Places in Need: The Geography of Poverty and the American Safety Net

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Conventional Spatial Discourse around Poverty and Opportunity

Urban = poor Suburban = opportunity

Informs scholarship
Guides journalism
Shapes popular understandings
Targets policy discussions and tools
My Research Questions

• How has the spatial distribution and concentration of poverty shifted across urban and suburban places since 1990?

• How has the safety net responded to the changing geography of poverty in the past decade?

• How should communities organize local safety net activity?
Data Sources

- **Demographic and Employment Data**
  - Census 1990/2000; 2006-10 American Community Survey
  - Longitudinal Employer-Household Dynamics (LEHD), 2002-10
    » Metropolitan area, place, county, and tract

- **County-level safety net database, 2000-10**
  - Administrative data: EITC, TANF, SNAP, SSI
  - Nonprofit expenditure and revenue data from 990 forms

- **Primary data collection - detailed suburban cases**
  - Chicago, Los Angeles, Washington DC
  - In-depth interviews with suburban leaders
  - Pilot survey – Suburban Social Service Providers

- **Michigan Recession and Recovery Survey (MRRS)**
What is a Suburb?

No formal definition

Definitions contain key assumptions

Different definitions for different questions

More than just geography

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What is a Suburb?

All US Metro Counties
Tracts in Largest 100 metro areas
Municipality = urban or suburban?
Inner-tier suburbs and rural exurbs
What Has Happened Since 1990?
More than Just
More Poor People

Poverty Rates are about twice as high in cities, but have increased twice as fast in suburbs since 1990

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More than Just
More Poor People

More people in extreme poverty in suburbs than in cities
(Less than 50% of federal poverty line, or under $8,784 for family of three in 2010)
More than Just More Poor People

Concentrated poverty more prominent in cities, but number of high-poverty tracts almost doubled in suburbs since 1990

(high-poverty = +20% poor)
What Explains the Trends?
What Explains the Trends?

Changes in the Labor Market
What Explains the Trends?

Demographic Changes in Population
What Explains the Trends?

Immigration and Migration
What Explains the Trends?

Collapse of Housing Market
Why Does It Matter?

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Rising Poverty
  +
Rising Extreme Poverty
  +
Rising Concentrated Poverty
  =
Challenge for Suburban Safety Nets

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How the Safety Net Helps

Welfare: (≈$15-20 billion)
Food Stamps: (≈ $80 billion)
EITC: (≈ $60 billion)
Medicaid: (≈ $70 billion*)

Figures reported are annual expenditures in current dollars

Social Services

Public: ≈$100-200 billion in expenditures

Private: ≈$100 billion in revenues

$150-200 billion in public & private expenditures

*Able-bodied Working Age Adults

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Safety Net is Inherently Local

Role of Nonprofit Organizations
Local Variation in Capacity
Local Leadership and Political Will
Some evidence that *Public Programs* Have Expanded Similarly in Suburbs and Cities

*Suburban Nonprofit Sector* Lags Far Behind *Urban Nonprofit Sector*

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Challenges Confronting Local Safety Nets
Challenges Confronting Local Safety Nets

Limited Capacity
$
$, Orgs, & Leadership
Challenges Confronting
Local Safety Nets

Competitive Pressures
Challenges Confronting Local Safety Nets

Perception Gap
Challenges Confronting Local Safety Nets

Distance and Transportation
Challenges Confronting Local Safety Nets

Anti-Immigrant Sentiment
Can the Safety Net Adapt?
Thank You

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Defining Suburbs in the Minneapolis-St. Paul Metro Area
No to Low Nonprofit Capacity in Suburbs

Number of Registered Nonprofits in
Selected Suburban Municipalities of Chicago, L.A., and D.C.,
by Type of Service Provider and Size of Per-Poor-Person Revenues

Number of Municipalities by Size of Nonprofit Revenues Per Poor Person

- $+1000
- $251 to $1000
- $51 to $250
- $1 to $50
- No Registered Nonprofits

Note: Figures reported are rounded to the nearest dollar. Values of zero indicate no reported revenues. Service categories reflect the following National Taxonomy of Exempt Entities (NTEE) codes for registered nonprofits: Substance Abuse (F20, F21, F22); Mental Health Treatment (F30, F32); Employment Services (J20, J21, J22); Food Assistance (K30, K31, K35, K36); and, Human Services (P20, P22, P24, P26, P27, P28, P297).

Source: Allard and Roth (2010)