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

Scott Allard, University of Washington

Welcome, you are listening to a UC Davis Center for Poverty Research Conference podcast. I'm Lisa Pruitt, a center faculty affiliate and the organizer of our November 2014 Poverty and Place Conference. This conference brought together scholars from across the social sciences. To present and discuss new work on how space and place inflect various dimensions of poverty.

In this presentation, Scott Allard discusses his work on the geography of poverty in the American Safety Net. Allard is a professor at the Daniel J Evans School of Public Affairs at the University of Washington. He is also a Senior Fellow with the Brookings Institution, Metropolitan Policy Program.

>> I argue in the project accounts matter.

I wanna focus on poverty rates and concentrate poverty, those are important things. But the number of poor people matters because it ties to how we allocate resources, to how we think about capacity. To how we think about economies of scale and delivering services or assistance to how we think about jobs and things like that.

So, I have slides which I will spare you, but I'll give you the punch line, and this is echoed in Lisa's comments. That it's more than just more poor people in suburban America, that the poverty rates remain about twice as high in cities. But they've increased about twice as fast in suburbs since 1990.

But it's more than just about poor people, it's about extreme poverty as well. There are more people living in extreme poverty in suburbs than in cities in the largest 100 metro areas. And this is the definition that has people living in less than 50% of the Federal Poverty Line of about \$9,000 in 2010.

And again, it's also about concentrated poverty. While concentrated poverty remains a much more prominent and acute issue in cities. The number of high poverty tracts is almost doubled in suburbs since 1990 and again using definition here of more than 20% of poor. So, we don't wanna forget cities.

We don't wanna forget about these issues of rates and concentrations of poverty. But these realities or these phenomenon are on the rise in suburban areas too. And this isn't a short-termed blip, this is something that's been building over time. And this is something that's structural in many ways and it's not gonna go away.

The recession is over, but suburban poverty continues to remain entrenched. So I'm not gonna go into detail on this. Actually, one of the things that's really hard about this work is you get people say, what's driving it? And there's not one single factor. And in fact, when you talk to people on the ground, often they'll tell you the single factor that they think matters.

But they're usually wrong, they usually getting only part of the story, but there's lots of things. The change in the labor market that have happened in suburbs, there aren't as many good paying low skilled jobs as there used to be. And there had been a decrease in the number of white collar jobs as well in recent years.

There's been a lot of demographic change in suburbs. Some of it is demographic change related to the race and ethnic composition of the population. But some of it relates to rising rates of teen pregnancy,

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or not teen pregnancy, single parent households, sorry. And so there are things that create more vulnerable families in suburbs.

There are also more people not getting a college degree than you would imagine. And while you may have been able to get away with not having a college degree 20, 30 years ago. Your parents might've, it's harder today. Immigration and migration matters, suburbs are destinations for immigrants now in a way that they hadn't been previously.

And in some cities, you do see migratory patterns outside of the city into suburbs that matter. Although, often I would argue that is exaggerated and often is kind of predicated on people's stereotypes about race or about public housing residents. But you can find places that have been affected by migration from the city a little bit more than others.

And then finally, the collapse of the housing market matters. And this is one that's hard to capture longitudinally given the data we have. But there's good work out there that talks about how this has mattered to local economies. But let's think about why it matters. Why does it matter that the geography of poverty has shifted from cities to suburbs in metropolitan areas to some degree?

Why does it matter that you have rising poverty, rising street poverty and rising concentration in poverty? That matters because our safety is predicated on poverty being primarily located in urban places and in rural places. But largely our investments have been made in urban places. And that reality creates a lot of challenges for suburban safety nets.

So we might worry that suburban safety nets might not be well equipped to handle the changes in topography. The changes in poverty, the changes in the labor market that have occurred. And let me walk you through this. This comes actually from my first book, talking about the safety and the different components.

So we think about the safety and we often will think about the public programs that are the big ticket items. AFDC or TANF, food stamps or SNAP, the earned income tax credit and Medicaid. But we often forget that there's a large social service sector that underlies these and it has strong connections to them.

Either formal or informal. And these services are a variety of things. But these are the things that help people kind of grab the next rung on the ladder. Help improve well-being, help take care of their children, help address either a temporary or more formidable barrier to employment. These are things that we do in our communities, they're very localized, but they're really critical to the safety net.

So we start to put price tags on it, you get to see how important human services are. I think these are slightly dated, but they're close enough for discussion purposes. You see that when you go across the top, we spend a little bit more than \$200 billion on these programs.

And I've cut out disabled individuals and elder folks from the Medicaid and focus only on working age able-bodied adults in that pool. Cuz that's kind of who we're talking about in this exercise. There are public and private components to the safety net. But when you start to think about public expenditures and private commitments.

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And the way that public money gets channeled into the private, nonprofit sector. We spend about \$150 to \$200 billion a year on social services, broadly defined. So this is a big number. And if we don't talk about these services, we're missing a huge chunk of the safety net.

And that's what out of reach is all about. But this kind of a safety net is inherently local in the social service safety net. And even the delivery of many of these other public programs has a lot of local variation. Nonprofits play a bigger role, there's a lot of local variation capacity to fund or to administer programs.

And there's a lot of variation of local leadership and political will around these issues. And so, in some ways we have lots of little safety nets in our suburban rings around cities. That have lot of variation in terms of their content, their quality, their capacity and their support.

There is some evidence and I can talk a little bit about these in Q and A. The public programs have expanded similarly in suburbs and in cities over the last ten years. I was surprised to find that, but snap case loads in the ITC recipients and SSI cases have increased.

Kind of commensurate with increases in poverty in urban and suburban places, which is a good thing I guess. I was surprised, but I think it's a good thing. But the nonprofit sector lags far behind in suburban areas. And I'm gonna give you just a few data points here to emphasize that.

And I'm happy to say more in Q and A. First, the media nonprofit human service expenditure per poor person. So this is kind of per capita spending and I controlled for inflation cuz they didn't do that in the paper, which was a dumb thing to do. So this is in 2000, \$10.

And you see that in urban areas, urban counties, the median per poor person human service expenditure for nonprofits is about \$700. In 2000, it's \$84 in suburban counties. Now the trick here is that this isn't cleanly urban, you do capture some suburban places. But when we study the safety net, counties are often the unit of administration.

So the foundations often make their grants at the county level. Federal programs often operate through the county level. So this is, I think, the proper geographic unit of analysis. But it kind of uncover, it does kind of smooth over the fact that there's some suburban places in these urban counties.

And I can also tell you why this data totally stinks, but just believe me for now, trust me later, listen to me next week. You see these big changes. Also I should tell you that I've, I've pulled out all the very, very big non profits, so national headquarters.

Organizations that have more than \$10 million in revenue, I've pulled out of this, so we're looking really at providers that are mostly local or regional providers. So 7 times more per poor person in urban than suburban in 2000, and it actually doesn't change appreciably by 2010. You see some real change, some increase in suburban.

The meeting suburban per poor person expenditure and a decline in urban counties. But this gap is still about four to one. It's pretty significant. What's more striking and it's hard to know exactly what to make of this. You don't want to cry wolf really, but it's a real concern that a quarter of these suburban counties have no registered nonprofit human services organizations.

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Now that doesn't mean there aren't human services in these places. What it means is that there's no organization that calls itself home in that county and has bothered to file an IRS 990 form. Now that could mean that, they're a very small organization. It could mean that, there's a regional and they don't have to file a 990 form.

It could mean that, there's a regional provider that's located in another place but does a lot of work. But if we think about the role of human services in human service organizations, it's not just to help people in need. There's all kinds of civic functions and social capital functions that these organizations provide.

And so not having any is actually a pretty big deal, I think. And it doesn't give you a lot of options if you're trying to think about who we're going to contract with to provide this new intervention, or this new program that we have an idea for that a donor wants to support.

More importantly, there's nobody out engaging and mobilizing donors to think about these issues. Not maybe more importantly but also importantly. So not having organizations is a big deal. And let me just close, I'm gonna think about some challenges that confront local safety nets, kind of given this reality.

So one challenge is the limited capacity to act. And it's not just limited dollars. There are very few organizations. But there's also a leadership gap. And when you spend time in the field, you get stories about this. About the kind of denial among political leaders about the need and about the need to talk for programs.

And so I had this one really poignant interview, where, someone was talking about a food pantry program that they were offering. And it was near a school and they were lining, people are lined up near the school and a school board member came by and said, what's going on here?

And they saw we're running a food pantry, it's like, we don't have poor people in our district, we don't need to have this program. This sends a bad signal to people. We don't want people think there is poverty here. Let's get rid of this. We stop this. That's not uncommon, actually.

There are places that are more enlightened than others. And there's places like in Lake County in north of Chicago, there's actually kind of two different world views. Some people are in denial, and some people are actively pursuing and engaged around these issues. But, there's a limited capacity to act.

And many suburban places. And it's not like cities are flush either. I mean, anybody who's studied urban poverty programs knows that this is hard work. You don't have enough money, you never have consistent money. You never have enough staff. It's difficult work. There are a lot of competitive pressures that come into play when we start to think about the reality of suburban poverty for our safety nets.

And this goes back to political economy and fiscal federalism stuff, but we worry theoretically and conceptually that if local governments and local entities are responsible for providing redistributive programs, or safety net programs, they may not want to do it at a rate that's very generous. And this goes back to that quote that school board member had.

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They were worried about the signal it would send to other people about their county or their school district, and would it attract more people. More people that were undesirable, more poor people. These competitive pressures are real. And even if they're not real, if people behave as if they're real that's all that matters.

And so there is gonna be less of a willingness to create new programs or to fund new organizations in places where poverty is rising for fear that that will either sanction, whatever bad behavior people associate with poverty, often incorrectly, or whether it will serve as a magnet to attract more people.

And, there's this fear that this will happen. One of my doc students at Chicago did his dissertation on immigrant youth service provision, and has these really striking quotes from people in suburban municipalities about how they didn't wanna have any youth programming, cuz, they didn't want those kids in their community.

And we all have encountered that. There's a huge perception gap. And this, I wanna spend time in this one Chicago suburb, someone was telling me that they have this local high school. It's one of the most affluent high schools in the state. It's famous. It's appeared in movies.

As a back drop, and they have this really robust volunteer program for high school students. And so, this ED of this non profit said well, you know, poverty's been increasing in our, in our county and in our school district and, and it would be great if we could have the students come and do some work.

Just down the road, and the school is like yeah, no we're not interested in that. That's not real poverty, we're gonna send the kids to Apalachee, and their gonna do like a week in Apalachee. What do you mean it's not real poverty, like these are people with really no money.

But this is the perception gap, its that, if this doesn't exist in our community, then were gonna deploy our resources elsewhere. This happens to be true for donors as well. It's hard to get donors. Who have been giving money for decades or years to urban organizations, to think about how they could donate to suburban organizations.

And these suburban organizations often have to compete with their urban counterparts for attention or branding. And so, one of these great, great moments. I did an interview. A few years ago with a Chicago Tribune reporter about some data that Brookings had come out, and this person said, oh, who should I talk to about suburban hunger?

And I said, well, there's this really great suburban food bank outside of Chicago. You should call them. They're really great. I've talked with them. They have a good communications team. And then, he went and called the urban food bank that serves the City of Chicago and asks them questions.

He couldn't even, kind of get his head around it. So this perception gap is pervasive, it is problematic. And it complicates the work of organizations. It complicates the work of philanthropists, and of program managers, elected officials across the board. I'm sure Evelyn will talk about this, but there are distance and transportation issues.

Which, as we all can intuit, are really important and critical, and then, I think one of the things that has been most striking to me about the field work I've done is the, anti-immigrant sentiment that is common

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in suburban areas. And I had an executive director of a organization that works Latino immigrants tell me that, she was a little nervous because a peer organization in another county had encountered some protests from anti-immigrant groups.

And they started picketing the front doors of the organization. And they lost their funding and had to shut down. And she's like, I really hope that doesn't happen to me here. That's kind of, that would be really bad, is kind of a chilling effect to some degree. I went to another organization that was in a country where there was a lot of public and political hostility to immigrants, and there had been some.

Some enforcement of immigration laws and some sending people back home. And they basically went on the down low. So you walk up to the organization and they have posters like come get your GED. Get job assistance and it's all pictures of white folks. But then you go inside the staff is bilingual, speaks almost only Spanish and all of their clients are Latino.

But they can't put that out front. They have to keep that on the inside, because they were worried about incurring the wrath of anti-immigrant groups in their community. This is a big deal, immigrants, especially immigrants who are in households of mixed status, already face a very isolated experience.

And if you can't go to public offices easily, if you're unable to go to the nonprofits that are there, that are supposed to serve you. This is a real issue and a real problem, and it's gonna make it difficult for these individuals, not only to get a job, but also to become integrated in society, even if they're of legal status.

So then I, finish, can the safety net adapt? I'm optimistic. I think if you look at, if you think about 1960s when urban poverty starts to really pick up pace in the US, you know Michael Herrington writes, *The Other America* and we start to have these conversations about concentrated intergenerational poverty.

We didn't have the nonprofit sector that we have today, that nonprofit sector didn't exist like it did today. It's really a phenomenon of the great society and the war on poverty and then 30 years of federal investment. We also didn't have public programs like we have today. Basically any program that you would think about that is important to low income people didn't exist in the 60s.

It exists in the late 60s and early 70s, so food stamps some of you take for granted, doesn't really kick in until the 70s. Medicaid doesn't really become a big program till the 70s. The Earned Income Tax Credit doesn't really become a big program until the 80s. So we have more public programs in place than we used to, and we have a much richer and stronger non-profit sector, so I think there were some good building blocks there.

In suburban areas, we have strong religious congregations and religious organizations that can provide the backbone. There's a lot of philanthropic potential, so I feel every time I get up and speak to audiences I want to remind people that we are a generous country. We give \$300 billion to charity every year, but we give less than 1 in \$10 to human service charities that help poor people.

Most of it goes to other places. So we could do better. I mean, that's easy. That's an easy problem. We can do better on that, and channel more money to organizations that help the most vulnerable. But there's a couple of issues. Can we overcome the lack of political will?

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Can we overcome the lack of capacity? Can we think about solutions that bring us together? And this will go back to the shared faith. A lot of the tendency when you talk to suburban providers is to say, have them say well, we need more of our cut. We need more money from this grant, we need more money from this allocation.

But it's going to come away from someone else, right. So one of my former students, I was talking to her on the phone one day, about a, she was looking for a job and she was working for a suburban municipality. And while I was on the phone with her, she got the email that their CGB allocation had increased.

But that meant someone else's CBG allocation got decreased. I can guarantee that that community isn't like. It isn't like poverty went away in that community. So this kind of zero sum game that I think that we're playing in isn't gonna work. We have to think about more regional solutions, we have to think about more regional collaboration, and we have to think about regional capacity because a lot of the municipalities in suburban locations don't have the staff, the professional staff, or the political staff, really, to do this work.

So we need to build capacity. And ultimately, I think, the success we will have addressing metropolitan poverty in its current form is gonna hinge on our ability to craft a shared fate and how we think about the issue but also on how we think about solutions. Thank you.

>> I'm Ann Stevens, the Director of the Center for Poverty Research at UC Davis, and I want to thank you for listening. The center is one of three federally designated poverty research centers in the United States. Our mission is to facilitate nonpartisan academic research on domestic poverty, to disseminate this research, and to train the next generation of poverty scholars.

Core funding comes from the US Department of Health and Human Services. For more information about the center, visit us online at [poverty.ucdavis.edu](http://poverty.ucdavis.edu).