B | Metropolitan Policy Program

Embargoed for Release 12:01 a.m. EST Wednesday, January 20, 2010

CONTACTS:

Daniel Heim, 202-797-6420, dheim@brookings.edu

For the report page, visit: http://www.brookings.edu/metro/metropolitan_opportunity.aspx

View city/suburban poverty profiles of the largest 95 metro areas here.

Note: A Conference Call Interview Will Be Held With the Report Authors on Wednesday, January 20 at Noon Eastern Time. Dial (800) 870-8270; Passcode 845 992

U.S. Poverty Rises Fastest in the Suburbs

2.5 Million More Suburban Poor in 2008 than in 2000

Washington, D.C. – Two recessions during this decade increased the number of American poor by 5.2 million, with almost half of that growth occurring in the suburbs of the nation's largest metro areas, a report released today by the Brookings Institution finds.

The number of poor grew by 25 percent in suburbs from 2000 to 2008—almost five times the growth rate in primary cities—making the suburbs home to the largest and fastest growing poor population in the country. There are now 1.5 million more poor people living in suburbs than in primary cities—evidence that "the balance of metropolitan poverty has passed a tipping point," according to the report, "The Suburbanization of Poverty: Trends in Metropolitan America, 2000 to 2008."

"Since the start of this decade, two economic downturns have translated into significant increases in poverty across the country, but not all communities have borne the brunt of these increases equally," said Elizabeth Kneebone, a Brookings senior research analyst and co-author of the report. "Suburbs have seen the greatest growth by far in the number of poor residents, and this trend toward the 'suburbanization' of poverty is only likely to continue in the wake of the most recent recession."

Nationwide, the poor population increased by 15.4 percent from 2000 to 2008—almost double the overall population growth rate over that period—which led to a significant increase in the nation's poverty rate. By 2008, 13.2 percent of Americans lived below the poverty line (\$21,834 for a family of four).

The greatest increases in the poverty rate occurred in Midwestern metro areas—particularly auto manufacturing regions—with Grand Rapids and Youngstown leading the list for increases in both city and suburban poverty rates between 2000 and 2008. However, shorter-term trends from 2007 to 2008, coupled with estimates of poverty in 2009, suggest that the "Great Recession" has increased poverty most in Sun Belt metro areas hit hardest by the collapse of the housing market.

Detailed poverty data for America's 95 largest metropolitan areas are available <u>here</u>. The profiles compare suburban and city data from 2000, 2007, and 2008.

While primary city residents remain almost twice as likely to live in poverty as their suburban counterparts (the primary city poverty rate in 2008 was 18.2 percent compared to 9.5 percent in the suburbs), the pace of poverty growth in the suburbs has significant policy implications, the report concludes.

"Though urban and rural poverty remain an ongoing challenge, policymakers, service providers, and other stakeholders must adapt their strategies to address the needs of a poor population that is increasingly suburban," Kneebone said. "The shifting geography of American poverty underscores the need for policies that foster balanced growth across metropolitan regions and labor markets, and that link up affordable housing, transit, workforce, and economic development strategies to help connect low-income residents to job opportunities."

The report additionally finds that:

- In 2008, 91.6 million people—more than 30 percent of the nation's population—fell below 200 percent of the federal poverty level.
- In 2008, 39.1 million people—13.2 percent of total population—were below 100 percent of the federal poverty level.
- Poverty also increased in small metro areas and rural areas at faster rates than in cities.
- Western cities and Florida suburbs were among the first to see the effects of the Great Recession translate into significant increases in poverty between 2007 and 2008.

About the Metropolitan Policy Program at Brookings

Created in 1996, the Metropolitan Policy Program (MPP) provides decision makers with cutting edge research and policy ideas for improving the health and prosperity of metropolitan areas including their component cities, suburbs, and rural areas. To learn more visit: www.brookings.edu/metro.