“In 2000, a poor individual was more likely to live in a poor or very poor neighborhood in the Los Angeles region than in the rest of the country.”

Findings
An analysis of poor neighborhoods in the Los Angeles region between 1970 and 2000 indicates that:

- The poor population in the Los Angeles region has become more geographically concentrated over the past three decades. The proportion of the region’s poor individuals who live in poor neighborhoods—with poverty rates of at least 20 percent—doubled over 30 years, from 29 percent in 1970 to 57 percent in 2000.

- Areas outside inner-city Los Angeles experienced the most rapid increases in poor neighborhoods, especially during the 1990s. Between 1970 and 2000, the percentage of poor neighborhoods in suburban Los Angeles County quadrupled; it tripled in surrounding counties, and remained relatively constant in inner-city Los Angeles.

- The racial-ethnic and immigration characteristics of poor neighborhoods changed markedly over the three decades, reflecting regionwide changes. The Latino proportion of the population living in very poor neighborhoods—with neighborhood poverty rates of at least 40 percent—increased more than threefold between 1970 and 2000, while the black share of the population living in very poor neighborhoods declined dramatically.

- More of the region’s neighborhoods became poor in the 1990s than in prior decades. International migration to the Los Angeles region played a major role in the development of poor neighborhoods in the 1970s and 1980s, but contributed far less to their growth in the 1990s.

- Employment in very poor neighborhoods increased considerably in the 1980s and 1990s, while single parenthood declined. The labor force participation gap between very poor and non-poor neighborhoods shrunk by one-half over the three decades.

In the past three decades, the Los Angeles region has witnessed a large-scale spatial reorganization of poverty. Where once concentrated poverty was confined to neighborhoods in the inner-city, it has since spread to the suburbs. This shifting concentration of poor neighborhoods is driven mainly by immigration and broader changes in the regional economy. Increasing economic mobility for second and subsequent generations of immigrants through education is the region’s key challenge.
I. Introduction

Growing economic inequality remains one of the nation’s most pressing problems. After controlling for the effects of the business cycle, there is a clear, long-term trend of a “widening divide” between rich and poor. Several factors have contributed to this trend, including global competition, rapid technological change, industrial restructuring, increasing returns to education, and demographic shifts in the workforce, including high levels of immigration.

The impact of rising inequality has not affected people and places evenly. Residential and economic segregation in most metropolitan areas often result in the poor being constrained to high-poverty neighborhoods—with poverty rates greater than 20 percent—and often disproportionately composed of minority groups and immigrants. These poor neighborhoods may have few institutional and social resources, and neighborhood poverty may have deleterious effects on a number of health and social outcomes.

Researchers have documented that concentrated poverty in metropolitan America—that is, the number and population of neighborhoods where at least 40 percent of people live below the poverty line—increased during the 1970s and 1980s, but declined dramatically in the 1990s. Southern California, however, failed to share in this recent improvement. Most studies that examine poor neighborhoods are based on metropolitan areas in the Northeast and Midwest. Given the very different physical and economic growth trends that prevail in the Western United States, these analyses likely fail to capture the dynamics of neighborhood poverty in the greater Los Angeles region.

With these differences in mind, our study analyzes the changing spatial distribution of poverty in greater Los Angeles over the past 30 years, focusing on trends in Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. We examine the location of poor neighborhoods across the five-county region between 1970 and 2000, and pinpoint where poor neighborhoods have grown the most quickly. We explore the changing demographic characteristics of poor neighborhoods, including the factors associated with changes to neighborhood poverty levels. We also investigate the extent to which continued immigration to the region is associated with the emergence of concentrated poverty over the period. By better understanding the characteristics and dynamics of poor neighborhoods in greater Los Angeles, the region’s policymakers and community leaders can formulate more effective interventions to address the problems facing residents of disadvantaged neighborhoods.

II. Background

There are several factors that distinguish Southern California from other parts of the United States. The following five factors drive our interest in poverty trends in this region.

Significant population growth

Unlike many metropolitan areas in the Northeastern and Midwestern United States, the five-county Los Angeles region experienced significant population growth between 1970 and 1990. Greater Los Angeles grew by 46 percent during that time, more than twice the rate of population growth nationally, and roughly 10 times that in the Northeast and Midwest. Growth in the region slowed somewhat in the 1990s, although it still kept pace with the nation’s 13 percent growth over the decade. Today, more than 16 million people live in greater Los Angeles, more than in the entire state of FL.

Substantial racial-ethnic diversity

In contrast to metropolitan areas in the Northeast and Midwest that are characterized by largely white and black populations, Southern California has significant numbers of Latinos and Asians, as well as whites and blacks. Roughly 40 percent of the five-county population identifies as Latino, 39 percent as white, 10 percent as Asian, and 7 percent as black. Although residential segregation levels are high, the region’s suburban areas (those outside the City of Los Angeles) are home to similarly high proportions of ethnic Latinos and Asians. As a result, in 1980 and 1990, poverty was less concentrated in the urban core than in other major metropolitan areas, and poor neighborhoods were more ethnically diverse.

Continued immigration

Southern California emerged as a new “Ellis Island” in the latter half of the twentieth century. From 1970 to 2000, the number of immigrants in greater Los Angeles increased by more than 4 million, and by 2000, 31 percent of the region’s population was foreign-born, compared with 11 percent nationally. As of 2000, one-third of foreign-born individuals in the five-county area had lived in the United States for fewer than 10 years.

Increasing poverty

Although the national poverty rate has remained relatively steady over the past 30 years, at between 12 and 14 percent, the poverty rate in Southern California rose from 10 percent in 1970 to over 15 percent in 2000. This translates to 1.5 million more people in poverty in the five-county region since 1970. Los Angeles County drove much of this rise; home to 60 percent of the region’s total population, the county saw a substantially higher poverty rate from 1980 onward than other counties in the region (Table 1).
As noted earlier, although the share of the nation’s poor who live in high-poverty neighborhoods declined rather dramatically during the 1990s, this was not the case in the Los Angeles region. In fact, Los Angeles and Washington, DC, were the only two major U.S. areas in which poverty became more concentrated over the decade. California’s trend may be explained, in part, by the protracted recession that the region suffered during the early 1990s, when closures in the aerospace industry resulted in the loss of many high paid, blue-collar jobs. The economic recovery that occurred in the later part of the 1990s may have been insufficient to reverse the concentration of poverty that occurred during the first part of the decade.

### III. Methodology

To analyze the dynamics of neighborhood poverty in the Los Angeles region, we use decennial census data from 1970 to 2000. Key characteristics of our method follow.

#### Defining neighborhoods

We treat census tracts as neighborhoods. The U.S. Census Bureau defines census tracts as “relatively homogenous areas with respect to population characteristics, economic status and living conditions.” Census tracts in urban areas typically contain about 4,000 to 5,000 people, and although tracts do not always replicate neighborhoods as they are understood by urban dwellers, they serve as good approximations.

#### Measuring poverty

We use poverty rates to classify neighborhoods. A neighborhood’s poverty rate is defined as the total number of persons living in families and nonfamilies with annual incomes below the federal poverty level, as a percentage of the total population for whom poverty status is determined.

#### Classifying neighborhoods

We classify neighborhoods in the greater Los Angeles area into one of three categories: non-poor, poor, and very poor. Other research provides guidelines for assessing neighborhood distress based on poverty concentrations. The U.S. Census Bureau uses poverty rates of at least 20 percent to designate “poverty areas,” and we adopt that criterion to define poor neighborhoods. In his seminal work, The Truly Disadvantaged, William Julius Wilson defines “urban underclass” as those residing in neighborhoods with poverty rates of at least 40 percent. That threshold defines very poor neighborhoods in our analysis. We refer to the remainder of the region’s neighborhoods as non-poor, although nearly all contain at least some people living below the poverty line.

Other research uses composite measures that combine poverty with several other indicators, such as joblessness and welfare receipt, to categorize neighborhoods. Rather than using these factors to construct the measure of distress, we examine similar outcomes within poor neighborhoods over time.

If poor individuals were evenly distributed across the region, there would be no neighborhoods with poverty rates above 20 percent. In reality, the poor are distributed unevenly across regions, particularly in Southern California, creating areas of concentrated poverty. Concentrated poverty, in turn, creates additional barriers that stem from the nature of the institutional and social structures available in high-poverty neighborhoods.

#### City versus suburbs

To quantify changes in poverty concentrations between “suburbs” and “city,” we face the thorny task of delineating the central city of Los Angeles. The Los Angeles region differs from many Northeastern and Midwestern metropolitan areas because it does not adhere to a simple central city-suburb dichotomy. Rather, the region has sev-

### Table 1. Poverty Rates, Los Angeles region versus California and Nation, 1970–2000

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eral distinct areas, some of which look more like central cities and others that look more like suburbs.\textsuperscript{11} Using the City of Los Angeles boundary alone to define inner-city Los Angeles is problematic because areas such as the San Fernando Valley are contained within the city limits but are far more comparable from a physical and demographic standpoint with suburban areas. Likewise, there are cities apart from Los Angeles that surround the downtown area, such as Compton and East Los Angeles, that share more characteristics with the central city than with suburbs.

To portray the city-suburb distinction in the Los Angeles region, we rely on Pastor’s classification of 1990 PUMAs (Public Use Microdata Areas) in Los Angeles County. He uses various demographic and economic characteristics to construct a geographic definition of inner-city Los Angeles.\textsuperscript{14} In addition to several neighborhoods in the City of Los Angeles, this inner-city classification also includes the following areas outside the city: unincorporated East Los Angeles, Huntington Park, Carson, Bell Gardens, Bell, Commerce, Cudahy, Maywood, Vernon, and Compton. We refer to these areas as “inner-city Los Angeles.” Likewise, the definition excludes areas of the city such as Bel Air, Pacific Palisades, Westwood–West Los Angeles, and the San Fernando Valley. These and other parts of Los Angeles County outside the inner-city we classify as “Los Angeles County suburbs,” and the remainder of the five-county region as “other suburbs.”

**Neighborhood transitions**

In addition to identifying poor neighborhoods in each decade, we also analyze the changing status of neighborhoods between decennial censuses, from non-poor to very poor and vice versa. Because census tract boundaries change to reflect population changes, we reconcile census tract boundaries across decades by matching 1990 data to 2000 data; 1980 data to 1990 data; and 1970 data to 1980 data. We examine each decade separately so that neighborhood transitions in the 1970s represent changes that occurred between 1970 and 1980, transitions in the 1980s signify changes occurring between 1980 and 1990, and transitions in the 1990s represent changes occurring between 1990 and 2000.\textsuperscript{15}

We classify neighborhood transitions into one of four categories: poor and very poor neighborhoods that remained the same (stayed poor); poor and very poor neighborhoods that improved (got better); poor and very neighborhoods that declined (got worse); and neighborhoods that remained non-poor (stayed non-poor). (In the findings below, we discuss the various mechanisms by which a neighborhood’s poverty rate may increase or decrease.) We only identify transitions in which the neighborhood changed poverty classification and in which the poverty rate changed by at least 3 percentage points over the ten-year period.\textsuperscript{16}

**Findings**

A. **The poor population in the Los Angeles region has become more geographically concentrated over the past three decades.**

The percentage of neighborhoods with high levels of poverty grew dramatically in the Los Angeles region between 1970 and 2000. Figure 1 shows the neighborhoods across the five counties that were poor and very poor in each decade, and the percentage of the region’s population, and total poor population, living in those neighborhoods.

One consequence of this expansion is that poor individuals and families became more concentrated in neighborhoods of extreme poverty. In 1970 and 1980, fewer than 2 percent of neighborhoods regionwide were very poor (with poverty rates of at least 40 percent), and only 4 percent of the region’s poor lived in those neighborhoods. By 2000, nearly 5 percent of neighborhoods were very poor, and nearly 12 percent of the poor population resided there. The largest jump in neighborhood poverty concentrations occurred in the 1990s, when the proportion of the region’s poor individuals residing in very poor neighborhoods increased by about 5 percent.

As very poor neighborhoods grew in number, so too did poor neighborhoods—those with poverty rates between 20 and 40 percent. Slightly more than one in ten neighborhoods were poor in 1970, but by 2000, one in four neighborhoods in the region were poor. Likewise the proportion of the region’s poor residing in poor neighborhoods steadily increased from 25 percent in 1970 to more than 45 percent in 2000, although the increase was most significant in the 1970s.

Overall, the percentage of the region’s population living in poor and very poor neighborhoods doubled between 1970 and 2000, from 29 percent to 57 percent. This increase reflects, in part, the rise in the regional poverty rate during this period, from 10 percent to 16 percent. It is worth reiterating that if the region’s poor were distributed evenly across neighborhoods, no poor people would live in neighborhoods where the poverty rate was 20 percent or higher. Instead, more than half live in poor or very poor neighborhoods. Such a dramatic rise in this proportion over 30 years reflects a large-scale spatial reorganization of poverty in the Los Angeles region.

How do trends in Southern California over the past decade compare with those nationwide? Jargowsky finds that the population of very poor neighborhoods declined by 24 percent nationwide between 1990 and 2000.\textsuperscript{17} By contrast, the Los Angeles region saw the number of people living in very poor neighborhoods more than double in the 1990s. In 2000, the percentage
of poor in the five-county Los Angeles region who lived in very poor neighborhoods was higher than that in three-fourths of the nation’s largest metropolitan areas.

Similarly, across the nation, the proportion of poor individuals residing in poor and very poor neighborhoods declined by about 10 percentage points in the 1990s, from nearly 65 percent to about 54 percent. The Los Angeles region, meanwhile, experienced an increase of 9 percentage points. As a result, in 2000, a poor individual was more likely to live in a poor or very poor neighborhood in the Los Angeles region than in the rest of the country.

B. Areas outside inner-city Los Angeles experienced the most rapid increases in poor neighborhoods, especially during the 1990s.

As poor individuals became more concentrated in neighborhoods throughout the Southern California region, the locus of growth in poor neighborhoods shifted. Figure 2 illustrates the areas in the region that witnessed the most significant changes in the concentration of poverty.

In 1970, very poor neighborhoods were almost completely confined to Los Angeles County, and located predominantly in inner-city Los Angeles. As in subsequent decades, poor neighborhoods typically surrounded very poor neighborhoods, creating large contiguous areas of poverty. A ring of poor neighborhoods is visible in downtown Los Angeles, and the port areas of San Pedro and Long Beach also contained pockets of poor neighborhoods. A fairly large area of poor neighborhoods is also evident in the southern part of the city of San Bernardino.

During the 1970s, the ring of poverty around downtown Los Angeles expanded, with more poor neighborhoods developing in South LA and East LA. Poor neighborhoods also emerged in Orange County in Santa
Figure 2. Neighborhoods by Predominant Race/Ethnic Group and Poverty Status, Los Angeles Region, 1970–2000

1970

1980
Ana, while the number of poverty tracts in Riverside, San Bernardino, and Ventura counties remained relatively steady. Still, the majority (271 of 418, or 65 percent) of the region’s poor and very poor neighborhoods were located in inner-city Los Angeles by 1980.

During the 1980s, poverty began to shift to the suburbs. Several poor neighborhoods sprouted up in the San Fernando Valley north of inner-city Los Angeles. Poverty areas also began to expand eastward, from East LA along Interstate 10 toward Pomona and San Bernardino County. Very poor neighborhoods developed for the first time outside Los Angeles County, around the city of San Bernardino. The city of Santa Ana in Orange County saw the number of poor neighborhoods continue to grow, and new poverty pockets began to emerge in Anaheim.

In the 1990s, concentrated poverty affected every part of the region. Downtown Los Angeles and the Long Beach port area saw many poor neighborhoods worsen, becoming very poor neighborhoods, and the inner-city ring of poverty further expanded into the cities of Inglewood and Hawthorne. At the same time, the San Fernando Valley witnessed a sizable increase in concentrated neighborhood poverty, as did Lancaster and Palmdale. This reflected a continued expansion of poverty eastward from inner-city Los Angeles into Pomona and stretching across county boundaries into San Bernardino. Very poor neighborhoods also began to emerge in Riverside, Santa Ana, and Anaheim.

These maps illustrate not only that poverty had widened by the 1990s, but that the areas responsible for its growth had shifted outward, to the suburbs. The number of people living in very poor neighborhoods in suburban Los Angeles County nearly quadrupled, and the number living in poor neighborhoods more than doubled (Appendix A). By 2000, nearly as
many people lived in poor and very poor neighborhoods in suburban Los Angeles County (1.7 million) as in the inner-city (1.8 million). Meanwhile, in Orange, Riverside, San Bernardino, and Ventura counties, the population of poor and very poor neighborhoods more than doubled in a decade's time, from 600,000 in 1990 to more than 1.2 million in 2000.

In fact, in 2000, more of the region’s poor lived in the four suburban counties (840,000) than in inner-city Los Angeles (700,000). Still, the more severe concentrations of poverty (40 percent and above) remain largely an inner-city Los Angeles phenomenon, while the majority of neighborhoods with concentrations ranging from 20 to 40 percent are located outside the inner-city.

The rise of concentrated poverty in the Los Angeles suburbs is, to an extent, consistent with national trends. Jargowsky finds that during the 1990s concentrated poverty declined in most central cities but remained stable in suburbs. He also finds that poverty rates rose in the inner suburbs of most metropolitan areas, although to levels below 40 percent. Still, the Los Angeles region is notable for its rapid increases in very poor neighborhoods over the past decade, and the degree to which the city and suburbs have converged on measures of poverty concentration over time.

C. The racial-ethnic and immigration characteristics of poor neighborhoods changed markedly over the three decades, reflecting regionwide changes.

Geography aside, the demographic characteristics of the region’s poor changed markedly between 1970 and 2000. Figure 3 compares the five-county poor population with the total population below the poverty line by race and immigration status. Immigration, particularly from Latin American countries, has transformed the makeup of both poor neighborhoods
and the region as a whole. The Latino share of the region’s poor population increased dramatically, from 14 percent in 1970 to 37 percent in 2000, as did its share of the total population, from 22 percent to 54 percent. The proportion of Asian/Pacific Islanders (API) in the region more than quintupled over the period, from 0.2 percent to 9 percent, and their proportion of the poor population increased in tandem. By 2000, Latinos and APIs accounted for almost two-thirds of the regional poor population, up from less than one-fourth in 1970.

As noted, these increases resulted in large part from immigration, as the foreign-born share of the region’s adult poor population rose from 13 percent in 1970 to 44 percent in 2000. Immigrants, both new (arriving within the past ten years) and established (arriving ten or more years before), are disproportionately represented among the poverty population, composing 61 percent of the region’s adult poor. As in 1970, new immigrants in 2000 were roughly twice as likely as adults regionwide to be poor.

Returning to the geography of poverty in the region, the demographic shifts in the poor population translated into a dramatic change in the racial-ethnic composition of poor and very poor neighborhoods (Figure 4).20 Whereas blacks made up a majority of very poor neighborhoods in 1970, Latinos did so (65 percent) in 2000. The large decline in black representation in very poor neighborhoods may reflect both the migration of Latinos to those neighborhoods and a redistribution of black population to other neighborhoods within the region. Overall, the black share of the population regionwide did not change considerably over the 30-year period.

The maps in Figure 2 provide a sense of the spatial changes in the racial-ethnic composition of poor and very poor neighborhoods across the region. In each decade, we assign these neighborhoods a predominant racial-ethnic group based on the composition of their populations. In some instances, the assigned racial-ethnic group may not constitute a majority of the neighborhood population, but it always represents at least a plurality.21 The growth of the Latino population, and its emergence in poor neighborhoods, is readily apparent. In 1970, blacks dominated the region’s poorest neighborhoods, most of which were located in inner-city Los Angeles. Whites populated the few poor neighborhoods in suburban areas, particularly in San Bernardino and Riverside counties. By 1980, inner-city neighborhoods that were poor or very poor were nearly equally likely to be majority Latino as majority black. By 1990, poor black communities had been supplanted with poor Latino communities, and Latino growth in the San Fernando Valley eastward to San Bernardino and to the south in Santa Ana and Anaheim coincided with the...
rise in newly poor neighborhoods. In downtown Los Angeles and the San Gabriel Valley, poor API communities also began to appear.

By 2000, Latinos would come to dominate most poor neighborhoods in all six areas of the region. The few exceptions include traditionally black neighborhoods in Watts, Compton, and Inglewood, poor API neighborhoods in the San Gabriel Valley just east of downtown and near Santa Ana, and several predominantly white poor neighborhoods in northern Los Angeles and San Bernardino counties.

Examining the share of the population in poor neighborhoods that is foreign-born, the impact of immigration on neighborhood poverty first becomes evident in the 1980s, when poor and, in particular, very poor neighborhoods witnessed large increases of foreign-born residents (Figure 4). Those increases—12 percentage points in poor neighborhoods, and 18 percentage points in very poor neighborhoods—were steeper than the 9 percentage point increase in the foreign-born population living in non-poor neighborhoods. New immigrants to the region were significantly more likely to be poor than other individuals (as shown in Figure 3), and they often located in neighborhoods with high levels of poverty.

By contrast, the proportion of foreign-born individuals in poor and very poor neighborhoods changed little in the 1990s, even though their representation in non-poor neighborhoods continued to increase. In fact, the proportion of the population that is foreign-born fell slightly in poor neighborhoods in the 1990s. Below, we explore further the relation between immigration and changing neighborhood poverty status.

D. More of the region’s neighborhoods became poor in the 1990s than in prior decades.
A neighborhood’s poverty rate, and thus its classification as poor or very poor, may change as the result of several factors. Incomes among residents living in the neighborhood may decline or increase. Poor people may move out of a neighborhood, or wealthier people may move in. Conversely, poor people may move into neighborhoods because of employment opportunities or affordable housing. Families already in the neighborhood may grow or shrink in size, adding or subtracting residents associated with their above- or below-poverty incomes. Each of these factors may redistribute the poor population and contribute to the changing status of neighborhoods. Although it is difficult to generalize about the factors that led to greater concentrations of poverty in the Los Angeles region over the past 30 years, we examine the dynamic processes that underlay neighborhood changes in poverty status.

Figure 5 maps the neighborhood poverty changes in the Los Angeles region in each of the last three decades. In the 1970s, the majority of neighborhood changes occurred within inner-city Los Angeles, although declining conditions were evident in some parts of the San Fernando Valley, the San Gabriel Valley, and Orange County. During the 1980s, the San Fernando Valley and the I-10 corridor east toward San Bernardino saw several neighborhoods fall into poverty, and San Bernardino and Orange counties also saw worsening neighborhood poverty in a few areas. Improvements in neighborhood poverty were largely limited to inner-city Los Angeles, where changes were fairly common overall.

The most widespread changes occurred in the 1990s, when a far greater number of neighborhoods across the region worsened or improved than in past decades. Compared with prior decades, suburban areas increasingly saw newly poor or very poor neighborhoods develop, particularly in the San Fernando Valley,
areas just west of inner-city Los Angeles, northern Los Angeles County communities such as Palmdale and Lancaster, and southern San Bernardino and northern Riverside counties.

Clearly, as Table 2 shows, conditions in the 1990s were much more volatile than in the 1980s or 1970s. Between 1990 and 2000, the poverty status of 16 percent of the region’s neighborhoods either worsened or improved compared with 9 to 11 percent in the prior decades. In 2000, nearly twice as many people as in 1990 lived in neighborhoods whose poverty status worsened. Further, the chances that a changing neighborhood experienced increased poverty were much higher in the 1990s than in the 1970s or 1980s. Although each decade saw more neighborhoods with worsening poverty than improving, the 1990s saw more than five times as many neighborhoods worsen than improve; in the 1970s the ratio was only three to one.

Column 5 in Table 2 (change in foreign-born population) explores the relation between immigration and poverty changes. In the 1970s and 1980s, neighborhoods that remained poor or became poor experienced significantly larger increases in their foreign-born population than non-poor or improving neighborhoods. This suggests that new immigration probably contributed significantly to the concentration of poverty in the region during those decades.

In the 1990s, the proportion of the population that was foreign-born increased by a much smaller degree across all types of neighborhoods. In contrast to previous decades, neighborhoods that stayed poor in the 1990s experienced only a minimal increase in their foreign-born share of population. What is more, neighborhoods with worsening poverty and those remaining non-poor experienced the same increase in foreign-born (5 percent). The relation between foreign-born growth and changes in poverty also appears considerably weaker than the relation between low education and poverty. In the 1990s, residents of neighborhoods with worsening poverty were increasingly more likely to have less than a high school education, while neighborhoods that stayed non-poor saw a slight decrease in their residents without high school degrees.

These simple statistics by no means disprove a link between increasing poverty concentration and immigration in the 1990s. In fact, the continued increases in poor and very poor neighborhoods throughout the 1990s likely result, in part, from increasing numbers of children born to immigrant families. These native-born children share their parents’ economic circumstances, which may blur the line between poverty among immigrants and nonimmigrants. The statistics do, however, remind us that a complex set of factors led to worsening poverty in the region over the last decade. They also suggest that the changes are influenced by broader conditions in the labor market, selec-

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*Population figures reflect those recorded in the latter census (e.g., figures for 1990s represent 2000 population)
ative in- and out-migration of certain workers, and an emerging population of children born to immigrant parents.

E. Employment in very poor neighborhoods increased considerably in the 1980s and 1990s, while single parenthood declined.

Other analyses of urban distress rely on composite measures of disadvantage in neighborhoods, including low levels of work, education, and high levels of single parenthood.22 As we identify distress based on a poverty measure alone, it is instructive to examine the degree to which poor neighborhoods have characteristics associated with the “urban underclass.”

Along these dimensions, the condition of very poor neighborhoods improved considerably between 1970 and 2000 (Table 3). In 1970, 39 percent of working-age residents of very poor neighborhoods were in jobs or looking for work. The proportion jumped dramatically in the 1980s such that by 1990, 54 percent were in the labor force. Although the percentage slipped to 51 percent by 2000, this likely reflects difficult labor market conditions regionwide; labor force participation in non-poor neighborhoods declined by an even greater amount in the 1990s. These 30 years effectively narrowed the gap between labor force participation rates in very poor neighborhoods and non-poor neighborhoods by half, from 21 percentage points in 1970 to 10 percentage points in 2000. The same pattern held for male employment, although the gap remains wider in 2000 than for overall labor force participation.

The labor market gains made by residents of poor neighborhoods in the Los Angeles region are even more noteworthy in light of the trends in education among adults in these neighborhoods (Table 3). Education gaps, in fact, stand out amid the neighborhood characteristics. More than half (50 to 60 percent) of adults in poor areas lack a high school diploma compared with only 19 to 39 percent of adults in non-poor areas. Indeed, the percentage of adults in very poor neighborhoods who have not completed high school was virtually the same in 2000 as it was in 1970, while the proportion of adults in non-poor neighborhoods with such low attainment declined by half. Residents of poor neighborhoods made gains over the 30-year period, but remain at a significant educational disadvantage compared with their counterparts in higher-income neighborhoods. At the same time, female employment in very poor neighborhoods continues to lag that in the rest of the region by a significant degree, and unemployment levels remain much higher (Table 3). These gaps may reflect a decline in job opportunities in and around very poor neighborhoods. Although in 1980 very poor neighborhoods contained roughly two jobs for every resident, as extreme poverty spread into less dense parts of inner-city Los Angeles, suburban Los Angeles County, and surrounding suburban counties, the average number of jobs per resident fell to less than one. In non-poor areas, by contrast, job density—while lower overall—increased over the same period. Therefore, job access, in addition to job-readiness and labor market effort, may have contributed to the increasing unemployment rate in very poor neighborhoods during the three decades.

Consonant with the increases in labor force participation, the decline in single-parent families as a percentage of all households was also largest in very poor neighborhoods. In contrast, single-parent families made up a larger share of the population in poor and non-poor neighborhoods in 2000 than in 1970.

### Table 3. Neighborhood Profile by Poverty Status, Los Angeles Region, 1970–2000

<table>
<thead>
<tr>
<th></th>
<th>Very Poor Neighborhoods</th>
<th>Poor Neighborhoods</th>
<th>Non-Poor Neighborhoods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational Attainment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less Than High School (%)</td>
<td>65 57 60 62</td>
<td>60 53 54 49</td>
<td>39 24 21 19</td>
</tr>
<tr>
<td>High School Only (%)</td>
<td>21 25 18 18</td>
<td>25 25 19 20</td>
<td>34 32 22 20</td>
</tr>
<tr>
<td>Labor and Employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor Force Participation (%)</td>
<td>39 43 54 51</td>
<td>52 59 63 56</td>
<td>60 66 67 61</td>
</tr>
<tr>
<td>Employment Ratio - Male (%)</td>
<td>37 40 52 49</td>
<td>59 64 66 56</td>
<td>74 74 73 64</td>
</tr>
<tr>
<td>Employment Ratio - Female (%)</td>
<td>28 31 37 34</td>
<td>36 43 45 42</td>
<td>41 51 56 50</td>
</tr>
<tr>
<td>Unemployment Rate (%)</td>
<td>14 16 17 17</td>
<td>10 10 12 11</td>
<td>7 6 6 6</td>
</tr>
<tr>
<td>Job Density (per capita)</td>
<td>NA 1.9 1.5 0.9</td>
<td>NA 0.7 0.6 0.5</td>
<td>NA 0.5 0.6 0.6</td>
</tr>
<tr>
<td>Family</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Parent Families (%)</td>
<td>35 38 33 30</td>
<td>18 21 21 22</td>
<td>8 12 10 11</td>
</tr>
</tbody>
</table>
IV. Conclusion

The Los Angeles region has changed dramatically in the past 30 years from demographic, social, and economic perspectives. Perhaps the most troubling change is growing geographical concentration of poverty in the region, particularly during the 1990s.

Several factors contributed to the long-term increase in neighborhood poverty in southern California. The first is immigration and the economic assimilation of immigrant children. Immigrants experience high poverty for a variety of reasons, including issues of acculturation, English language ability, and low skill and education levels that translate into lower earnings and lower economic mobility. The continued increase in neighborhoods with concentrated poverty in the 1990s, in part, may reflect increasing numbers of second-generation immigrants—native-born children with foreign-born parents—who continue to live in poverty. These second-generation immigrants attain higher levels of education than their parents, but continue to lag native-born whites overall. Their experiences in the region’s public school systems have not provided them with the gains in human capital that will allow them to fare better than their parents over time.

The second contributing factor also relates to the influx of immigrants, but operates at the labor-market level. A large supply of less-skilled workers has depressed wages and created more competition at the bottom end of the labor market, which is disproportionately composed of minorities, immigrants, and second-generation workers. The result is slow wage growth and limited economic mobility for the region’s lower-skilled workers.

A third factor concerns industrial restructuring and demand-side forces. For a long time, the Los Angeles labor market offered aerospace and other well-paid manufacturing jobs, thereby creating a solid “middle rung” on the economic mobility ladder. In the 1990s, many of these jobs disappeared and were not replaced. Job competition at the bottom end of the labor market intensified, and today there may be fewer routes to the middle class. In addition, this sector’s competition with developing countries has also adversely affected employment and wages.

What can be done to stem the current trends in concentrated poverty in southern California? In some respects, future prospects are brighter than the current situation because of intergenerational economic mobility. However, economic assimilation appears to be slower in Los Angeles than in other large metropolitan areas such as New York. Increasing economic mobility for second and subsequent generations of immigrants through education is the region’s key challenge. Los Angeles and surrounding areas must ensure that public schools provide the human capital necessary to move future generations of immigrants out of the bottom end of the labor market. At the same time, the region must focus economic development efforts to help rebuild labor demand for a middle class.

The increases in employment levels and labor force participation rates in impoverished neighborhoods over the past few decades are promising, but they must be accompanied by increases in real wages at the bottom end of the labor market and opportunities for middle-class jobs and economic mobility. This will, in turn, reduce concentrated poverty by increasing earnings and promoting true residential mobility for lower-income families.
### Appendix A. Neighborhoods, Total Population, and Poor Population by Neighborhood Poverty Status and Location, Los Angeles Region, 1970-2000*

<table>
<thead>
<tr>
<th>Neighbors</th>
<th>Very Poor</th>
<th>Poor</th>
<th>Non-Poor</th>
<th>Very Poor</th>
<th>Poor</th>
<th>Non-Poor</th>
<th>Very Poor</th>
<th>Poor</th>
<th>Non-Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2000</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Los Angeles County - Inner-City</td>
<td>96</td>
<td>333</td>
<td>147</td>
<td>376,090</td>
<td>1,456,329</td>
<td>653,429</td>
<td>172,777</td>
<td>437,717</td>
<td>85,304</td>
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<tr>
<td>Los Angeles County - Suburbs</td>
<td>41</td>
<td>301</td>
<td>1,123</td>
<td>161,161</td>
<td>1,552,935</td>
<td>5,149,827</td>
<td>76,311</td>
<td>406,209</td>
<td>496,281</td>
</tr>
<tr>
<td>Other Suburbs</td>
<td>20</td>
<td>208</td>
<td>1,088</td>
<td>82,481</td>
<td>1,130,678</td>
<td>5,506,339</td>
<td>38,916</td>
<td>302,609</td>
<td>493,986</td>
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<tr>
<td><strong>1990</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Los Angeles County - Inner-City</td>
<td>45</td>
<td>256</td>
<td>168</td>
<td>209,018</td>
<td>1,441,658</td>
<td>767,737</td>
<td>97,118</td>
<td>415,024</td>
<td>96,900</td>
</tr>
<tr>
<td>Los Angeles County - Suburbs</td>
<td>11</td>
<td>111</td>
<td>1,054</td>
<td>42,471</td>
<td>759,557</td>
<td>5,461,637</td>
<td>20,346</td>
<td>201,313</td>
<td>477,554</td>
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<tr>
<td>Other Suburbs</td>
<td>7</td>
<td>93</td>
<td>803</td>
<td>21,497</td>
<td>565,053</td>
<td>4,960,333</td>
<td>9,863</td>
<td>149,457</td>
<td>395,699</td>
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<tr>
<td><strong>1980</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Los Angeles County - Inner-City</td>
<td>32</td>
<td>239</td>
<td>202</td>
<td>93,196</td>
<td>1,116,886</td>
<td>842,999</td>
<td>45,410</td>
<td>315,965</td>
<td>107,331</td>
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<tr>
<td>Los Angeles County - Suburbs</td>
<td>8</td>
<td>84</td>
<td>1,060</td>
<td>13,481</td>
<td>410,812</td>
<td>4,861,086</td>
<td>5,896</td>
<td>106,489</td>
<td>403,707</td>
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<tr>
<td>Other Suburbs</td>
<td>2</td>
<td>53</td>
<td>707</td>
<td>40</td>
<td>219,860</td>
<td>3,721,890</td>
<td>35</td>
<td>55,254</td>
<td>294,452</td>
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<td><strong>1970</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Los Angeles County - Inner-City</td>
<td>29</td>
<td>156</td>
<td>286</td>
<td>80,170</td>
<td>584,696</td>
<td>1,217,379</td>
<td>39,976</td>
<td>157,959</td>
<td>151,266</td>
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<tr>
<td>Los Angeles County - Suburbs</td>
<td>7</td>
<td>49</td>
<td>1,043</td>
<td>4,287</td>
<td>180,392</td>
<td>4,822,941</td>
<td>2,963</td>
<td>46,999</td>
<td>353,380</td>
</tr>
<tr>
<td>Other Suburbs</td>
<td>2</td>
<td>49</td>
<td>575</td>
<td>834</td>
<td>198,438</td>
<td>2,671,739</td>
<td>368</td>
<td>51,536</td>
<td>213,469</td>
</tr>
</tbody>
</table>

* See text for description of "inner-city" and "suburbs" definitions for Los Angeles County.

"Economic assimilation appears to be slower in Los Angeles than in other large metropolitan areas, such as New York."
Endnotes

1. Paul M. Ong is a professor at UCLA’s School of Public Policy and Social Research, an affiliated faculty of Asian American Studies, and director of the Ralph and Goldy Lewis Center for Regional Policy Studies. Shannon McConville is a research analyst at the Stanford Department of Health Research and Policy.


6. We use “Southern California,” “greater Los Angeles,” and “Los Angeles region” interchangeably to refer to the five-county area that includes Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. San Diego and Imperial counties are also located in Southern California but are not included in this analysis because, unlike the five-county region, they do not share common employment and population centers.


9. In 1999, the year for which Census 2000 captured income information, the federal poverty threshold for a family of four was annual income of $17,029; for a family of three it was $13,290. Poverty status is not determined for people in military barracks, institutional group quarters, or for unrelated individuals under age 15 (such as foster children). These groups are considered neither “poor” nor “non-poor” and thus are not included in this analysis of poverty. For 1970, we calculated the total number of persons in poverty by combining aggregate persons in families below poverty and unrelated individuals below poverty, and we calculated the population for whom poverty status was determined by subtracting the institutionalized population from the total population. In all other years, we used the total number of persons in poverty divided by the poverty universe to calculate the poverty rates.
For the transition analysis, we reconcile tract boundaries between the two years bounding the decade so that the same geographic area is used to calculate poverty rates and other changes in neighborhood composition.

15. This methodology does not, for example, identify a neighborhood in which the poverty rate fell from 35 percent to 25 percent as having "gotten better," because it did not change poverty classification, even though its economic circumstances may have improved noticeably. In effect, our approach attempts to capture changes in neighborhood poverty levels associated with the threshold effects that the research identifies at 20 percent and 40 percent poverty rates.


17. The few very poor neighborhoods outside inner-city Los Angeles in 1970 all contained large institutionalized populations. In subsequent years, these populations are not included in the poverty universe, and those neighborhoods are no longer classified as very poor.

18. The Census Public Use Microdata Sample (PUMS) provides information on individuals rather than aggregated geographic entities such as census tracts. The 1970 estimates use the 5 percent sample. The 2000 estimates are from the PUMS version of the Census 2000 Supplementary Survey (C2SS).

19. We construct mutually exclusive race categories for each year. In 1970, Latinos are people of 'Spanish origin or descent' taken from the 1970 4th Count (Item 24). The remaining racial-ethnic counts come from the 2nd Count data. Non-Hispanic whites are defined as whites minus Latinos; blacks are defined as Negroes; Latinos are all persons of Spanish origin or descent; Asian-Pacific Islanders are those identifying as Japanese, Chinese, Filipino, Korean, and Hawaiian; Others include Indian and other categories. In 1980, 1990, and 2000, we used the Summary (Tape) File 1A to construct the racial-ethnic categories. Non-Hispanic whites are whites not of Hispanic origin; Latinos are whites and others of Hispanic origin; blacks are blacks; Asian Pacific Islanders are Japanese, Chinese, Filipino, Korean, Asian Indian, Vietnamese, Hawaiian, Guamanian, and Somoan; and Others are American Indian and others.

20. On average, in each of the decades, whites, blacks, and Latinos composed majority populations in the neighborhoods in which they are identified as the predominant group, while APIs made up between 40 and 50 percent.


23. Ong, "Intergenerational Economic Mobility."
References


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