

# Nearly 14 million Americans live in neighborhoods of extreme poverty

By Evan Blake  
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A report released earlier this month found that the number of Americans living in neighborhoods of extreme poverty, where more than 40 percent of the population is at or below the federal poverty line, has nearly doubled since 2000, rising from 7.2 million to 13.8 million.

The report highlights the reality of deepening poverty and social misery since the Wall Street crash of October 2008, exposing the mass media's lies that there has been any sort of economic recovery during that time.

The report, "Architecture of Segregation: Civil Unrest, the Concentration of Poverty, and Public Policy," written by Paul Jargowsky of the Century Foundation, emphasizes that the years of the Bush presidency saw a marked increase in the overall spread and concentration of poverty, which only accelerated under Obama after the financial collapse of 2008.

Significantly, the data reveals that the total population of high-poverty neighborhoods encompasses all races, affecting the working class as a whole. Of those living in neighborhoods of extreme poverty, 5 million are black, 4.3 million are Hispanic and 3.5 million are non-Hispanic white.

However, the report also highlights the racial disparities that exist within this most impoverished section of the working class, noting that over one quarter of the black poor lives in a neighborhood of extreme poverty, compared to nearly one in six of the Hispanic poor and one in 13 of the white poor.

Using data from the US Censuses for 1990 and 2000 and from the annual American Community Survey (ACS), the study found that poverty became more concentrated in nearly every major American city, while disproportionately impacting children as well as poor African-Americans and Hispanics.

While the 1990s saw a decline in the number of extreme poverty census tracts, since 2000 this slight improvement has been totally erased. Today there are 4,412 high-poverty census tracts, a 76 percent increase over figures from 2000. Furthermore, the number of "borderline" neighborhoods, those with poverty rates in the range of 20 to 40 percent, actually increased during the 1990s and spiked by 55 percent since 2000, reaching 17,391 in 2013.

Geographically, the Midwest region saw the greatest increase in the number of people living in neighborhoods of concentrated poverty, with a rise of 7.8 percent since 2000. Some of the urban centers of this region, long identified with historic struggles of the working class, now ravaged by decades of deindustrialization, rank among those with the highest levels of concentrated poverty, including Detroit, Milwaukee, Cleveland, Minneapolis, Toledo and Akron.

In Detroit, the number of high-poverty census tracts more than tripled since 2000, from 51 to 184. Whereas high concentrations of poverty had previously been largely confined to Detroit's city limits, by 2013 similar figures were found throughout most inner-ring suburbs just outside the central city, including Dearborn, Southfield, Warren and Redford Township. The city ranked in the top 10 for each racial category, with 57.6 percent of all black poor, 51.1 percent of all white poor and 33 percent of all Hispanic poor residing in areas of extreme poverty.

Although concentration of poverty is popularly associated with the largest metropolitan areas, the report found that small to mid-size metropolitan areas with 250,000 to 1 million persons experienced the greatest increases in concentrated poverty. Among the most dramatic transformations seen in a city this size

took place in Syracuse, New York, where “the number of high-poverty tracts more than doubled, rising from twelve to thirty,” according to the report.

The report points to the rapid growth of suburbanization, starting around 1970, as a major factor that initially led to the growth of concentrated poverty in the central cities of metropolitan areas. “In virtually all metropolitan areas, suburban rings grew much faster than was needed to accommodate metropolitan population growth, so that the central cities and inner-ring suburbs saw massive population declines,” the report notes.

More recently, gentrification in the central cities has caused property values, rents and taxes to skyrocket, forcing many poor residents to move from the central cities into decaying inner-ring suburbs. The report cites Ferguson, Missouri as a prime example of this type of impoverished inner-ring suburb, noting, “Three out of ten neighborhoods in Ferguson now have poverty rates of more than 40 percent.”

While the report focuses on discriminatory zoning ordinances and other legal aspects as the driving force behind the growth in concentrated extreme poverty, the real source of this phenomenon lies in the nature of globalized production under capitalism.

Since the 1970s and increasingly since the 2008 economic crash, American corporations have shifted production from their historic centers in cities like Detroit and St. Louis to low-wage countries, enabling them to secure an increased rate of profit.

Real unemployment levels have steadily increased in the US, so that today the labor force participation rate is a mere 62.6 percent, the lowest level since 1977, before tens of millions of women entered the labor force. Among men, that figure is currently 69 percent, its lowest level ever since records began in 1948.

The growth of thousands of neighborhoods of extreme poverty across the US, often touted as the wealthiest country in the world, is one expression of the irrational and outmoded nature of capitalism. Concurrent with the decimation of former centers of industrial manufacturing, there has been a steady increase in the growth of the financial sector of the economy, whose inherent instability is presently leading to new convulsions in the markets.

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