition from poverty to non-poverty ($T^{p,n}$), plus the number of poor in-migrants from other areas (I^p) minus the number of poor out-migrants (O^p):

$$(P_{t+2}^p - P_t^p) = (T_{t,t+2}^{n,p} - T_{t,t+2}^{p,n}) + (I_{t,t+2}^p - O_{t,t+2}^p) \quad (2)$$

The second term on the RHS of equation 1 can be defined in similar terms, except the change is in the number of non-poor people:

$$(P_{t+2}^n - P_t^n) = (T_{t,t+2}^{p,n} - T_{t,t+2}^{n,p}) + (I_{t,t+2}^n - O_{t,t+2}^n) \quad (3)$$

Substituting equations 2 and 3 into equation 1 yields the net gain in poor people as a function of the number of people making the transition into poverty (the first term on the RHS of [4]), the number of people making the transition out of poverty (the second term on the RHS of [4]), the net migration of poor people (the third term on the RHS of eq. 4), and the net migration of non-poor people (the fourth term on the RHS of [4]):

$$Net\ Change = 2T_{t,t+2}^{n,p} - 2T_{t,t+2}^{p,n} + (I_{t,t+2}^p - O_{t,t+2}^p) - (I_{t,t+2}^n - O_{t,t+2}^n) \quad (4)$$

These terms can then be converted into rates by dividing by the number of observed person-years (PY) between t and $t+2$:

$$\% Net\ Change = \frac{2T_{t,t+2}^{n,p}}{PY_{t,t+2}} - \frac{2T_{t,t+2}^{p,n}}{PY_{t,t+2}} + \frac{(I_{t,t+2}^p - O_{t,t+2}^p)}{PY_{t,t+2}} - \frac{(I_{t,t+2}^n - O_{t,t+2}^n)}{PY_{t,t+2}} \quad (5)$$

Thus, the degree to which areas are increasingly poor can be described as a function of the rate of transition into poverty, the rate of transition out of poverty, the net migration rate of the poor, and the net migration rate of the non-poor.

These transition rates are presented just for the hybrid classification because: (1) this greatly simplifies the presentation and discussion; and (2) the results for the census-based and Cooke-Marchant schemes are very similar to those presented here. It should also be noted that any classification scheme has a certain subjective element, and the hybrid approach is an appropriate compromise between the traditional census-based approach and the more esoteric Cooke-Marchant approach.

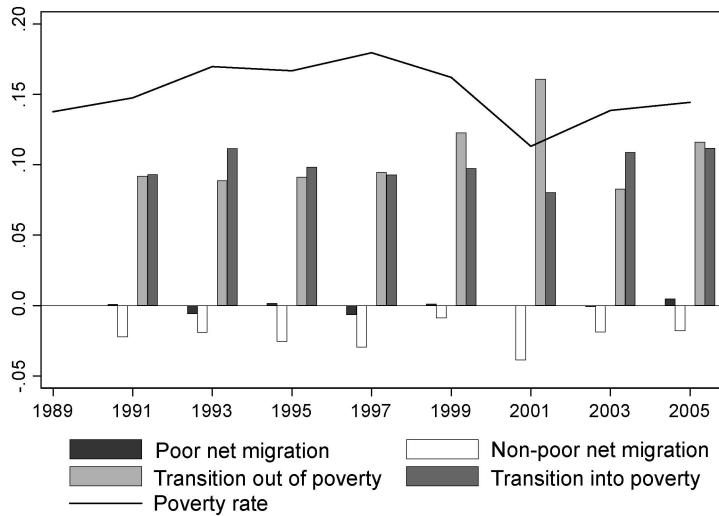


Fig. 4. Poverty rate decompositions for central cities.

RESULTS

Figure 4 shows the poverty rate and transition rates for central cities. There was a slow but steady increase in central-city poverty rates from 1989 to 1997, then a sudden drop from 1997 to 2001, and since 2001 the trend has returned to a slow, steady increase. The transition rates clearly demonstrate what drove these trends. First, from 1989 to 1997 there was a net out-migration of the non-poor, and at times transitions into poverty exceeded transitions out of poverty; thus, poverty rates generally increased. Second, from 1997 to 2001 transitions out of poverty significantly exceeded transitions into poverty, which were large enough to counteract the large net out-migration of the non-poor in 2001; thus central-city poverty declined from 1997 to 2001. And third, from 2001 to 2005 transition rates returned to 1989–1997 levels, creating a slow, steady increase in poverty.

Thus Figure 4 shows little evidence that the out-migration of the poor contributed to the decline in urban poverty during the late 1990s. Indeed, if anything, migration had the effect of increasing urban poverty from 1987 through 2005 due to the net out-migration of the non-poor. The decline in poverty in the late 1990s was brief, lasting only from 1997 to 2001, and was largely due to a high transition rate out of poverty. These results support Jargowsky's (1996) hypothesis that the economic well-being of a metropolitan area is the greatest factor influencing urban poverty, and does not support the idea that poverty deconcentration policies launched in the 1990s reduced urban poverty by dispersing the poor out of central cities.

Figure 5 shows the transition rates for inner-ring suburbs. The patterns are very similar to those just discussed for central cities. There was a slow but steady increase in inner-ring poverty rates from 1989 to 1997, then a sudden drop from 1997 to 2001, and since 2001 the trendline has been flat. Again, the transition rates clearly demonstrate what drove these trends. First, from 1989 to 1997 there was a net out-migration of the

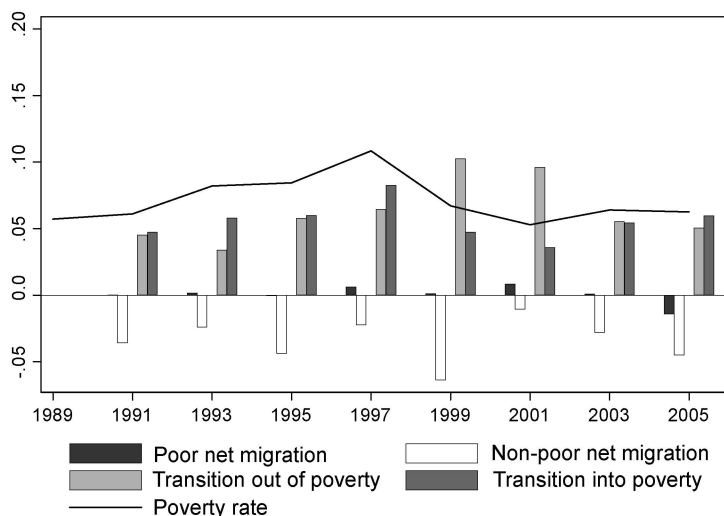


Fig. 5. Poverty rate decompositions for inner-ring suburbs.

non-poor, and at times transitions into poverty exceeded transitions out of poverty; thus, poverty rates generally increased. Second, from 1997 to 2001 transitions out of poverty significantly exceeded transitions into poverty, which were large enough to counteract the large net out-migration of the non-poor in 2001; thus poverty declined from 1997 to 2001. And third, from 2001 to 2005, transition rates returned to their 1989–1997 levels, although somewhat more muted than for central cities; as a result, poverty in inner-ring suburbs has only barely increased since 2001. Figure 5 clearly shows that the net migration of the poor contributed very little to the 1990s increase in inner-ring poverty or to the subsequent decline in inner-ring poverty. This is a noteworthy finding inasmuch as previous research has assumed that any increase in inner-ring poverty was due to the relative in-migration of the poor from the central city as an outcome of poverty deconcentration policies.

Figure 6 shows the transition rates among outer-ring suburbs, which provides an important comparison vis-à-vis Figures 4 and 5. Here, poverty rates were steady from 1989 to 1997, suddenly dropped from 1997 to 2001, and then only slightly increased between 2001 and 2005. Just as with central cities and inner-ring suburbs, transitions into poverty exceeded transitions out of poverty from 1991 to 1997, but this was offset by the net in-migration of the non-poor. Between 1997 and 1999, poverty rates declined because of a sharp drop in transitions into poverty, but since 1999 transitions into and out of poverty have been relatively similar. As expected, since both central cities and inner-ring suburbs exhibited a net out-migration of the non-poor, outer-ring suburbs had a net in-migration of the non-poor, which kept poverty rates low. And just as with central cities and inner-ring suburbs, the net migration of the poor made a negligible contribution to outer-ring poverty.

As noted earlier, one shortcoming of the PSID is that it is not possible to analyze movements within any given metropolitan area. This is a significant limitation because

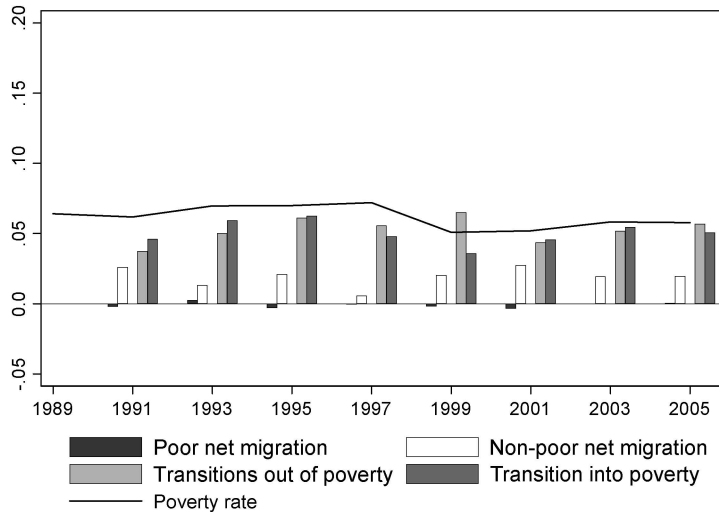


Fig. 6. Poverty rate decompositions for outer-ring suburbs.

previous research noted clear regional patterns in the suburbanization of poverty: “there has been an increase in the number of high-poverty inner-ring neighborhoods in Los Angeles, metropolitan areas in California’s Central Valley and a few selected rapidly growing Sunbelt metropolitan areas” (Cooke and Marchant, 2006, p. 1971). In order to maximize sample sizes, intrametropolitan transition rates were calculated for two pairs of U.S. regions: (1) the South and West census regions; and (2) Midwest and Northeast census regions. While admittedly a crude regionalization, it does generally cohere to the pattern observed by Cooke and Marchant (2006), and should clarify the degree to which any increase in inner-ring poverty is more of a regional than a national phenomenon.

Figure 7 shows central-city poverty rates and transition rates for the two regions. First, central-city poverty rates show less variation over time in the South and West, while there was a marked decline in central-city poverty in the Northeast and Midwest between 1997 and 2001. However, both of these are consistent with the aggregate pattern. Similarly, for both regions the balance between transition rates into and out of poverty appears to determine changes in poverty rates over time, with declines in central-city poverty in both regions occurring between 1997 and 2001 due to a much greater transition out of poverty than into poverty. The influence of net migration of the poor and non-poor is also similar between the regional pairs as well: in both cases, the out-migration of the non-poor increased central city poverty, but the migration of the poor had minimal impact.

Figure 8 appears to demonstrate certain regional differences that are consistent with Cooke and Marchant’s (2006) argument that inner-ring poverty is a regional phenomenon. First, inner-ring poverty increased substantially between 1989 and 1997 in the South and West, but was much flatter in the Northeast and Midwest, which is similar to what was observed at a much finer geographic scale (*ibid.*). However, in both cases the net migration of the poor had negligible impacts on changes in poverty over time. Rather, it is the



Fig. 7. Poverty rate decompositions for central cities by region.

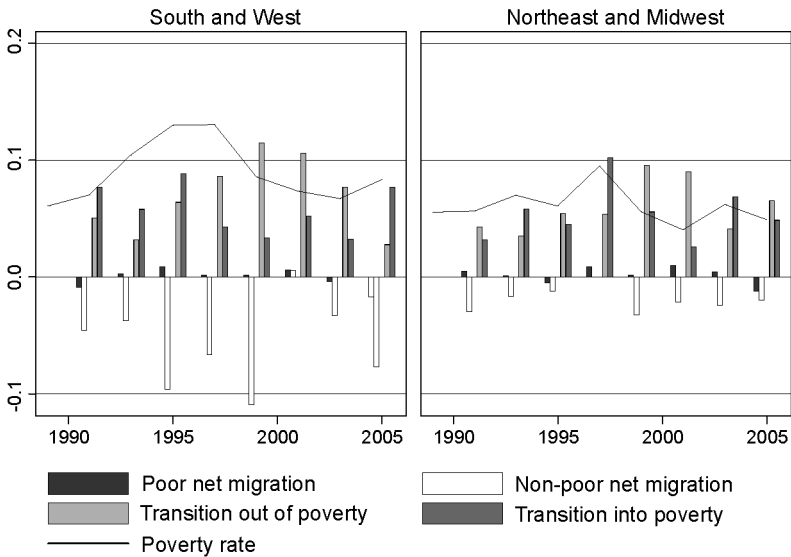


Fig. 8. Poverty rate decompositions for inner-ring suburbs by region.

balance of transitions into and out of poverty, and in the case of the South and West the very high net out-migration of the non-poor that determined the fluctuations in poverty. Finally, just as with the aggregate national picture, the increase in inner-ring poverty appears to have been a short-lived phenomenon linked to improving economic conditions.

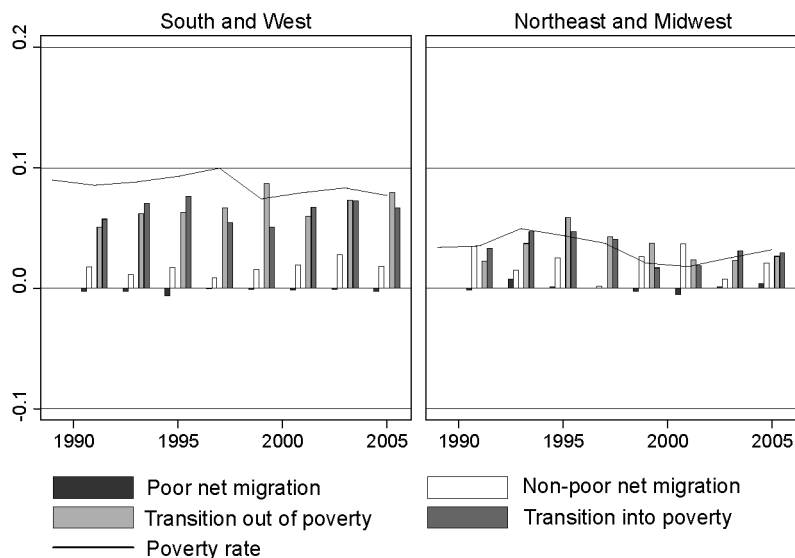


Fig. 9. Poverty rate decompositions for outer-ring suburbs by region.

Whereas Figure 9 shows that outer-ring suburbs have much higher poverty rates in the South and West than in the Northeast and Midwest, the general trend has been downward despite a rise in outer-ring poverty in all four regions from 1989 to 1997. Again, the temporal pattern of change is mostly related to the balance of transitions into and out of poverty, which mirrors the aggregate economic picture and the higher rate of net in-migration among the non-poor. Once again, the net migration of the poor has a negligible influence on outer-ring poverty in all regions.

DISCUSSION AND CONCLUSIONS

This article was motivated by several limitations in the emerging research on suburban poverty. First, previous work relied only on two data points to argue that suburban poverty may have actually increased between 1990 and 2000. This study has used a geocoded version of the PSID to track bi-annual changes in poverty rates. The general finding was that poverty rates in inner-ring suburbs did increase during the mid-1990s but since then have leveled off or declined, and that poverty rates in outer-ring suburbs did not increase between 1989 and 2005. This underscores the limitations of using census data for this type of sample. More importantly, it suggests that the census measured the increase in suburban poverty in the mid-1990s, but that far from being a general trend it may have been particular to the economic conditions of that decade.

Second, previous research has also relied on a rather simple classification system wherein those parts of metropolitan areas that are not part of a central city are classified as suburban. This project used three alternative ways for classifying census tracts with an eye toward understanding what may be happening in the most vulnerable areas—

inner-ring suburbs. The finding that the mid-1990s growth spurt in inner-ring poverty was short-lived, when isolating central cities from inner-ring and outer-ring suburbs, contrasted with the finding that poverty rates between urban-core and inner-ring areas have converged if central-city boundaries are ignored.

Third, previous research was also unable to pinpoint the reasons for any change in inner-ring poverty. Panel data enabled this study to evaluate an important hypothesis. Was the growth in inner-ring poverty in the mid- to late-1990s due to the unintended consequences of poverty dispersal policies that caused the urban poor to move to inner-ring suburbs? The answer to this question is that it did not. Nowhere does the net migration of the poor make a meaningful contribution to poverty levels. Rather, general trends in the economy that shaped transitions into and out of poverty appear to have had similar effects on poverty rates in both central cities and inner-ring suburbs. During the early 1990s, poverty rates increased as the economy encountered a short recession, then they declined as the economy expanded in the mid- to late 1990s, and since then they have generally leveled off or slightly increased. Thus Jargowsky's (1996) finding that urban (in this case including inner-ring) poverty is directly related to economic conditions is reaffirmed here.

However, inner-ring suburbs may indeed be vulnerable to national economic trends, and given the economic downturn that began in 2008, an increase in poverty is likely. As noted at the outset, inner-ring suburbs have aging infrastructures and housing stocks, yet must rely on local property taxes to fund most of their public services. The crushing deficits of federal and state governments, the costs of dealing with a protracted war, and the economic uncertainty triggered by the ongoing financial crisis portend a decrease in support for all local governments. This burden will probably affect inner-ring suburbs the most because of their heightened fiscal, infrastructural, and demographic problems.

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