The New Face of Under-Resourced Communities

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Initiative for a Competitive Inner City
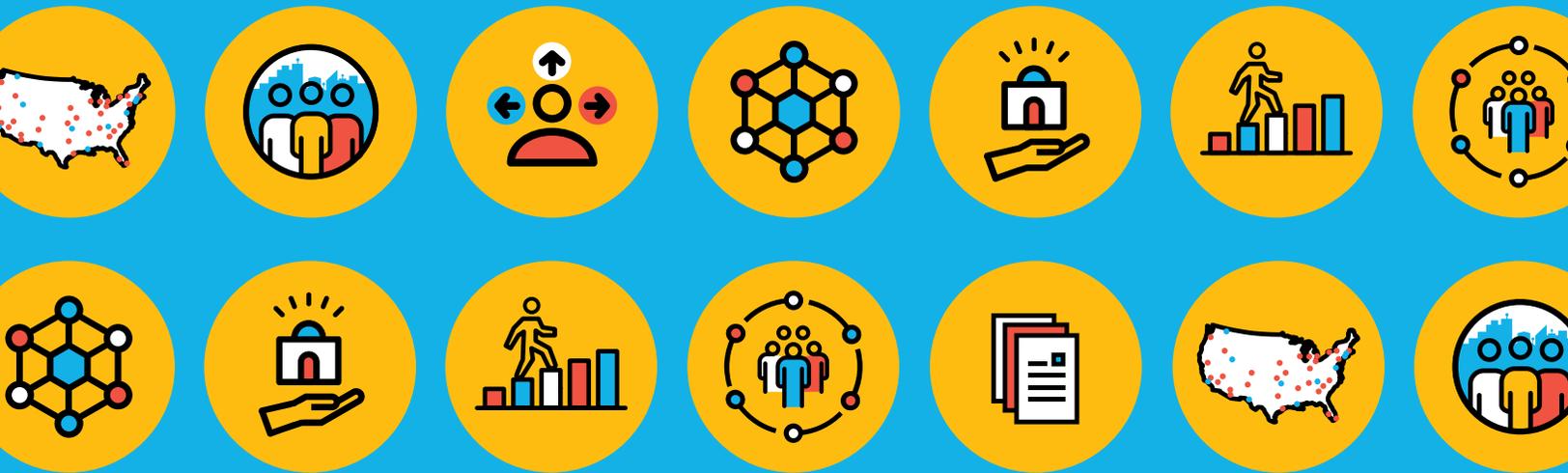
ICIC
Initiative for a Competitive Inner City

Summary

This report examines the current state of under-resourced communities— relatively heavily populated areas of high poverty and low income located in metropolitan areas. It is often thought that these communities are largely Black inner-city neighborhoods located in big cities. This report shows that this common perception is incomplete. A majority of the residents of under-resourced communities are people of color and a disproportionate percentage (compared to the entire U.S. population) are Black but a majority are not Black. The residents of these communities disproportionately live in large cities but there are many under-resourced communities in smaller cities and suburbs.

More than 1400 municipalities and unincorporated places (those without a municipal government) in 183 metropolitan areas include all or part of an under-resourced community as defined in this report. Analyzing data from the Census Bureau's American Community Survey for the years 2014 through 2018, the report finds that:

The residents of under-resourced communities make up 14 percent of the U.S. population but 31 percent of the nation's poor.

Taken together, the nation's under-resourced communities have a poverty rate of 29 percent, more than double the 13 percent poverty rate of the nation as a whole.

Taken together, 52 percent of under-resourced community residents are people of color, compared to 27 percent of all U.S. residents. These communities are 31 percent Black, compared to 13 percent for the nation as a whole. Overall, Hispanics or Latinos (who may be of any race) are 38 percent of the residents of under-resourced communities, compared to 18 percent for the nation as a whole.

Under-resourced communities in the Midwest, South, and Northeast have high percentages of residents who are Black, while under-resourced communities in the West are majority Hispanic or Latino and have a low percentage of residents who are Black. Black residents are 43 percent of the under-resourced community population in the Midwest, 37 percent in the South, 34 percent in the Northeast, and 9 percent in the West. The majority (58 percent) of residents of under-resourced communities in the West are Hispanic or Latino, compared to 17 percent of residents in under-resourced communities in the Midwest.

Of those who live in under-resourced communities, 69 percent live in principal cities and 31 percent live in suburbs. Principal cities roughly correspond to traditional central cities but also include other population and employment centers.

Both the total population and the poor population of under-resourced communities are split about evenly between cities with populations of 250,000 or more and those with populations below 250,000. Cities with populations of 250,000 or more are home to 51 percent of poor residents and 48 percent of all residents of under-resourced communities.

For the 450 major cities that have under-resourced communities, the report ranks those communities according to their level of economic disadvantage, measured by their poverty rate and the percentage of all poor residents of the city who live in those communities. The rankings show that:

> **Among the 450 ranked cities, the five most disadvantaged under-resourced communities are located in Dearborn, MI; Flint, MI; Youngstown, OH; York, PA; and Detroit, MI, while the five least disadvantaged are located in San Jose, CA; Berkeley, CA; Longmont, CO; Federal Way, WA; and Baldwin Park, CA.** An online appendix provides grouped rankings for all 450 cities.

In general, under-resourced communities are more disadvantaged if they:

- **Are located in the Midwest or Northeast.**

- **Are located in principal cities.**

- **Have large percentages of residents who are Black.** Like the disproportionate percentage of under-resourced community residents who are Black, this is a result, to an important extent, of systemic racism in many institutions, including historic and ongoing discriminatory housing policies that have kept Black people behind in spite of their resistance to those policies.

- **Are located in cities of 500,000 or more residents.**

These geographic and demographic patterns of disadvantage likely result from systemic racism; regional differences in the structure of local government; better public transportation and older, less expensive housing in principal cities; and exclusionary zoning in many suburbs.

The report recommends comprehensive community development strategies to reduce concentrated poverty in under-resourced communities in ways that benefit and reflect the priorities of low-income residents and build on the strengths of their communities. A companion policy brief, *It's Time for a Comprehensive Approach to Fighting Concentrated Poverty,* sets forth five principles those strategies should follow.

A majority of the residents of under-resourced communities are people of color and a disproportionate percentage (compared to the entire U.S. population) are Black but a majority are not Black. The residents of these communities disproportionately live in large cities but there are many under-resourced communities in smaller cities and suburbs.

Introduction

Racial inequality and overall economic inequality are among the defining issues of the current moment. Concentrated poverty stands at the intersection of these two issues. The concentration of poor people in high-poverty communities perpetuates income and wealth inequality across generations, as children who grow up in those communities experience continuing economic disadvantage as adults.[1] Poor people of color, especially poor Black people, are more likely than poor whites to live in high-poverty neighborhoods,[2] so that the disadvantages of concentrated poverty are more severe for people of color, especially for Black people. At the same time, growing income gaps between rich and poor lead to more residential segregation by income, creating more very poor neighborhoods as well as more very rich ones.[3] Moreover, communities of concentrated poverty are primarily communities of color and, to an important extent, became that way because of discriminatory housing policy[4] reinforced by systemic racism in a variety of institutions.

In addition to its impacts on inequality, concentrated poverty has other negative effects on community residents. People who live in high-poverty neighborhoods have little access to high-quality schools, grocery stores, parks, health care facilities, and public transportation. They experience high levels of violence and crime and, especially in communities of color, high rates of arrest, imprisonment, and police violence. High rates of exposure to environmental hazards are also more common in very poor communities as well as in communities of color.[5]

Racial inequality and overall economic inequality are among the defining issues of the current moment. Concentrated poverty stands at the intersection of these two issues.

This report examines the current state of concentrated poverty in the U.S. through the lens of under-resourced communities—relatively heavily populated areas of high poverty and low income located in metropolitan areas. (We introduce our full technical definition of an under-resourced community in the next section of the report.) The report describes the demographic and geographic characteristics of these communities. It shows that although both race and city size are associated with economic disadvantage, the common perception that concentrated poverty in metropolitan areas is a problem of largely Black inner-city neighborhoods in big cities is incomplete. The report also ranks under-resourced communities by their level of economic disadvantage. The rankings are intended to motivate public, private, and nonprofit decisionmakers to reduce concentrated poverty so that the communities that are currently under-resourced do not remain that way. The report concludes by recommending comprehensive community development strategies as a means of achieving that goal. A companion policy brief, *It's Time for a Comprehensive Approach to Fighting Concentrated Poverty*, explains five principles those strategies should follow.[6]

Defining and Describing Under-Resourced Communities

Our definition of an under-resourced community includes relatively large high-poverty, low-income areas in all but the smallest metropolitan areas. These communities may be located in either traditional central cities or suburbs. Our definition reflects ICIC's longstanding interest in place-focused economic development policies and strategies that create, grow, and improve businesses and jobs. We exclude places with high percentages of residents who are not likely to benefit from such policies and strategies (such as undergraduate and graduate students and residents of dormitories, prisons, and nursing homes).

We define an under-resourced community as a group of contiguous census tracts that meet specific requirements. Census tracts are small, relatively permanent geographic areas defined by the U.S. Census Bureau. Because census tracts are typically small in population and land area, researchers often refer to them as "neighborhoods."

According to our definition, each tract in an under-resourced community must have all of the following characteristics:

- **It is part of a group of two or more contiguous census tracts that have a combined population of at least 8,000.** The purposes of this requirement are to include large areas of concentrated poverty, exclude isolated pockets of poverty whose residents are less likely to experience the disadvantages of concentrated poverty, and ensure that an under-resourced community has a population large enough to support at least a convenience store (regardless of whether the community currently has a convenience store). The 8,000 population minimum corresponds to the combined population of two typical census tracts and is roughly the midpoint of convenience store support estimates seen from retail and site selection consultants.

- **It is located in a metropolitan area whose population is at least 250,000.** This requirement excludes nonmetropolitan areas and very small metropolitan areas, whose low population densities make their local economic development problems quite different from the community development problems of central cities and suburbs in larger metropolitan areas. At the same time, the 250,000 population cutoff is low enough to include the 187 largest U.S. metropolitan areas, of which 183 have under-resourced communities according to our definition.

- **It either (a) has a non-student (undergraduate and graduate) poverty rate of at least 20 percent or (b) has a non-student poverty rate of at least 18 percent and is contiguous to at least one census tract that has a non-student poverty rate of at least 20 percent.** A 20 percent poverty cutoff is most commonly used in the research literature. We exclude currently enrolled undergraduate and graduate students from the calculation of poverty because students are not populations for which anti-poverty policies are typically intended. Based on our contextual knowledge of several large and medium-sized metropolitan areas, the 18 percent contiguous-tract cutoff includes areas that local residents typically perceive as part of an inner city or large area of concentrated poverty.

- **Its median household income is less than the nationwide median household income.** Although the overwhelming majority of neighborhoods with poverty rates of at least 20 percent also have median incomes below the national median, some do not. Those that do not are located mainly in relatively high-income areas in a few very high-income metropolitan areas. They typically have very high-income residents living in close proximity to poor residents. We exclude these areas because our contextual knowledge suggests

that local residents regard these areas as high-income areas with pockets of poverty and because place-focused policies may not be relevant to the problems of low-income residents in these areas.

- **No more than 65 percent of its population consists of undergraduate or graduate students.** Our 65 percent cutoff is deliberately conservative; less than 1 percent of neighborhoods in the U.S. have student population percentages over 65 percent.

- **No more than 65 percent of its population consists of residents of group quarters (such as college dormitories, nursing homes, and prisons)**. As with students, our 65 percent cutoff is deliberately conservative.

- **It meets requirements designed to exclude low-density exurban and semi-rural areas that are often located at the fringes of metropolitan areas.**[7] We exclude tracts that either have populations spread out over large land areas or are in small towns that are separated from the population centers of large metropolitan areas by large, low-density areas. (The Riverside-San Bernardino-Ontario, CA, metropolitan area is an example of a large metropolitan area that has both of these kinds of tracts.)

Under-resourced communities may extend across municipal or county lines. For example, much of Newark, New Jersey, and adjoining low-income areas in parts of East Orange, Orange, and Irvington form a single under-resourced community. However, because government and some private and nonprofit decisionmakers often limit their attention to areas within governmental boundaries, we use those boundaries to describe and rank under-resourced communities. Thus, for example, this report considers the under-resourced communities in Newark and each of its suburbs separately.

More than 1400 separate municipalities and Census-designated unincorporated areas (places without a municipal government) have a least one neighborhood that is part of an under-resourced community. In this report, we distinguish between two types of places that have under-resourced communities:

- **450 cities**[8] with at least 50,000 people or principal cities of any size. These include the traditional central cities of metropolitan areas as well as some other older cities and large suburbs. We rank these cities on the level of disadvantage in their under-resourced communities.

- **284 counties or portions of counties** that include other under-resourced communities that are not located in the 450 cities described above. We include these "county balances" in our descriptions of under-resourced community demographic and geographic characteristics but do not rank them because they are extremely heterogeneous.

Our data come from the Census Bureau's 2014-2018 American Community Survey (ACS) five-year estimates, which are the most recent data available. All the geographic and demographic categories we use are the same as those used by the Census Bureau. We describe the total and poverty populations of under-resourced communities as a whole. We also examine the racial and ethnic composition of residents. Following Census Bureau convention, we treat Hispanic or Latino ethnicity separately from race, so that Hispanics or Latinos may be of any race. However, when reporting data on the white population, we distinguish between Hispanic and non-Hispanic whites. In addition, we compare under-resourced communities according to the region of the country in which they are located, the size of the city in which they are located, and whether they are located in a principal city (roughly, a traditional central city or other population or employment center)[9] or a suburb (which we define as any portion of a metropolitan area that is not a principal city).

# The Demographics and Geography of Under-Resourced Communities

Our analysis of the ACS data shows that:

1 **The residents of under-resourced communities make up 14 percent of the U.S. population but 31 percent of the nation's poor.**[10] (See figure 1.) Under-resourced communities, therefore, include a substantial minority of the poor. The majority of the poor, who do not live in under-resourced communities, live in either low-poverty communities within metropolitan areas, high-poverty communities in the exurban and rural fringes of metropolitan areas, or non-metropolitan areas.

2 **Taken together, the nation's under-resourced communities have a poverty rate of 29 percent, more than double the 13 percent poverty rate of the nation as a whole.** (See figure 2.) The aggregate 29 percent poverty rate of under-resourced communities is almost 50 percent higher than the 20 percent poverty rate that we require for the vast majority of neighborhoods to be included in those communities. Although the poverty rates of the under-resourced communities in the 450 individual cities that we rank range from 19 percent to 43 percent, the aggregate poverty rate of under-resourced communities indicates that there is a substantial need to reduce the concentration of poverty in those communities as a whole.

Figure 1. Percent of U.S. Total and Poverty Populations Living in Under-Resourced Communities
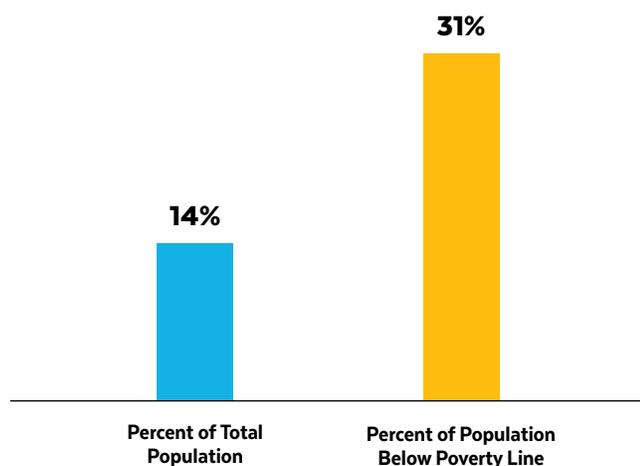
- 14% — Percent of Total Population
- 31% — Percent of Population Below Poverty Line

Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

Figure 2. Aggregate Poverty Rates of Under-Resourced Communities and Entire U.S.
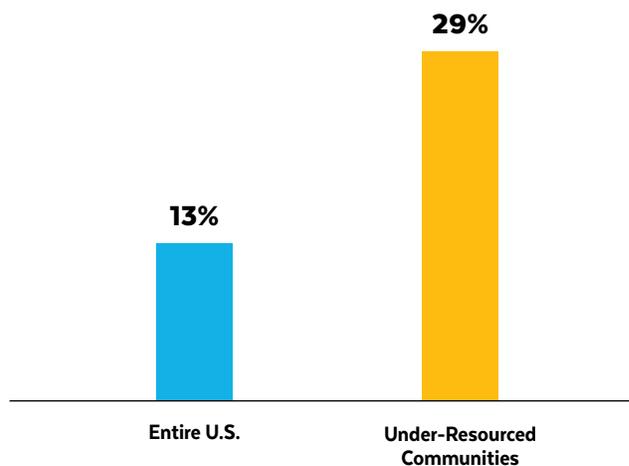
- 13% — Entire U.S.
- 29% — Under-Resourced Communities

Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

3 **Taken together, 52 percent of under-resourced community residents are people of color, compared to 27 percent of all U.S. residents.** The population of under-resourced communities is 31 percent Black, 25 percent non-Hispanic white, 24 percent Hispanic white, 5 percent Asian, 1 percent Native American or Alaskan Native, less than 1 percent Native Hawaiian or Pacific Islander, and 16 percent people of other or multiple races.[11] Compared to the U.S. as a whole, under-resourced communities have substantially higher percentages of residents who are Black or Hispanic white and a substantially lower percentage of residents who are non-Hispanic white. (See figure 3.) Altogether, people of color (defined as people who are not white) are just over half the residents of under-resourced communities, nearly double their percentage of all U.S. residents.

Contrary to common perception, most residents of under-resourced communities as a whole are not Black. However, the Black percentage of their population is more than double the 13 percent of all U.S. residents who are Black.

Compared to the U.S. as a whole, under-resourced communities have substantially higher percentages of residents who are Black or Hispanic white and a substantially lower percentage of residents who are non-Hispanic white.

Figure 3. Racial Composition of Under-Resourced Communities and Entire U.S.
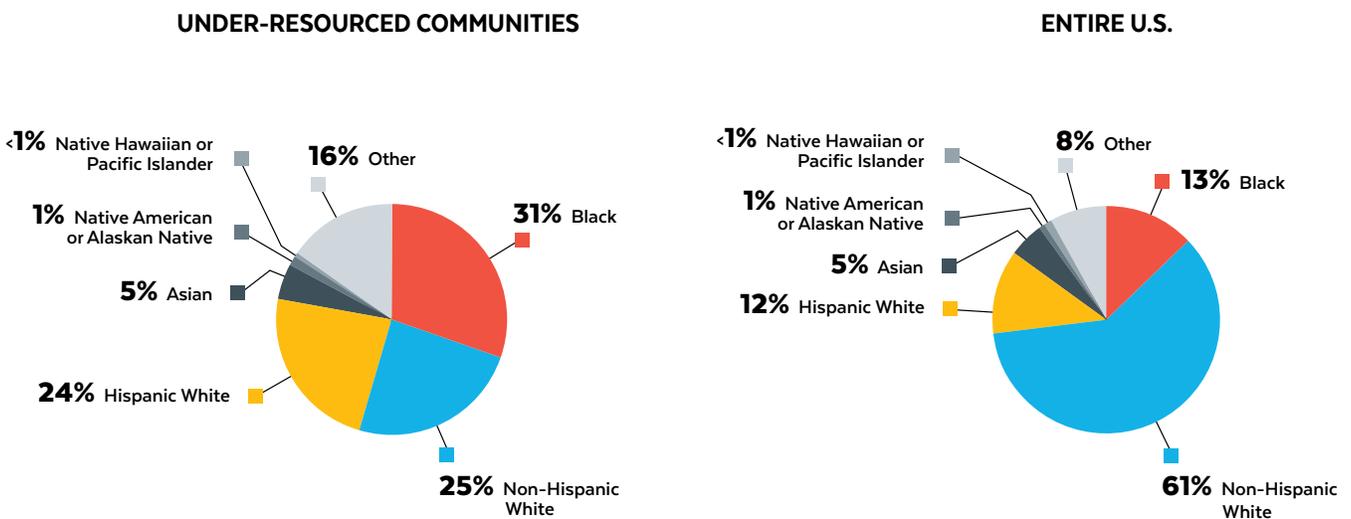
UNDER-RESOURCED COMMUNITIES

<1% Native Hawaiian or Pacific Islander
1% Native American or Alaskan Native
5% Asian
24% Hispanic White
16% Other
31% Black
25% Non-Hispanic White

ENTIRE U.S.

<1% Native Hawaiian or Pacific Islander
1% Native American or Alaskan Native
5% Asian
12% Hispanic White
8% Other
13% Black
61% Non-Hispanic White

Note: Totals may not sum to 100 percent due to rounding.
Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

Taken together, under-resourced communities are 38 percent Hispanic or Latino, compared to 18 percent for the nation as a whole (figure 4). (Recall that Hispanics or Latinos may be of any race.) If all people of Hispanic or Latino ethnicity were included as people of color along with members of all racial groups other than whites, people of color would make up 75 percent of the total population of under-resourced communities, compared to 39 percent of the nation's population.

Under-resourced communities are home to 33 percent of all Black people in the U.S., 6 percent of all non-Hispanic whites, 28 percent of all Hispanic whites, 12 percent of all Asians, 12 percent of all Native Americans or Alaskan Natives, 14 percent of all Native Hawaiians, and 27 percent of all people of other or multiple races. Altogether, they are home to 30 percent of all Hispanics or Latinos of any race.

As we show later in this report, not all under-resourced communities have large Black or Hispanic/Latino populations. However, the large difference between the racial composition of under-resourced communities and that of the entire U.S. reflects, to an important extent, historic and ongoing discriminatory housing policy choices along with systemic racism in other institutions. From the 1930s through the 1950s, the Federal Housing Administration refused to underwrite mortgages in neighborhoods of color, especially Black neighborhoods, and insisted on racial deed restrictions that prohibited Blacks from buying the suburban houses whose construction it subsidized. Bolstered by economically exclusionary local zoning and land use restrictions, these policies created racially segregated neighborhoods even where they did not previously exist, and the pattern of segregation they created persists today.[12] They prevented Black households from accumulating housing wealth—the most important source of wealth for most households—to the same extent as white households. Lesser wealth limited Black earnings by limiting Black families' ability to afford better schools (a disadvantage reinforced by exclusionary zoning and neighborhood-based school assignments) and by limiting their ability to increase their wealth through asset ownership, including business ownership.[13] Even after explicit racial discrimination in housing became illegal, the racial wealth gap that discriminatory policies helped create persisted, and subsequent government policy has not seriously attempted to reduce this gap.[14] Systemic racism in such institutions as lending and investing, real estate brokerage, employment, health care, and policing and criminal justice reinforces racial segregation and racial economic disadvantage in under-resourced communities.

The racial segregation and disadvantage of under-resourced communities are not inevitable. People of color have resisted them, sometimes successfully. For example, even during the heyday of discriminatory federal housing policy, some Black people were able to buy houses (at higher cost) even without the subsidized mortgages that were widely available to white buyers. Blacks and whites were also able to create some racially integrated neighborhoods.[15] Without the civil rights movement, the discriminatory policies that are now illegal would still be lawful. As ICIC's Inner City 100 awards have shown for the past two decades,[16] there have long been successful Black-owned businesses in under-resourced communities. The support of residents helped these businesses survive and thrive and the businesses, in turn, created jobs, income, and wealth for residents.

Figure 4. Percent of Population that is Hispanic or Latino in Under-Resourced Communities and Entire U.S.
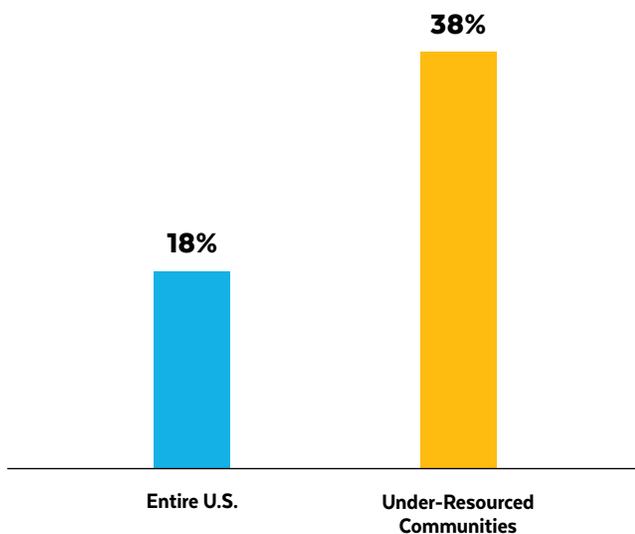
Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

④ Under-resourced communities in the Midwest, South, and Northeast have high percentages of residents who are Black, while under-resourced communities in the West are majority Hispanic or Latino and have a low percentage of residents who are Black. Figure 5 shows that in under-resourced communities in the Midwest, South, and Northeast, a relatively high percentage of the population is Black (43 percent, 37 percent, and 34 percent respectively, compared to 13 percent for the U.S. as a whole). Under-resourced communities in the West have a much lower percentage of the population that is Black (9 percent).

## Figure 5. Racial Composition of Under-Resourced Communities, by Region

MIDWEST

- <1% Native Hawaiian or Pacific Islander
- <1% Native American or Alaskan Native
- 3% Asian
- 9% Hispanic White
- 10% Other
- 43% Black
- 34% Non-Hispanic White

NORTHEAST

- <1% Native Hawaiian or Pacific Islander
- 1% Native American or Alaskan Native
- 7% Asian
- 15% Hispanic White
- 22% Other
- 34% Black
- 22% Non-Hispanic White

SOUTH

- <1% Native Hawaiian or Pacific Islander
- 1% Native American or Alaskan Native
- 2% Asian
- 28% Hispanic White
- 9% Other
- 37% Black
- 23% Non-Hispanic White

WEST

- 1% Native Hawaiian or Pacific Islander
- 1% Native American or Alaskan Native
- 7% Asian
- 33% Hispanic White
- 26% Other
- 9% Black
- 23% Non-Hispanic White

Note: Totals may not sum to 100 percent due to rounding.
Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

The majority (58 percent) of residents of under-resourced communities in the West are Hispanic or Latino, as are more than a third of under-resourced community residents in the South and Northeast. In contrast, only 17 percent of residents of under-resourced communities in the Midwest are Hispanic or Latino (figure 6).

Of those who live in under-resourced communities, 39 percent live in the South, 25 percent live in the West, 19 percent live in the Northeast, and 18 percent live in the Midwest. These percentages are similar to those for the entire U.S. population.[17] However, as we will show later, the severity and concentration of poverty within individual under-resourced communities vary by region in important ways.

Figure 6. Percent of Under-Resourced Community Population that is Hispanic or Latino, by Region
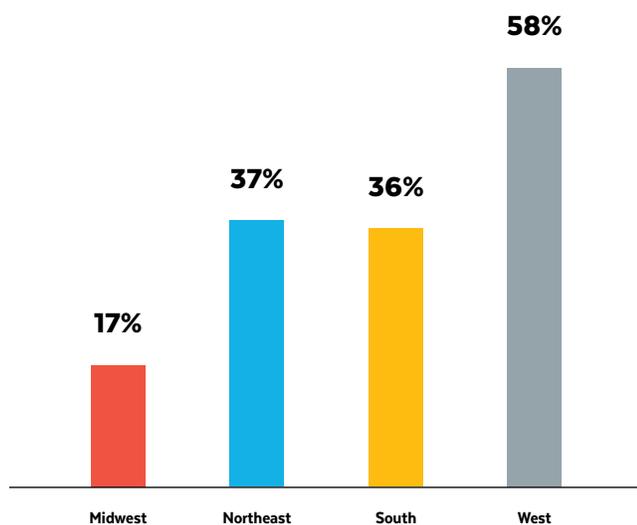
Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

5 **Of those who live in under-resourced communities, 69 percent live in principal cities and 31 percent live in suburbs.** (See figure 7.) These percentages are similar to those for the poverty population of under-resourced communities (72 percent in principal cities and 28 percent in suburbs).[18] In metropolitan areas with populations of at least 250,000, taken together, a majority of the total population (66%) and a majority of the poor (53%) live in suburbs.[19] Thus, concentrated poverty in metropolitan areas exists mainly in traditional central cities and other heavily populated places. However, a large minority of people experiencing the problems of concentrated poverty are suburban residents.

There may be several reasons why most residents of under-resourced communities live in principal cities. Principal cities generally have better public transportation than suburbs, making them more accessible to people who cannot afford cars.[20] They also have larger percentages of older housing units, which are usually less expensive than newer ones.[21] In addition, exclusionary zoning policies, including density restrictions, were central to the segregation of high-income residents into lower-density suburban communities.[22] Metropolitan areas with suburbs that implemented density restrictions are, on average, more segregated by income than those without these kinds of suburbs.[23]

Figure 7. Percent of Under-Resourced Community Total and Poverty Populations Living in Suburbs
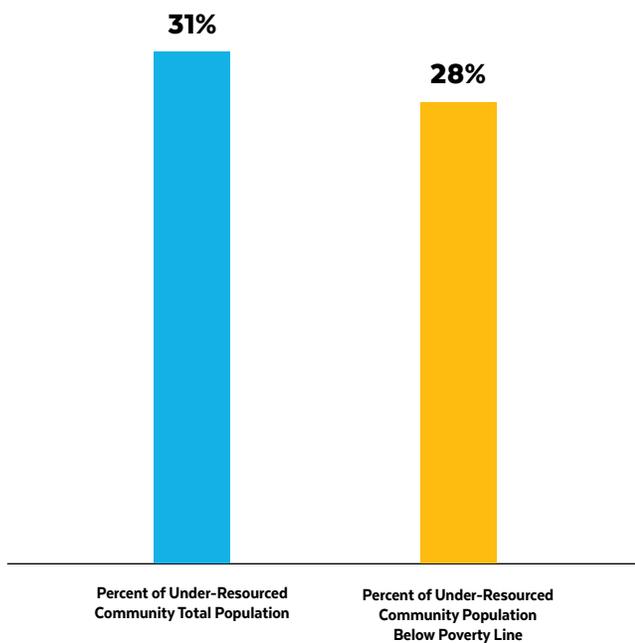
Concentrated poverty in metropolitan areas exists mainly in traditional central cities and other heavily populated places. However, a large minority of people experiencing the problems of concentrated poverty are suburban residents.

Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

The residents of urban and suburban under-resourced communities differ in their racial and ethnic composition. Under-resourced communities in principal cities have a higher overall percentage of Blacks and a lower overall percentage of whites (both Hispanic whites and non-Hispanic whites) than those in suburbs, although the Black population percentage in under-resourced suburban communities is still nearly double the 13 percent of all U.S. residents who are Black. (See figure 8.)

People of Hispanic or Latino ethnicity also make up a somewhat higher percentage of the population of suburban under-resourced communities (42 percent) than of urban under-resourced communities (37 percent). (See figure 9.)

Figure 8. Racial Composition of Under-Resourced Communities in Principal Cities and Suburbs

PRINCIPAL CITIES

- <**1%** Native Hawaiian or Pacific Islander
- **1%** Native American or Alaskan Native
- **5%** Asian
- **22%** Hispanic White
- **16%** Other
- **33%** Black
- **23%** Non-Hispanic White

SUBURBS

- <**1%** Native Hawaiian or Pacific Islander
- **1%** Native American or Alaskan Native
- **3%** Asian
- **28%** Hispanic White
- **16%** Other
- **24%** Black
- **29%** Non-Hispanic White

Figure 9. Percent of Under-Resourced Community Population that is Hispanic or Latino in Principal Cities and Suburbs
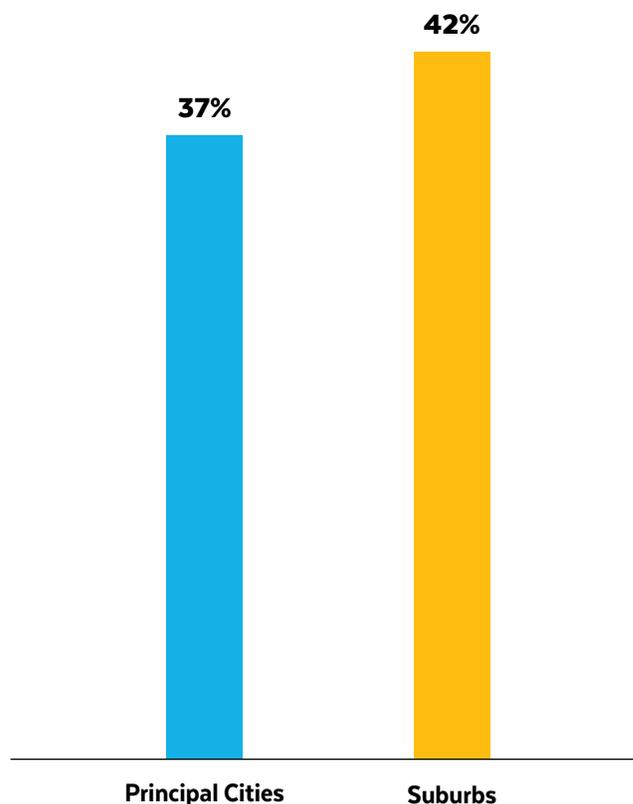
37% — Principal Cities
42% — Suburbs

Note: Totals may not sum to 100 percent due to rounding.
Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

6 **Both the total population and the poor population of under-resourced communities are split about evenly between cities with populations of 250,000 or more and those with populations below 250,000**. Of those who have incomes below the poverty line and live in under-resourced communities, a slight majority (51 percent) live in cities with populations of at least 250,000.[24] The total population of under-resourced communities follows a similar pattern, with 48 percent of the population living in cities with populations of at least 250,000. The latter figure is much higher than the 24 percent of the population of metropolitan areas of 250,000 or more that lives in these cities.

Variations in racial and ethnic composition by city size are generally less notable than the differences observed when comparing suburbs to cities or comparing under-resourced communities by region. The share of the population in under-resourced communities that is Hispanic or Latino ranges from 33 percent in cities with populations between 250,000 and 499,000 to 43 percent in cities with populations of at least 500,000. The share of the population in under-resourced communities that is Black ranges from 23 percent in cities of 50,000-99,000 people to 35 percent in cities of 250,000-499,000 people. The most notable variation is in the percentage of the under-resourced community population that is non-Hispanic white, which ranges from 16 percent in cities of 500,000 or more to 33 percent in cities with fewer than 50,000 residents.

Both the total population and the poor population of under-resourced communities are split about evenly between cities with populations of 250,000 or more and those with populations below 250,000.

How Under-Resourced Communities Rank by Level of Disadvantage

Rankings can be a powerful motivator for public, private, and nonprofit decisionmakers to act to reduce concentrated poverty in under-resourced communities. To assess the level of disadvantage in the under-resourced communities of the 450 cities with at least 50,000 people or principal cities of any size, we rank those communities on an index that has two components:

- The **poverty rate** (excluding undergraduate and graduate students) of the city's under-resourced community or communities.[25]

- The percentage of the city's poor (excluding undergraduate and graduate students) who live in the city's under-resourced community or communities, which we refer to as the "**poverty concentration**." If a low percentage of a city's poor residents live in the city's under-resourced communities, then the city is doing a better job at deconcentrating poverty than if a high percentage of the city's poor residents live in those communities. In some cities, all or nearly all of the city's residents live in under-resourced communities, so that there is little or no opportunity for the city to deconcentrate the poor within its boundaries.[26] Those cities will necessarily have a very high poverty concentration.

We create an index of disadvantage for the 450 cities, weighting each of the two components equally.[27] Because the index values are very close together for many cities other than the very most disadvantaged and very least disadvantaged ones, individual index values can present a misleading picture of the relative positions of the cities, making the differences between cities seem more important than they really are. Therefore, we report individual city rankings only for the five cities that are the most disadvantaged (Box 1) and the five that are the least disadvantaged (Box 2). For the remaining cities, we report the rankings by dividing the 450 cities into tenths, from the most disadvantaged tenth to the least disadvantaged tenth. Likewise, we report the rankings on each of the two components of our index in the same manner.

Both poverty rates and poverty concentrations vary greatly among the 450 ranked cities. Poverty rates in those cities' under-resourced communities range from 19 percent to 43 percent, while poverty concentrations range from 8 percent to 100 percent. Within each tenth of our overall disadvantage index, the median poverty rate of under-resourced communities ranges from 22 percent in the least disadvantaged tenth to 36 percent in the most disadvantaged tenth, while the median poverty concentration ranges from 22 percent to 87 percent. Appendix 1 shows these median percentages for each tenth of the overall disadvantage index and for each tenth of each of the two components of the index.

Because our rankings are intended to motivate action, it is important for community and business leaders not to use them either to create despair or to justify self-satisfaction. Even the places ranked as most disadvantaged are not hopeless; all have advantages that can be leveraged as part of a comprehensive community development strategy. And even the places ranked as least disadvantaged still have under-resourced communities in which concentrated poverty remains a problem; the fact that a city is on our list of 450 indicates that it has room for improvement.

BOX 1: THE FIVE CITIES WITH THE MOST DISADVANTAGED UNDER-RESOURCED COMMUNITIES

Among the 450 ranked cities, the five cities whose under-resourced communities are most disadvantaged are all manufacturing centers that lost many manufacturing jobs in the first decade of this century. All but one are in the Midwest. All are principal cities of their respective metropolitan areas but only one has a population above 100,000.

Despite the depth of their disadvantage, the under-resourced communities in these five cities are not hopeless. All have economic advantages that can be leveraged as part of a comprehensive economic development strategy. We identify examples of these advantages for each of the five cities. These examples should be viewed as starting points or options that could be further explored and refined through a comprehensive, localized, and inclusive economic development planning process.

For example, we include data on "strong" industry clusters for each city's metropolitan area. These types of clusters represent a competitive advantage for the region.[28] Additionally, previous research has found greater growth in employment, wages, innovation, and new businesses in strong clusters,[29] which suggests that strong clusters are potentially a high impact focus area for future economic development. However, these clusters should only be included as part of an economic development strategy after further planning that assesses their recent economic growth, local workforce skills, accessibility of jobs, wages and benefits, and their ability to meet other needs of under-resourced community residents.

❶ Dearborn, Michigan

Dearborn, Michigan, a city of 95,000 immediately adjacent to Detroit, is one of the principal cities of the Detroit metropolitan area. Dearborn's under-resourced communities are the most disadvantaged among the 450 we rank. These communities have a non-student poverty rate of 43 percent, the highest among the 450. A large majority of Dearborn's poor (83 percent) live in its under-resourced communities, placing it in the top (most concentrated) tenth of the 450 cities in its poverty concentration. About 54 percent of the city's total population lives in its under-resourced communities. Unlike most other highly disadvantaged under-resourced communities, Dearborn's under-resourced communities are overwhelmingly (90 percent) non-Hispanic white, a percentage that is nearly identical to the 88 percent of all city residents who are non-Hispanic white. Only 2 percent of under-resourced community residents are Black and only 2 percent are Hispanic or Latino (who may be of any race). Dearborn's under-resourced communities are heavily (42 percent) foreign-born. Dearborn's immigrants come primarily from the Middle East and most of them are likely to identify themselves as white. This may account for the unusually high non-Hispanic white percentage of the under-resourced community population.

The economic advantages that Dearborn could leverage as part of a comprehensive economic development strategy include regionally competitive industry clusters in the Detroit metropolitan area and the presence of several anchor institutions in Dearborn itself. The U.S. Cluster Mapping Project identifies three strong clusters in metropolitan Detroit: Business Services, Automotive, and Metalworking Technology.[30] Dearborn is also home to several large potential anchor institutions: Beaumont Hospital Dearborn, the Arab American National Museum, the Henry Ford Museum of American Innovation, the University of Michigan's Dearborn campus, Henry Ford College, and the global headquarters of the Ford Motor Company.[31] These clusters and institutions, even those not located in Dearborn, have the potential to contribute to the development of the city's under-resourced communities, for example, by hiring community residents and contracting with community businesses.

2 Flint, Michigan

Flint, Michigan, a city of 97,000 in east-central Michigan, is the principal city of its metropolitan area. Its under-resourced communities have a non-student poverty rate of 39 percent, placing it in the top (poorest) tenth of the 450 cities by under-resourced community poverty rate. About 100 percent of the city's poor live in under-resourced communities and about 100 percent of all Flint residents live in under-resourced communities. The majority (54 percent) of Flint's under-resourced community residents are Black; nearly all the rest (37 percent) are non-Hispanic white.

Metropolitan Flint's strong industry clusters include Automotive and Metalworking Technology. In addition, the education cluster is also a competitive advantage in the Flint metropolitan area.[32] Flint is also home to a number of potential anchor institutions that could play an active role in community and economic development. These include the University of Michigan's Flint campus, the headquarters of Diplomat Pharmacy (with approximately 1,000 employees in Flint), Hurley Medical Center, the headquarters of Republic Bank, and a General Motors assembly plant.[33] These clusters and institutions may be able to spur economic development in Flint, for example, through their hiring and contracting.

3 Youngstown, Ohio

Youngstown, Ohio, is a city of 65,000 in northeast Ohio. It is a principal city of its metropolitan area. Forty percent of the residents of its under-resourced communities are poor, a percentage that is tied for second highest under-resourced community poverty rate among the 450 cities. Nearly all (92 percent) of the city's poor live in its under-resourced communities, placing the city in the top (most concentrated) tenth of the 450 cities on that metric. The vast majority (81 percent) of the city's residents live in under-resourced communities. Nearly half (45 percent) of the residents of the city's under-resourced communities are Black and 37 percent are non-Hispanic white. Hispanics or Latinos, who may be of any race, make up 13 percent of the under-resourced communities' residents.

Strong industry clusters in metropolitan Youngstown include Upstream Metal Manufacturing, Downstream Metal Products, Metalworking Technology, Lighting and Electrical Equipment, and Environmental Services.[34] In addition to these competitive industry clusters, the Youngstown/Warren Regional Chamber identifies access to markets and supply chains, low cost of doing business, available workforce, abundant training programs, and varied infrastructure as strategic advantages for the region.[35] Youngstown is also home to a number of potential anchor institutions that could play a key role in economic development: Mercy Health Youngstown, Youngstown State University, Bon Secours Mercy Health, and several other and large and medium-sized employers.[36]

4 York, Pennsylvania

York, Pennsylvania, a city of 44,000 in south-central Pennsylvania, is one of the smallest of our 450 ranked cities but is the principal city of its metropolitan area. Its under-resourced communities have a poverty rate of 40 percent, tied with Youngstown and two other cities for second highest among our 450 cities. The vast majority (88 percent) of the city's poor residents live in its under-resourced communities, placing its poverty concentration in the top (most concentrated) fifth among all the cities we rank. Moreover, 74 percent of the city's total population lives in under-resourced communities. Hispanic or Latino residents make up a large minority (37 percent) of the city's under-resourced community population. Non-Hispanic whites make up a slightly larger share of the under-resourced community population (32 percent) than Blacks (28 percent), although the Black percentage is more than double that of the nation as a whole.

The U.S. Cluster Mapping Project identifies seven strong clusters in the York metropolitan area: Food Processing and Manufacturing, Printing Services, Production Technology and Heavy Machinery, Construction Products and Services, Paper and Packaging, Upstream Metal Manufacturing, and Vulcanized and Fired Materials.[37] York also has several large potential anchor institutions including York International (1,200+ employees), York Hospital (4,000+ employees), P.H. Glatfelter (1,000+ employees), York College (600+ employees), and several other large companies with 500 or more employees. In addition, York is located 52 miles from Baltimore and, therefore, could benefit from economic growth in the Baltimore area.

5 Detroit, Michigan

Detroit, Michigan, with a population of 677,000, is the largest of our five most disadvantaged cities. Its under-resourced communities have a poverty rate of 38 percent and are home to 96 percent of the city's poor. Both of these percentages are in the top (most disadvantaged) tenth of our 450 ranked cities on their respective metrics. Furthermore, 90 percent of all city residents live in under-resourced communities. The city's under-resourced communities are 79 percent Black and 9 percent non-Hispanic white. Hispanics or Latinos, who may be of any race, make up 8 percent of their residents.

As noted previously in our description of neighboring Dearborn, Business Services, Automotive, and Metalworking Technology are competitive industry clusters in metropolitan Detroit. The Detroit Economic Growth Corporation has also identified health care, financial services, technology, food, logistics, and fashion as key sectors for future growth and investment.[38] In addition, Detroit has a strong base of potential anchor institutions that could be leveraged to support economic development in its under-resourced communities. These include numerous hospitals (such as Henry Ford Hospital), universities and colleges (such as Wayne State University), and large for-profit employers (such as General Motors' headquarters and several of its factories).

BOX 2: THE FIVE CITIES WITH THE LEAST DISADVANTAGED UNDER-RESOURCED COMMUNITIES

Among the 450 ranked cities, the five cities with the least disadvantaged under-resourced communities are all located in the West. Of those five cities, San Jose and Berkeley are the only ones that have populations of more than 100,000 and the only ones that are principal cities of their metropolitan areas.

Although these five cities have the least disadvantaged under-resourced communities among the 450 cities we ranked, all can still do more to reduce and eventually eliminate their concentrations of poverty. Three (San Jose, Berkeley, and Longmont) have substantial concentrations of information technology and/or biotechnology employment, which are economic advantages that could potentially be leveraged to develop their under-resourced communities. In all five, the percentage of the poor who live in under-resourced communities is very low, which suggests that there is a substantial opportunity to deconcentrate poverty within city boundaries by expanding opportunities for poor residents to live outside of under-resourced communities.

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450 San Jose, California

San Jose, California, a city of 1 million in the southern part of Silicon Valley, is the largest of our five least disadvantaged cities and the least disadvantaged city in our rankings. The city's under-resourced communities have a 20 percent poverty rate and are home to just 9 percent of the city's poor. The population of the under-resourced communities is 37 percent Asian, 5 percent non-Hispanic white, and 1 percent Black. More than half (53 percent) of the under-resourced community population is Hispanic or Latino.

36 percent Asian, and 8 percent Black. Hispanic or Latino residents are 8 percent of the under-resourced communities' population. In the city's under-resourced communities, 60 percent of residents are currently enrolled undergraduate or graduate students. Although we have removed these students from our poverty rate and poverty concentration calculations, their large share of the under-resourced communities' population may create unique economic development opportunities in those communities.

449 Berkeley, California

Berkeley, California, a city of approximately 121,000 in northern California bordering San Francisco Bay, is one of the principal cities of its metropolitan area, along with San Francisco and Oakland. Its under-resourced communities have a 20 percent poverty rate, which is tied for the lowest poverty rate among the 450 ranked cities. The city's under-resourced communities account for 11 percent of the city's poverty. Both of these metrics are among the lowest (least disadvantaged) tenth of all ranked cities. Residents of the under-resourced communities are 39 percent non-Hispanic white,

448 Longmont, Colorado

Longmont, Colorado, is a city of 93,000 located in the Boulder metropolitan area in northern Colorado, north of Denver. The city's under-resourced communities have a poverty rate of 20 percent and account for 18 percent of the city's poverty. Both of these percentages rank in the lowest (least disadvantaged) tenth of the 450 ranked cities. The under-resourced community poverty rate is tied with those of six other cities for the lowest among the 450 ranked cities. The city's under-resourced communities are 53 percent non-Hispanic white and only 1 percent Black, and 43 percent of the under-resourced community population is Hispanic or Latino.

447 Federal Way, Washington

Federal Way, Washington is city of 96,000 in the Seattle metropolitan area. The city's under-resourced communities have a poverty rate of 21 percent and account for 15 percent of the city's poverty. Both of these percentages rank in the lowest (least disadvantaged) tenth among the cities that we ranked. The city's under-resourced communities are approximately 39 percent non-Hispanic white, 19 percent Black, and 16 percent Asian. People of Hispanic or Latino ethnicity are 18 percent of the under-resourced community residents.

446 Baldwin Park, California

Baldwin Park, California is a city of 75,000 in the Los Angeles metropolitan area. The city's under-resourced communities have a poverty rate of 21 percent and account for 17 percent of the city's poverty. Both of these percentages rank in the lowest (least disadvantaged) tenth of the 450 ranked cities. The city's under-resourced communities are approximately 19 percent Asian, 4 percent Black, and 3 percent non-Hispanic white. People of Hispanic or Latino ethnicity are 75 percent of the under-resourced community population.

An [online appendix](#) shows the overall disadvantage, poverty rate, and poverty concentration rankings, by tenth, for all 450 ranked cities. The rankings show some notable demographic and geographic patterns:

1 **Under-resourced communities in the Midwest and Northeast are more disadvantaged than those in the South, while those in the West are least disadvantaged.** Nearly half (47 percent) of the Midwestern and 44 percent of the Northeastern under-resourced communities we rank are in the most disadvantaged 30 percent of all under-resourced communities, compared to 35 percent of such communities in the South and only 12 percent of those in the West. In contrast, 22 percent of under-resourced communities in the Midwest, 22 percent of those in the South, and 17 percent of those in the Northeast are in the least disadvantaged 30 percent. However, 48 percent of those in the West are in the least disadvantaged 30 percent. (See figure 10.) Both poverty rates and poverty concentrations show the same regional patterns.

The greater disadvantage of under-resourced communities in the Midwest and Northeast may be due in part to the fact that nearly all the older central cities in those regions are surrounded by suburbs, often incorporated as separate municipalities, that they cannot annex. In much of the South and West, in contrast, it is easier for central cities to annex their suburbs. Easier annexation may make it easier for city governments to enact uniform policies that have the effect of deconcentrating poverty within larger geographic areas.[39]

Figure 10. Percent of Ranked Cities in Each Disadvantage Category, by Region
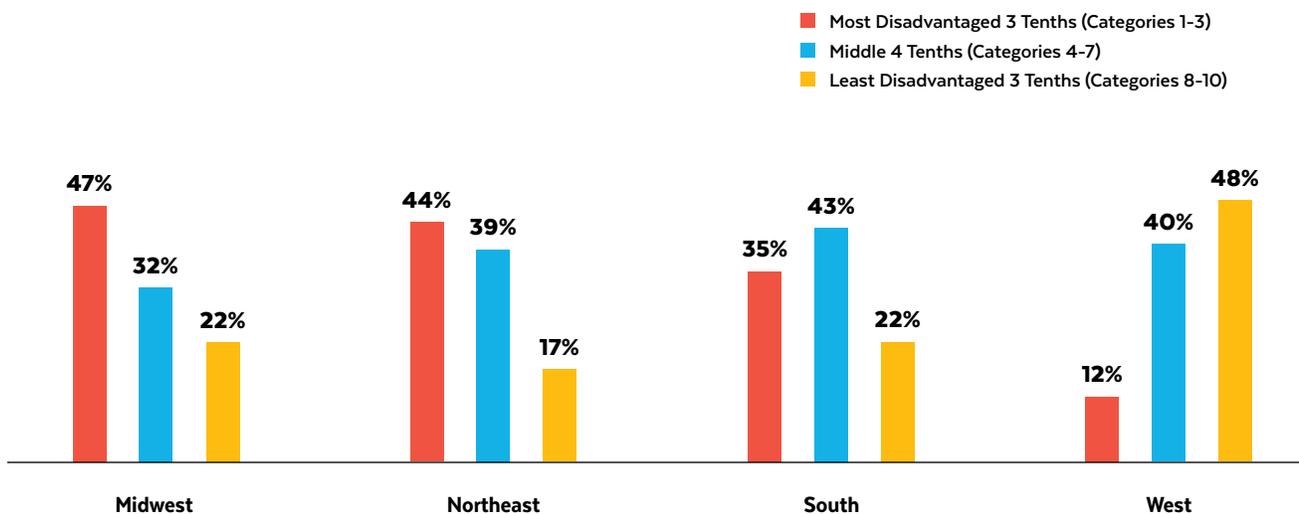
Legend:
- Most Disadvantaged 3 Tenths (Categories 1-3)
- Middle 4 Tenths (Categories 4-7)
- Least Disadvantaged 3 Tenths (Categories 8-10)

Midwest: 47%, 32%, 22%
Northeast: 44%, 39%, 17%
South: 35%, 43%, 22%
West: 12%, 40%, 48%

Note: Totals may not sum to 100 percent due to rounding.
Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

2 **About 38 percent of under-resourced communities in principal cities, but only 15 percent of those in the suburbs we rank, are in the most disadvantaged 30 percent of communities we rank.** In contrast, 44 percent of communities in ranked suburbs are in the least disadvantaged 30 percent, compared to 23 percent of those in principal cities. (See figure 11.) A similar pattern exists for the poverty rate.[40] Thus, among the 450 under-resourced communities we rank, those in principal cities are more disadvantaged than those in suburbs.

Under-resourced communities located in principal cities are more disadvantaged than those located in suburbs for the same reasons why most residents of under-resourced communities live in principal cities.

Figure 11. Percent of Ranked Cities in Each Disadvantage Category, by Principal City or Suburban Status
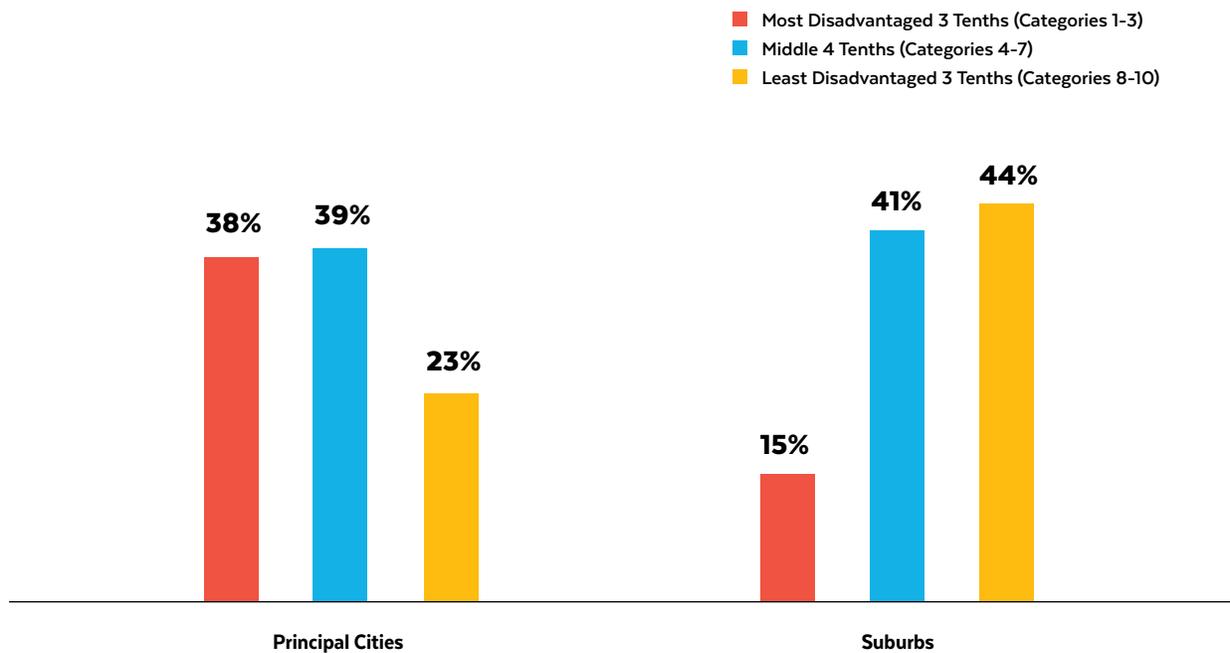
Legend:
- ■ Most Disadvantaged 3 Tenths (Categories 1-3)
- ■ Middle 4 Tenths (Categories 4-7)
- ■ Least Disadvantaged 3 Tenths (Categories 8-10)

Principal Cities: 38%, 39%, 23%
Suburbs: 15%, 41%, 44%

Note: Totals may not sum to 100 percent due to rounding.
Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

3 **About 51 percent of under-resourced communities in which the majority of the population is Black, but only 16 percent of those in which the Black population percentage is below the national average, are in the most disadvantaged 30 percent of communities we rank.** Of the 77 ranked cities whose under-resourced communities have Black majorities, 12 percent are in the least disadvantaged 30 percent of our 450 cities. In contrast, 44 percent of the 190 cities whose under-resourced communities have Black population percentages below the national average are in the least disadvantaged 30 percent. (See figure 12.) Higher population percentages for all other single-race and single-ethnicity groups are associated with lower levels of disadvantage. For

example, cities with higher percentages of their under-resourced community populations that are non-Hispanic white, Asian, Native American or Alaskan Native, and Native Hawaiian and Pacific Islander are generally less disadvantaged. Those with a higher Hispanic or Latino percentage of their under-resourced community populations are also generally less disadvantaged.

Under-resourced communities with large Black population shares are more disadvantaged than those with small Black population shares for the same reasons why under-resourced communities have higher Black population percentages than other geographic areas.

Figure 12. Percent of Ranked Cities in Each Disadvantage Category, by Percent of Under-Resourced Community Population That Is Black
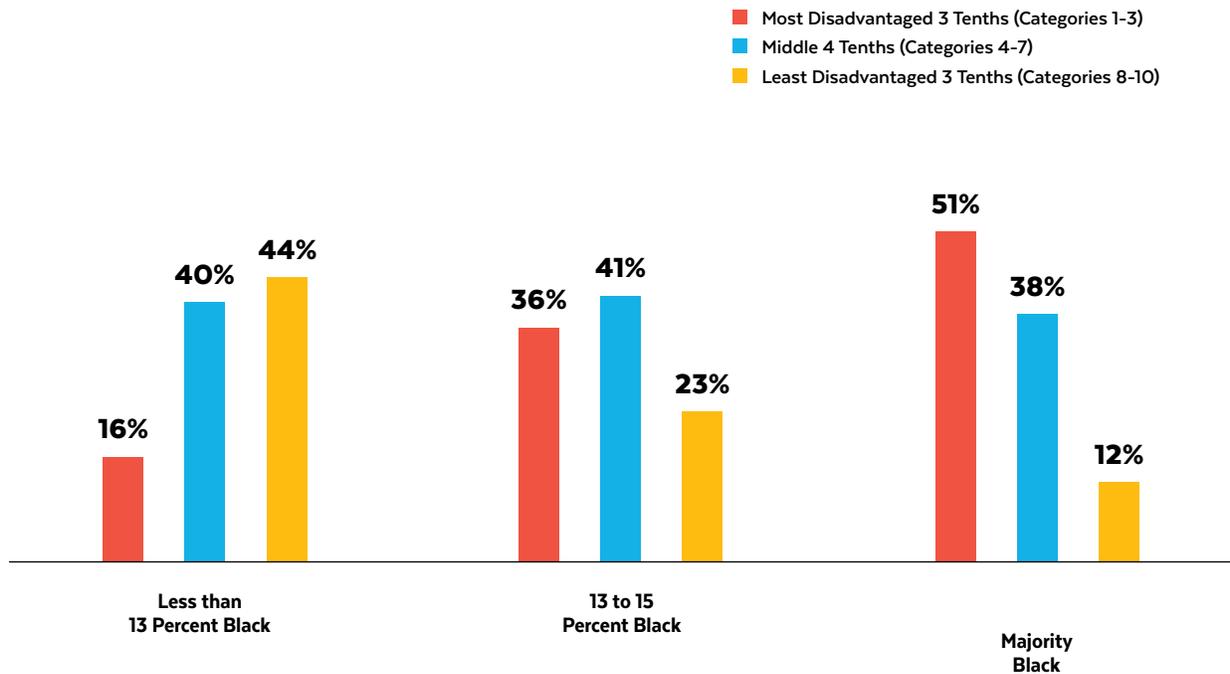
Legend:
- Most Disadvantaged 3 Tenths (Categories 1-3)
- Middle 4 Tenths (Categories 4-7)
- Least Disadvantaged 3 Tenths (Categories 8-10)

Less than 13 Percent Black: 16%, 40%, 44%
13 to 15 Percent Black: 36%, 41%, 23%
Majority Black: 51%, 38%, 12%

Note: Totals may not sum to 100 percent due to rounding.
Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

④ **Of the 34 ranked cities with populations of 500,000 or more, only four (12 percent) have under-resourced communities in the least disadvantaged 30 percent of all ranked communities.** Portland (OR), San Francisco, San Jose, and Seattle are the only ranked cities with populations of at least 500,000 whose under-resourced communities are in the least disadvantaged 30 percent of all ranked communities. Fourteen (41 percent) of the very large cities have under-resourced communities in the most disadvantaged 30 percent of all ranked communities and four (Detroit, Fresno, Memphis, and Philadelphia) have under-resourced communities in the most disadvantaged tenth. (See table 1.) Thus, the under-resourced portions of very large cities are, on the whole, more disadvantaged than those of ranked communities overall.

The reasons for the greater disadvantage of under-resourced communities located in very large cities are not well understood. To the extent that the largest cities have better public transportation, older housing, and less exclusionary zoning than smaller cities (including the suburbs that appear among our 450 ranked cities), these characteristics may be responsible for the difference in level of disadvantage by city size.

Table 1. Disadvantage Categories for Under-Resourced Communities in Cities with Populations of 500,000 or more, by Tenth*

	City Population	Disadvantage Category (Tenth)		City Population	Disadvantage Category (Tenth)
New York, NY	8,443,713	3	Seattle, WA	708,823	9
Los Angeles, CA	3,959,657	4	Denver, CO	693,417	7
Chicago, IL	2,718,555	4	Washington, DC	684,498	4
Houston, TX	2,295,982	3	El Paso, TX	680,354	4
Phoenix, AZ	1,610,071	3	Boston, MA	679,413	5
Philadelphia, PA	1,575,522	1	Detroit, MI	677,155	1
San Antonio, TX	1,486,521	5	Nashville, TN	660,062	5
San Diego, CA	1,401,932	6	Memphis, TN	653,248	1
Dallas, TX	1,318,806	4	Portland, OR	639,387	8
San Jose, CA	1,026,658	10	Oklahoma City, OK	637,284	3
Austin, TX	935,755	7	Las Vegas, NV	626,637	5
Jacksonville, FL	878,907	6	Louisville, KY	617,032	3
San Francisco, CA	870,044	9	Baltimore, MD	614,700	3
Columbus, OH	867,628	3	Milwaukee, WI	596,886	2
Indianapolis, IN	857,637	3	Albuquerque, NM	559,202	6
Fort Worth, TX	855,786	5	Tucson, AZ	539,216	3
Charlotte, NC	841,611	6	Fresno, CA	522,277	1

*Category 1 is the most disadvantaged tenth of the 450 cities we rank. Category 10 is the least disadvantaged tenth.
Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

Under-Resourced Communities in the County Balances

We do not rank the many under-resourced communities that are neither in cities of at least 50,000 nor in principal cities of any size. Instead, we group these communities into the counties in which they are located, excluding the 450 ranked cities. (Thus, we count the small under-resourced communities located in St. Louis County, MO—a county that does not include any of the 450 ranked cities—as part of the balance of St. Louis County. We count such small communities in Cook County, IL—a county that includes Chicago and Cicero, both of which have populations of at least 50,000—as part of the balance of Cook County, i.e., all of Cook County outside of Chicago and Cicero.)

The county balances are notable in several ways:

1. Of the under-resourced portions of the 284 county balances, 47 percent are majority non-Hispanic white, compared to only 22 percent of the 450 ranked cities.

2. The under-resourced portion of Campbell County, KY, a suburban county that is located immediately across the Ohio River from Cincinnati, has a non-student poverty rate of 52 percent, which exceeds the poverty rate of any of the 450 ranked cities.

3. The under-resourced portions of St. Louis County, MO, a suburban county that surrounds but does not include the city of St. Louis, have a poverty rate of 26 percent. The county is highly racially segregated; 80 percent of the population of its under-resourced communities is Black. compared to 24 percent of the county as a whole. (The county's under-resourced communities are located in the northern portion of the county adjoining the under-resourced north side of St. Louis.) Among the county's under-resourced communities is part of Ferguson, MO, the city of about 21,000 where, in 2014, a police officer shot Michael Brown, an 18-year-old Black man.

4. The under-resourced communities in the balances of 20 counties, mainly in the South and West, have at least 100,000 people. These county balances (which, by definition, do not include the large or principal cities that may be located in their respective counties) are:

- The balance of Miami-Dade County, FL, in suburban Miami, where 416,000 people live in under-resourced communities, more than the 296,000 people who live in the under-resourced communities of the city of Miami.

- The balance of Hidalgo County, TX, in suburban McAllen, where 307,000 people live in under-resourced communities, more than the 92,000 under-resourced community residents in the city of McAllen.

- The balance of Harris County, TX, in suburban Houston.

- The balance of Los Angeles County, CA, in suburban Los Angeles.

- The balance of DeKalb County, GA, in suburban Atlanta, whose 235,000 under-resourced community residents outnumber the 217,000 under-resourced community residents in the city of Atlanta.

- The balance of Orange County, FL, in suburban Orlando, with 226,000 under-resourced community residents, more than the 123,000 residents of under-resourced communities in the city of Orlando.

- The balance of Cook County, IL, in suburban Chicago.

- The balance of Hillsborough County, FL, in suburban Tampa, with 173,000 under-resourced community residents, more than the 153,000 who live in under-resourced communities in the city of Tampa.

- The balance of Riverside County, CA, east of Los Angeles, including suburbs of Riverside. The county balance's 175,000 under-resourced community residents outnumber the 76,000 residents of the city of Riverside's under-resourced communities.

- The balance of Wayne County, MI, in suburban Detroit.

- The balance of Palm Beach County, FL, on Florida's east coast. The under-resourced communities in the county balance have 137,000 residents, compared to 50,000 in the city of West Palm Beach.

- The balance of Polk County, FL, in suburban Lakeland, east of Tampa and southwest of Orlando. With 138,000 residents, the county balance's under-resourced communities have nearly 100,000 more residents than the 39,000 in the city of Lakeland's under-resourced communities.

- The balance of Clayton County, GA, in suburban Atlanta.

- The balance of Broward County, FL, in suburban Fort Lauderdale, where 125,000 people live in under-resourced communities, more than the 68,000 residents of Fort Lauderdale's under-resourced communities.

- The balance of Sacramento County, CA, in suburban Sacramento.

- The balance of San Bernardino County, CA, east of Los Angeles, including suburbs of San Bernardino.

- The balance of Kern County, CA, in suburban Bakersfield.

- The balance of Pasco County, FL, in suburban Tampa.

- The balance of St. Louis County, MO, in suburban St. Louis.

- The balance of Gwinnett County, GA, in suburban Atlanta.

5. In both the balance of Washoe County, NV (surrounding Reno) and the balance of Creek County, OK (near Tulsa), more than 20 percent of the under-resourced community population is Native American or Alaskan Native.

Conclusion
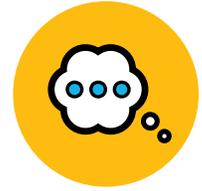
The common perception that concentrated poverty in metropolitan areas is overwhelmingly a problem of largely Black neighborhoods in big cities is incomplete. In this report, we identify a broader group of metropolitan under-resourced communities that, taken together, are home to nearly a third of U.S. residents living in poverty. A majority of their residents are people of color. They are disproportionately Black but in only a relatively small number of cities are a majority Black. In the West, a majority of under-resourced community residents are Hispanic or Latino. A large majority of under-resourced community residents live in principal cities but a substantial minority live in suburbs. A disproportionate share—but only about half—live in cities with populations of at least 250,000.

Our analysis reveals that not all under-resourced communities are equally disadvantaged. In general, within the 450 cities we rank, the level of disadvantage in these communities is greatest in the Midwest and Northeast, in principal cities, in communities where a large percentage of residents are Black, and in the very largest cities. However, the very most disadvantaged of these communities, among all those that we rank, are located in majority white, non-Latino neighborhoods of Dearborn, Michigan, that have large immigrant populations. Some suburban counties, especially in large metropolitan areas of the South and West, have many smaller municipalities and unincorporated areas whose under-resourced communities, taken together, are very large. In some of these, the under-resourced community population exceeds that of nearby principal cities.

The concentration of poverty in many under-resourced communities, especially those with large Black populations, has its origin, in important part, in historic and ongoing housing and land use policies buttressed by systemic racism in such institutions as lending and investing, real estate brokerage, employment, health care, and policing and criminal justice. These policies and practices, despite resistance from people of color, have kept community residents from accumulating wealth. Any serious attempt to address the problem of concentrated poverty in metropolitan America must include dismantling these institutionalized forms of racism and compensating for their long-term effects.

Because both place and race make under-resourced communities what they are, ending and compensating for systemic racism, as necessary as they are, are not enough. We also recommend that public, private, and nonprofit organizations undertake comprehensive community development strategies. Such strategies simultaneously address the multiple disadvantages that under-resourced community residents face. Because the community development problems of under-resourced communities are multi-faceted and their causes intertwined, only comprehensive strategies can address those problems as they manifest themselves at the community level.

Such multi-faceted strategies were attempted in the past with mixed results at best. None succeeded in eliminating concentrated poverty from a community, although some did improve residents' lives in tangible ways. However, we now know enough to be able to build on what past attempts got right and avoid what they got wrong. Comprehensive strategies should be what Margery Austin Turner terms "place-conscious," combining people- and place-based approaches.[41] They should benefit and accord with the priorities of communities' low-income residents. They should involve multiple public, private, and nonprofit organizations working together. They should build on the unique economic and non-economic strengths of under-resourced communities, leveraging those strengths to address the communities' problems. Job and business creation, growth, and improvement should be important parts of comprehensive strategies. ICIC's companion policy brief, *It's Time for a Comprehensive Approach to Fighting Concentrated Poverty,* explains how these principles should guide such comprehensive strategies.

Appendix 1: Poverty Rates and Concentrations by Index Rank for the 450 Ranked Cities

Appendix Table 1. Overall Index of Disadvantage, by Tenth

Tenth of Overall Index	Median Poverty Rate in Each Tenth	Median Poverty Concentration in Each Tenth
1 (most disadvantaged tenth of cities)	36%	87%
2	32%	80%
3	31%	71%
4	29%	71%
5	28%	64%
6	26%	58%
7	26%	49%
8	25%	42%
9	24%	33%
10 (least disadvantaged tenth of cities)	22%	22%

Note: Poverty rate is the percentage of a city's under-resourced community residents (excluding undergraduate and graduate students) who live in poverty. Poverty concentration is the percentage of a city's poor residents (excluding undergraduate and graduate students) who live in the city's under-resourced communities.
Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

Appendix Table 2. Poverty Rates, by Tenth

Tenth of Cities by Poverty Rate	Median Poverty Rate in Each Tenth	Range of Poverty Rates in Each Tenth
1 (highest tenth of cities by poverty rate)	36%	34-43%
2	33%	32-34%
3	31%	30-32%
4	29%	29-30%
5	28%	28-29%
6	27%	26-28%
7	26%	25-26%
8	24%	24-25%
9	23%	22-24%
10 (lowest tenth of cities by poverty rates)	21%	19-22%

Note: Poverty rate is the percentage of a city's under-resourced community residents (excluding undergraduate and graduate students) who live in poverty.
Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

Appendix Table 3. Poverty Concentrations, by Tenth

Tenth of Cities by Poverty Concentration	Median Poverty Concentration in Each Tenth	Range of Poverty Concentrations in Each Tenth
1 (highest tenth of cities by poverty concentration)	88%	86-100%
2	81%	79-85%
3	76%	72-79%
4	68%	66-72%
5	64%	60-66%
6	57%	52-60%
7	48%	37-43%
8	40%	37-43%
9	32%	25-37%
10 (lowest tenth of cities by poverty concentration)	21%	8-25%

Note: Poverty concentration is the percentage of a city's poor residents (excluding undergraduate and graduate students) who live in the city's under-resourced communities.
Source: ICIC analysis of U.S. Census Bureau American Community Survey 2014-2018 Five-Year Estimates.

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1   See Raj Chetty et al., "Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States," *Quarterly Journal of Economics,* vol. 129 (2014), pp. 1553-1623; Patrick Sharkey, *Stuck in Place* (Chicago: University of Chicago Press, 2013).

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3   See Kendra Bischoff and Sean F. Reardon, *Residential Segregation by Income, 1970-2009,* US2010 Report (New York: Russell Sage Foundation, 2013), https://s4.ad.brown.edu/Projects/Diversity/data/report/report10162013.pdf; Tara Watson, "Metropolitan Growth, Inequality, and Neighborhood Segregation by Income," *Brookings-Wharton Papers on Urban Affairs, 2006* (Washington: Brookings Institution Press, 2006), pp. 1-52.

4   Richard Rothstein, *The Color of Law* (New York: Liveright, 2017).

5   For reviews of the research literature on these issues, see Margery Austin Turner and Ruth Gourevitch, "How Neighborhoods Affect the Social and Economic Mobility of Their Residents," U.S. Partnership on Mobility from Poverty Memo (Washington: Urban Institute, 2017), https://www.mobilitypartnership.org/publications/how-neighborhoods-affect-social-and-economic-mobility-their-residents; George Galster and Patrick Sharkey, "Spatial Foundations of Inequality: A Conceptual Model and Empirical Overview," *RSF: The Russell Sage Foundation Journal of the Social Sciences,* vol. 3 (2017), pp. 1-33, https://www.rsfjournal.org/content/rsfjss/3/2/1.full.pdf.

6   Howard Wial, *It's Time for a Comprehensive Approach to Fighting Concentrated Poverty* (Boston: Initiative for a Competitive Inner City, 2020).

7   Specifically, we require that an under-resourced community have a land area of at most 15 square miles, a population density of at least 100 people per square mile, and primary commuting flow to an urbanized area (i.e., RUCA=1 on the U.S. Department of Agriculture Economic Research Service's rural-urban continuum).

8   In this report, we use the term "city" to refer to any type of incorporated municipality or any unincorporated area that the Census Bureau counts as a "Census-designated place."

9   The formal definition of a principal city may be found on the Census Bureau website at https://www.census.gov/programs-surveys/metro-micro/about.html.

10   In this report, our estimates of the number of poor people exclude undergraduate and graduate students.

11   These percentages do not sum to 100 percent because of rounding. The relatively small percentages of residents who are not Black, Asian, or white are in part a consequence of the fact that we aggregate racial demographics at the national level. Even at the level of the city, however, the percentages are small. For example, Native Americans and Alaskan Natives are at least 5 percent of the under-resourced community population in only seven of our 450 ranked cities: Casa Grande, AZ; Tucson, AZ; Anchorage, AK; Duluth, MN; Albuquerque, NM; Tulsa, OK; and Green Bay, WI. Native Hawaiians are at least 5 percent of the under-resourced community population in five of our 450 ranked cities: Springdale, AR; Anchorage, AK; Honolulu, HI; Auburn, WA; and Vancouver, WA. As we note later in the report, there are some county balances with much larger Native American or Alaskan Native population percentages. Some nonmetropolitan counties or rural fringes of metropolitan counties have even higher percentages but we do not count those locations among our under-resourced communities for the purposes of this report because their low population densities make their economic development problems different from those of urban and suburban areas.

12   On the persistence of these patterns, see Jacob W. Faber, "We Built This: Consequences of New Deal Era Intervention in America's Racial Geography," *American Sociological Review,* published online August 21, 2020, https://journals.sagepub.com/doi/pdf/10.1177/0003122420948464; Daniel Aaronson, Daniel Hartley, and Bhash Mazumder, "The Effects of the 1930s 'Redlining' Maps," Federal Reserve Bank of Chicago Working Paper 2017-12 (2017).

13   Census Bureau Annual Business Survey data for 2017 (the most recent data available) show that Black people own just over 2 percent of all business with employees, a percentage far below the Black percentage of the U.S. population.

14   For a comprehensive account of the role housing policy played in creating racially segregated low-income communities, see Rothstein, *Color.*

15   See Rothstein, *Color.*

16   For a description of the Inner City 100 awards, see the ICIC website: https://icic.org/urban-business-initiatives/inner-city-100/.

17   Of all U.S. residents, 38 percent live in the South, 24 percent live in the West, 21 percent live in the Midwest, and 17 percent live in the Northeast.

18   Suburbs with under-resourced communities include county balances as well as those among our 450 ranked cities that are not principal cities of their metropolitan areas. By definition, all principal cities with under-resourced communities are included among the 450 ranked cities.

19 Despite differences in the number and size of metropolitan areas covered and in the definitions of urban and suburban areas as well as differences in the years of analysis, our results are very similar to those of the pathbreaking analysis of the suburbanization of poverty by Kneebone and Garr. That study shows that, in 2008, 53 percent of poor residents and 69 percent of all residents of 95 of the 100 largest metropolitan areas (in aggregate) lived in suburbs. See Elizabeth Kneebone and Emily Garr, *The Suburbanization of Poverty: Trends in Metropolitan America, 2000 to 2008* (Washington: Brookings Institution, 2010), https://www.brookings.edu/wp-content/uploads/2016/06/0120_poverty_paper.pdf (percentages from our calculations using data from p. 4, table 1 of Kneebone and Garr).

20 Edward L. Glaeser, Matthew E. Kahn, and Jordan Rappaport, "Why Do the Poor Live in Cities? The Role of Public Transportation," *Journal of Urban Economics*, vol. 63 (2008), pp. 1–24.

21 Jan K. Brueckner and Stuart S. Rosenthal, "Gentrification and Neighborhood Housing Cycles: Will America's Future Downtowns Be Rich?" *Review of Economics and Statistics*, vol. 91 (2009), pp. 725–743.

22 Michael C. Lens and Paavo Monkkonen, "Do Strict Land Use Regulations Make Metropolitan Areas More Segregated by Income?" *Journal of the American Planning Association*, vol. 82 (2016), pp. 6–21.

23 Jonathan T. Rothwell and Douglas S. Massey. "Density Zoning and Class Segregation in U.S. Metropolitan Areas," *Social Science Quarterly*, vol. 91 (2010), pp. 1123–1143.

24 All cities with populations of at least 250,000 that have under-resourced communities are included among our 450 ranked cities. Some cities with populations below 250,000 that have under-resourced communities are included among the 450 while others are included in the county balances.

25 If a city has more than one under-resourced community, we aggregate all the under-resourced communities that are in whole or in part within the city.

26 In Pontiac, MI; Atlantic City, NJ; Camden, NJ; and Flint, MI, 100 percent of the residents live in under-resourced communities. In Pine Hills, FL, 97 percent of residents live in under-resourced communities. In Florence-Graham, CA; Detroit, MI; Reading, PA; and Gary, IN, 90 percent of residents live in those communities. Among our 450 ranked cities, more than half of the residents of 129 cities live in under-resourced communities.

27 In technical terms, we create a z-score for each of the two components and average the scores for the two components to create an overall z-score for the under-resourced communities in each of our 450 ranked cities.

28 Mercedes Delgado, Michael E. Porter, and Scott Stern, "Defining Clusters of Related Industries," working paper available at https://www.hbs.edu/competitiveness/research/Pages/research-details.aspx?rid=31.

29 Mercedes Delgado, Michael E. Porter, and Scott Stern, "Clusters and Entrepreneurship," *Journal of Economic Geography*, vol. 10 (2010), pp. 495–518.; Adrian T.H. Kuah, "Cluster Theory and Practice: Advantages for the Small Business Locating in a Vibrant Cluster," *Journal of Research in Marketing and Entrepreneurship*, vol. 4 (2002), pp. 206–228.

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31 Nina Misuraca Ignaczak, "Dearborn to Unify Downtown Districts along Michigan Avenue," *Metromode*, January 26, 2017, https://www.secondwavemedia.com/metromode/features/downtown-dearborn-122616.aspx.

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33 ICIC analysis of 2020 Dun & Bradstreet data.

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35 "Strategic Advantages," Youngstown Warren Regional Chamber website:, http://www.regionalchamber.com/economicdevelopment/strategicadvantages.

36 ICIC analysis of 2020 Dun & Bradstreet data.

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38 "Economic Advantages," Detroit Economic Growth Corporation website: https://www.degc.org/economic-advantages/.

39 This argument is due to David Rusk. See David Rusk, *Cities Without Suburbs: A Census 2010 Perspective* (Washington: Woodrow Wilson Center Press, 2013).

40 We find that 39 percent of principal cities are ranked in the highest 30 percent of poverty rates, compared to 13 percent of suburbs that we rank. At the other extreme, 19 percent of principal cities are ranked in the lowest 30 percent of poverty rates, compared to 52 percent of suburbs.

41 See Margery Austin Turner, "A Place-Conscious Approach Can Strengthen Integrated Strategies in Poor Neighborhoods" (Washington: Brookings Institution, 2015), https://pdfs.semanticscholar.org/0f12/01a27aa4fc20970f56b1e28522d11500ac86.pdf.