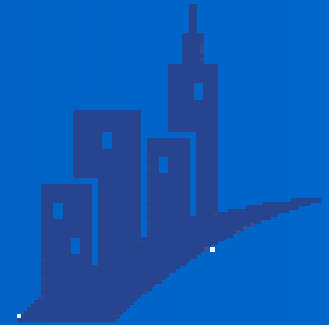


The Brookings Institution

Metropolitan Policy Program
Alan Berube, Fellow



Confronting Concentrated Poverty in Fresno

Fresno Works for Better Health
September 6, 2006



Confronting Concentrated Poverty in Fresno

I

What is concentrated poverty?

II

What is the situation in Fresno, and how did it evolve?

III

How are other cities and regions addressing concentrated poverty?



“Poverty,” as a statistical concept, measures the number of people living below a certain family income level

→ The 2004 federal poverty threshold for a family of three was **\$15,219**

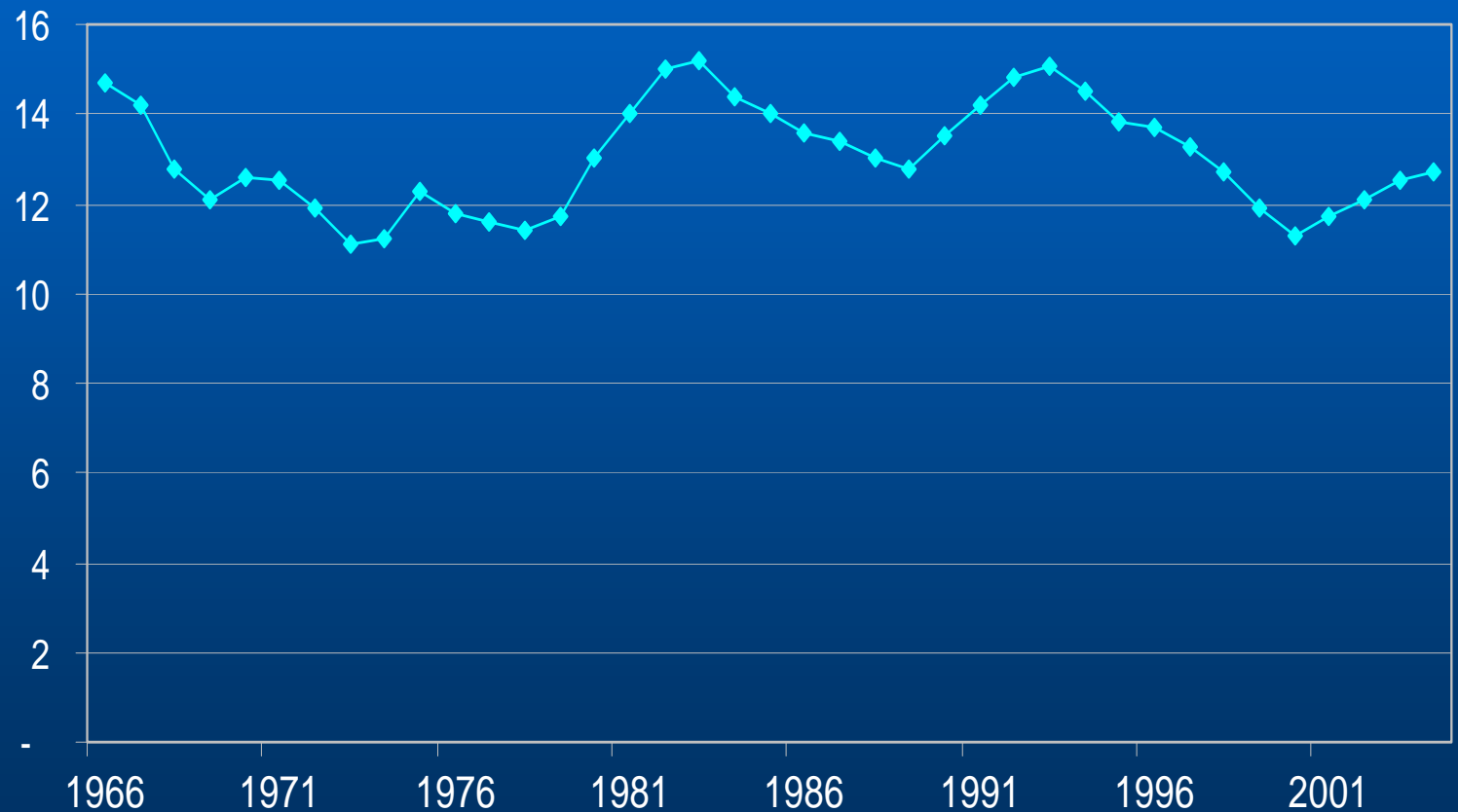
→ This is roughly **33% of median income** for a family of that size



For the past 40 years, between 11 and 15 percent of the U.S. population has lived below the official “poverty line”

Percentage of
U.S. residents in
poverty, 1966-
2004

Source:
U.S. Census Bureau

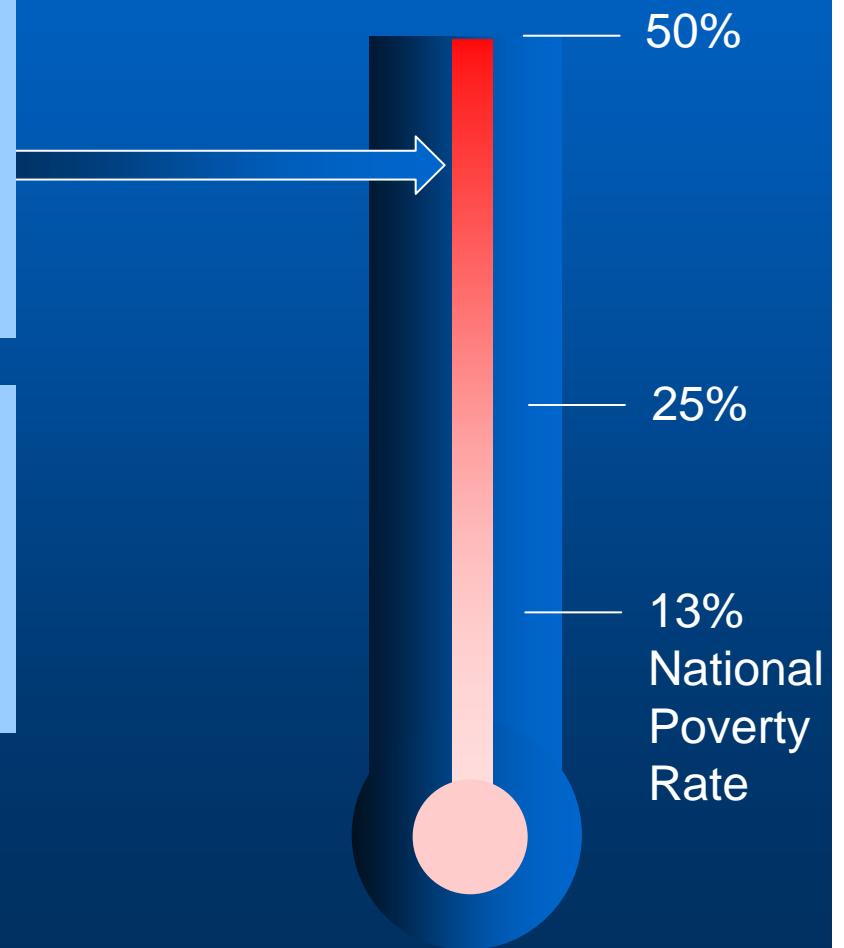




“Concentrated poverty” refers to the **double burden** faced by poor families who also live in very poor neighborhoods

High-poverty neighborhoods are defined as those neighborhoods where more than **40 percent** of people live below the poverty line

The **concentrated poverty rate** measures the proportion of poor people who live in high-poverty neighborhoods





High **neighborhood poverty** places low-income families and their communities at an additional disadvantage

→ **Market disinvestment** that reduces employment, retail, and quality housing opportunities for local residents

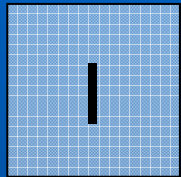
→ **Low-performing schools** that struggle to impart basic skills and cause children to under-invest in their futures

→ **Higher crime rates** that lead to poorer mental and physical health outcomes for community residents

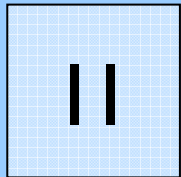
→ **Added costs** for the provision of public services, and **lower rates** of regional economic growth



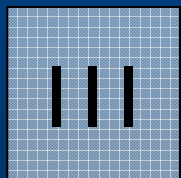
Confronting Concentrated Poverty in Fresno



What is concentrated poverty?



What is the situation in Fresno, and how did it evolve?



How are other cities and regions addressing concentrated poverty?



In 2000, Fresno ranked #4 among the 50 largest cities in the United States on its overall poverty rate...

Percentage of individuals in poverty, 2000

Source:
Brookings
calculations of U.S.
Census data

City		% poverty
1	Miami, FL	28.5
2	New Orleans, LA	27.9
3	Cleveland, OH	26.3
4	Fresno, CA	26.2
5	Atlanta, GA	26.1
6	Baltimore, MD	24.4
7	Philadelphia, PA	22.9
8	Long Beach, CA	22.9
9	El Paso, TX	22.8
10	Los Angeles, CA	22.1
	NATION	12.4



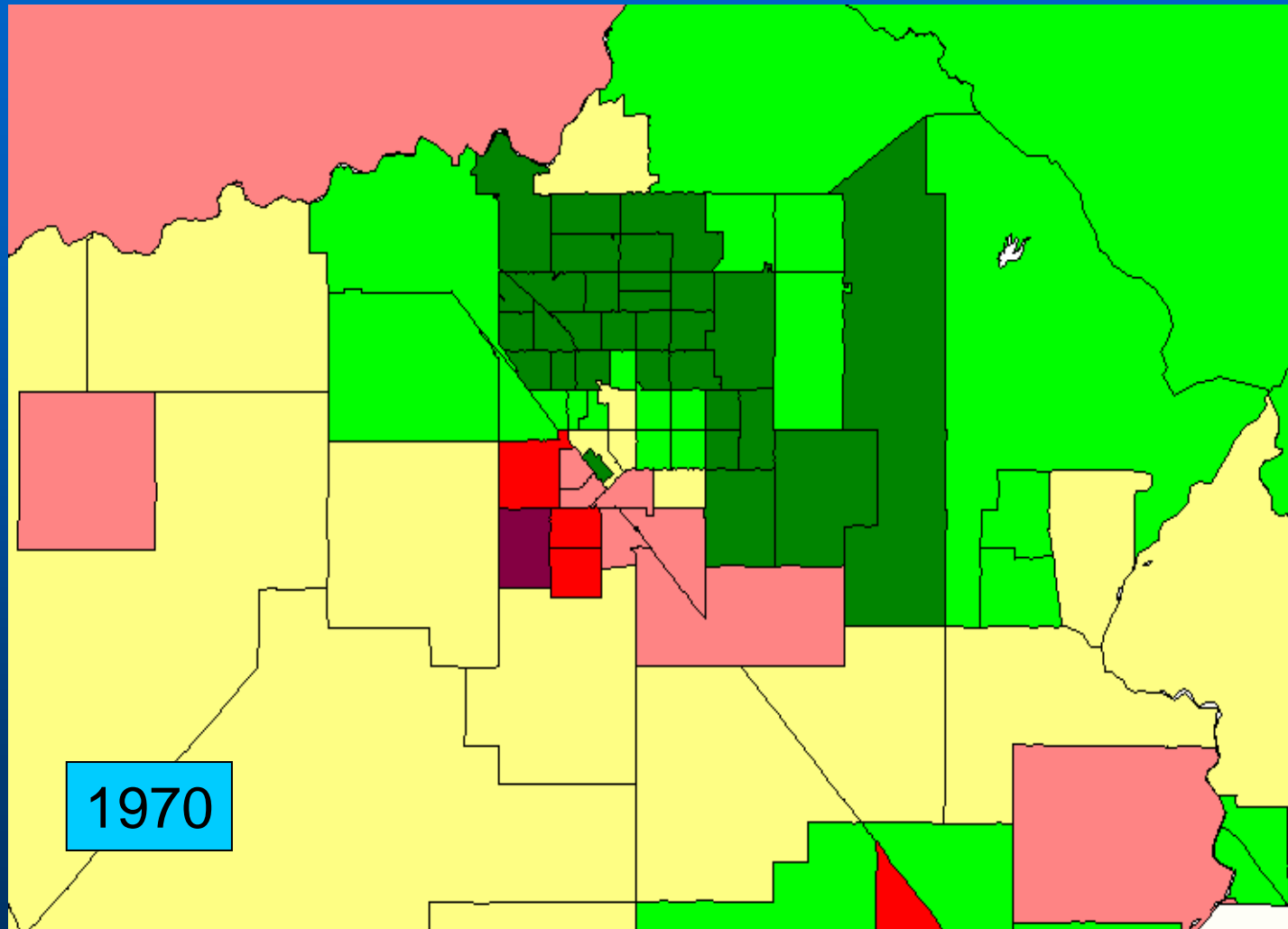
...but ranked #1 on concentrated poverty, the degree to which its poor were clustered in high-poverty neighborhoods

Percentage of poor individuals in high-poverty neighborhoods (>40%), 2000

Source:
Brookings
calculations of U.S.
Census data

City	% poverty
1 Fresno, CA	43.5
2 New Orleans, LA	37.7
3 Louisville, KY	36.7
4 Miami, FL	36.4
5 Atlanta, GA	35.8
6 Long Beach, CA	30.7
7 Cleveland, OH	29.8
8 Philadelphia, PA	27.9
9 Milwaukee, WI	27.0
10 New York, NY	25.9
NATION	10.0

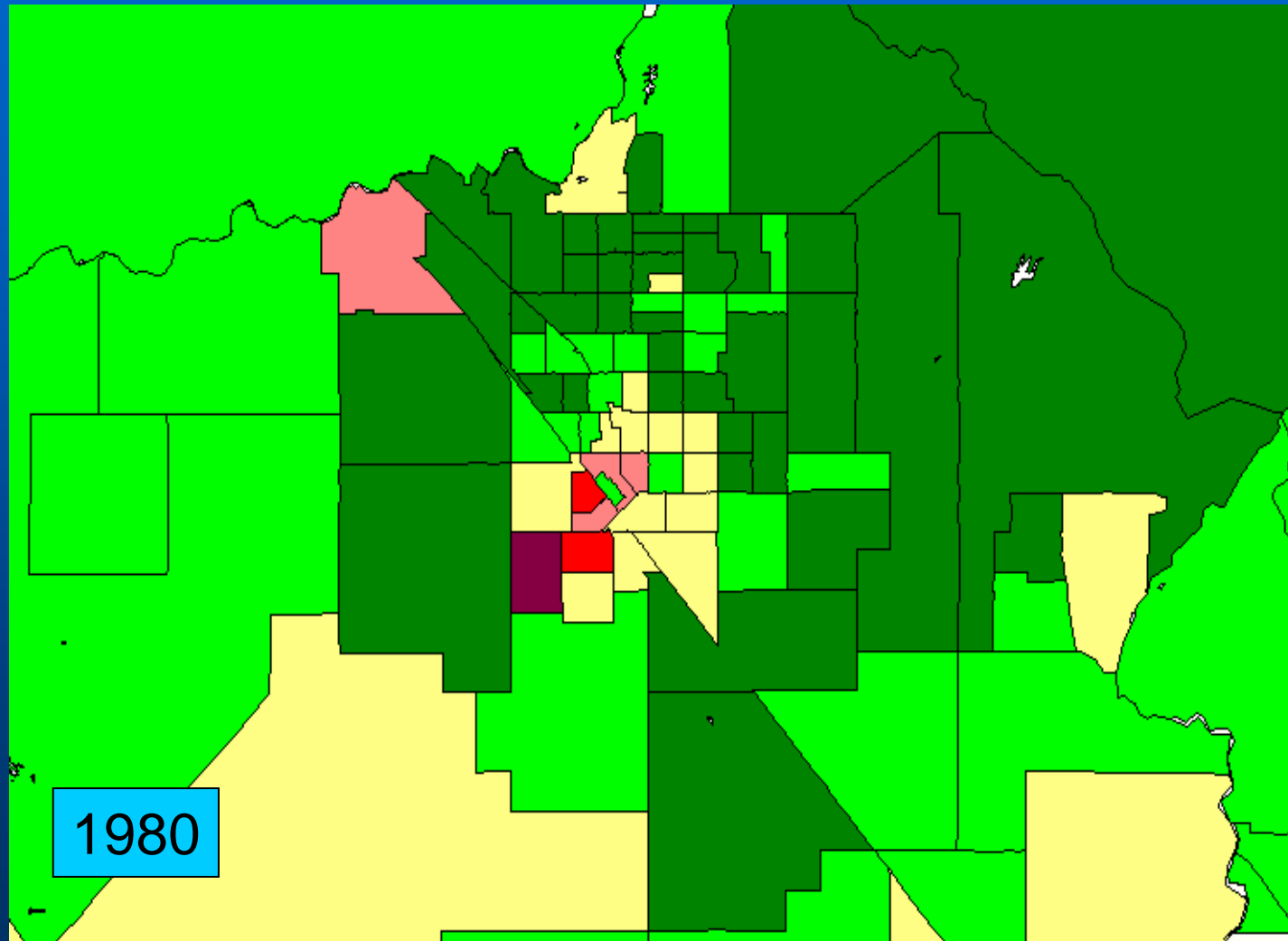
Neighborhood poverty increased dramatically on the South and West sides of Fresno, especially between 1980 and 2000



Poverty Rate



Neighborhood poverty increased dramatically on the South and West sides of Fresno, especially between 1980 and 2000



Poverty Rate



0-10%



10-20%



20-30%



30-40%

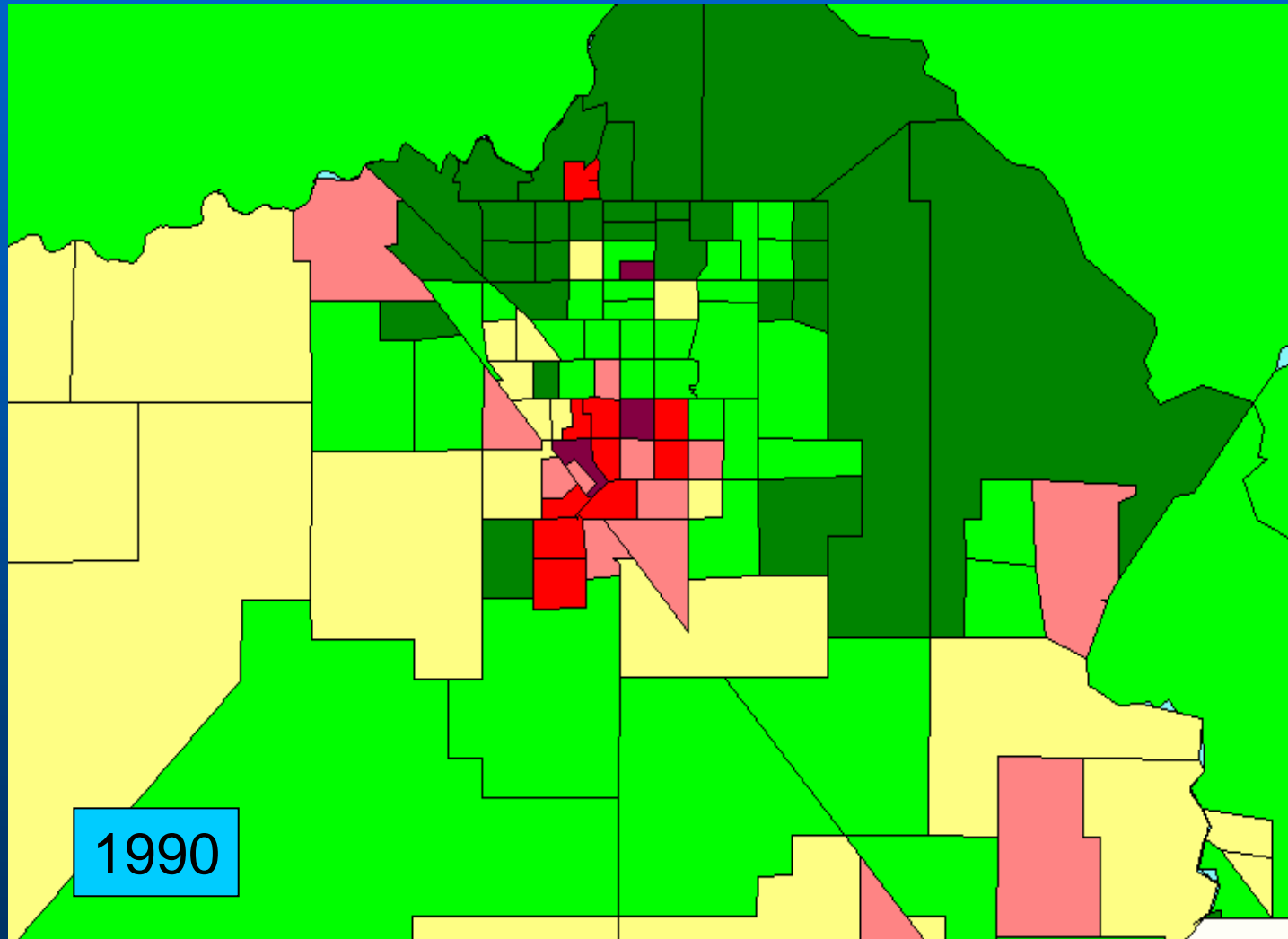


40-50%



Over 50%

Neighborhood poverty increased dramatically on the South and West sides of Fresno, especially between 1980 and 2000



Poverty Rate

0-10%

10-20%

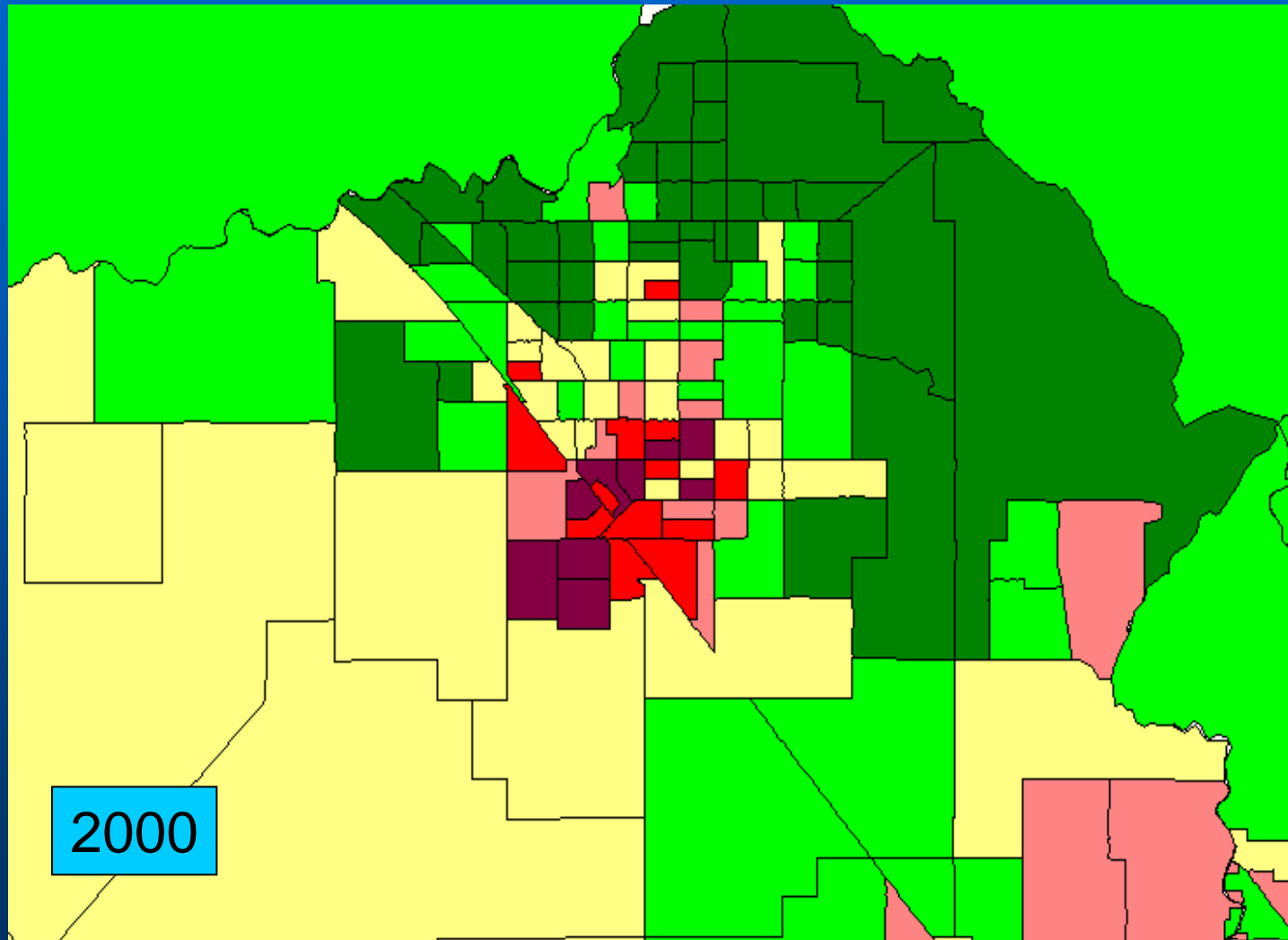
20-30%

30-40%

40-50%

Over 50%

Neighborhood poverty increased dramatically on the South and West sides of Fresno, especially between 1980 and 2000



Poverty Rate

0-10%

10-20%

20-30%

30-40%

40-50%

Over 50%



Residents of Fresno's high-poverty neighborhoods exhibit multiple forms of social and economic disadvantage

Profile of high-poverty neighborhoods in Fresno, 2000

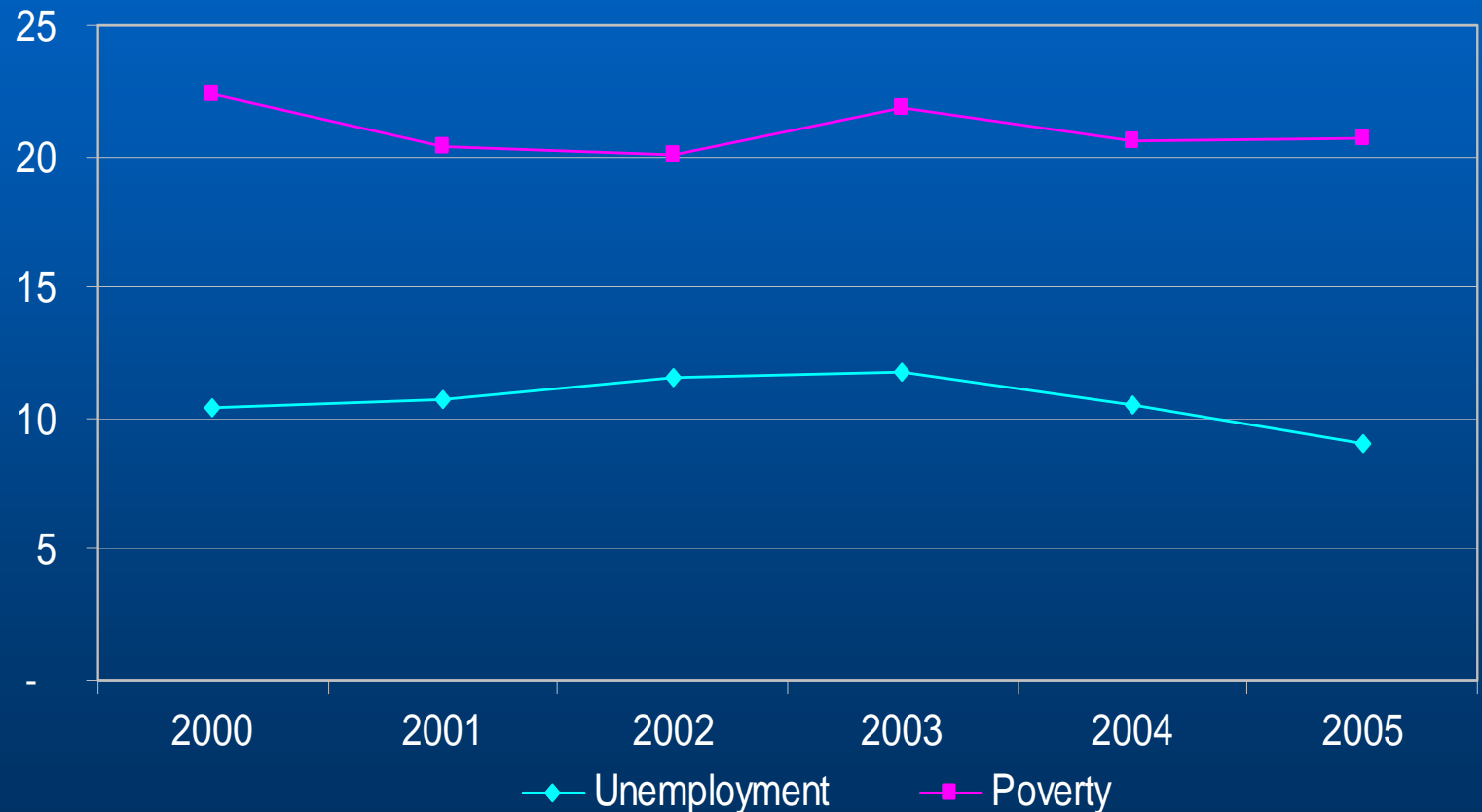
Indicator (2000)	Extreme-Poverty Neighborhoods	Rest of Fresno	Metro Area outside Fresno
Population	111,718	396,401	414,397
Individuals below poverty (%)	49.1	17.6	20.6
Average household income	\$27,689	\$51,173	\$48,757
Average poverty gap	\$9,649	\$7,569	\$7,778
Children in single-parent fams (%)	38.5	22.1	23.8
Adults (25-64) w/ college degree (%)	3.9	23.2	13.3
Population (21-64) w/ disability (%)	33.8	22.1	23.8
Adult (25-64) labor force partic. (%)	53.7	74.7	68.5



Poverty and employment in Fresno may have improved slightly since 2000, but not enough to change the picture significantly

Poverty and unemployment rates, Fresno County, 2000-05

Source:
American Community Survey





What factors contributed to the evolution of concentrated poverty in Fresno?

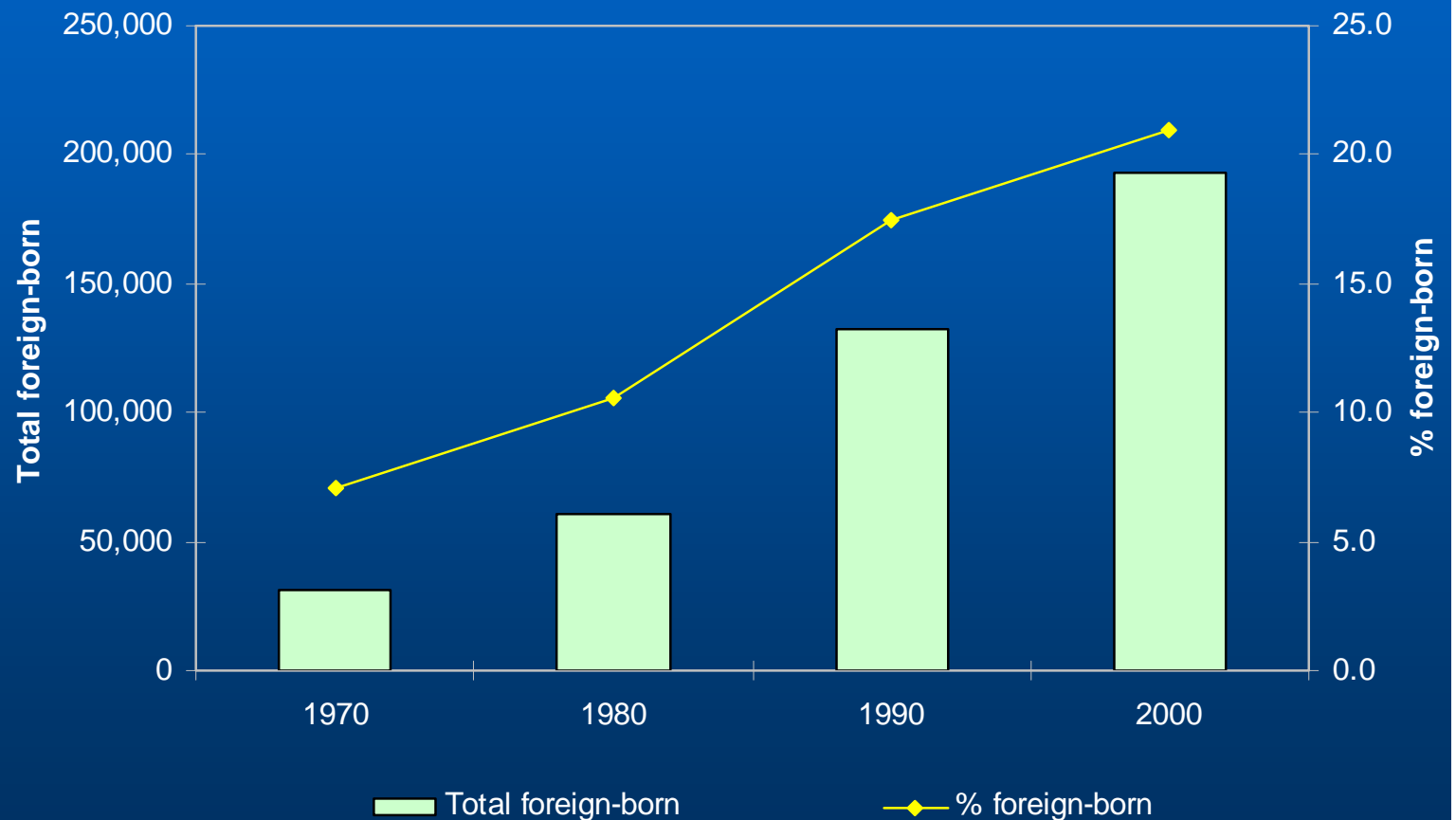
1. Population changes
2. Economic changes
3. Growth and housing patterns



The Fresno region has experienced a significant inflow of immigrants over the last 30 years

Number and proportion of foreign-born individuals, Fresno metro areas, 1970-2000

Source: Brookings calculations of Census Bureau data

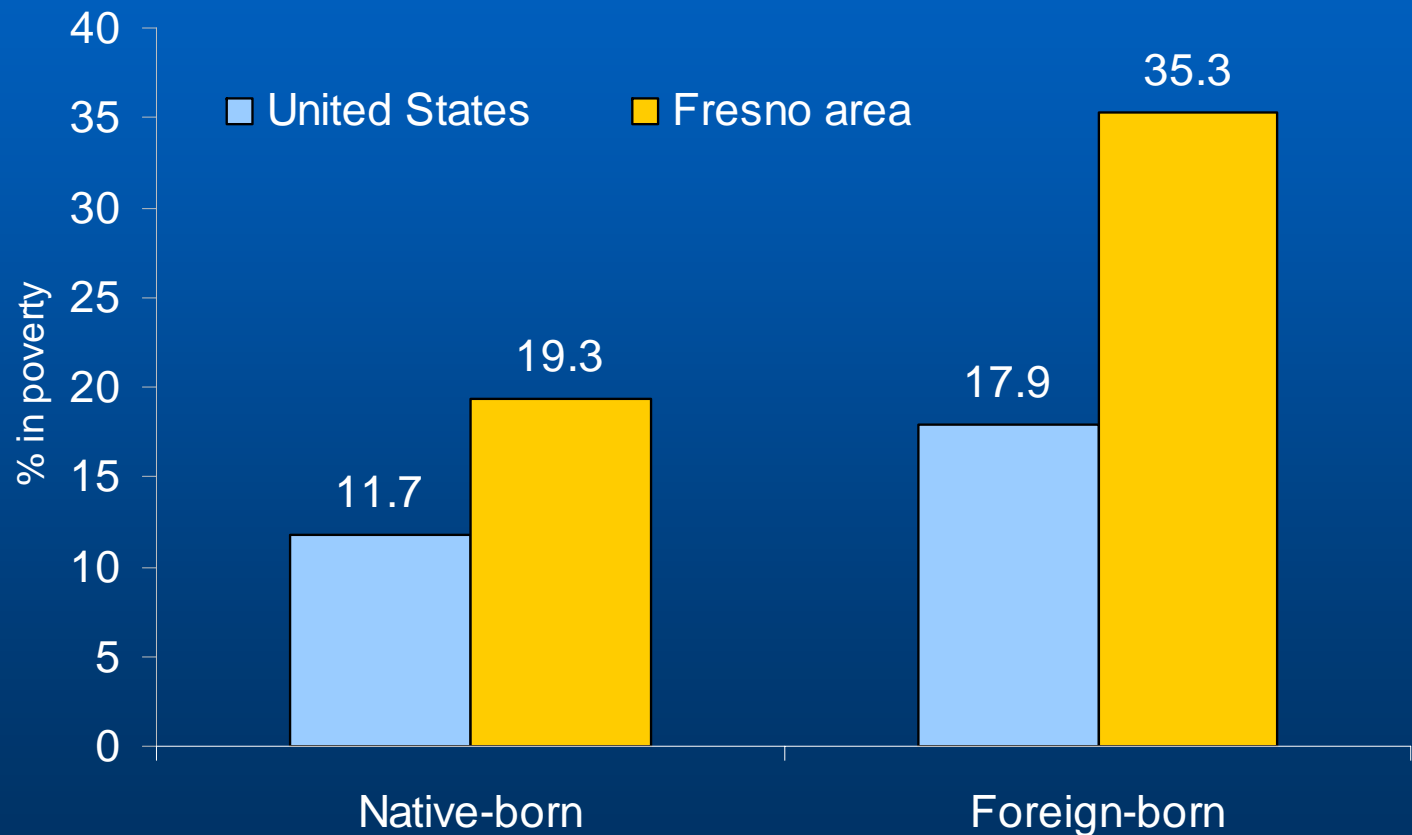




Immigrants (and native-born individuals) in the Fresno area are more likely to be poor than their counterparts elsewhere

Poverty rate by nativity, Fresno area vs. United States, 2000

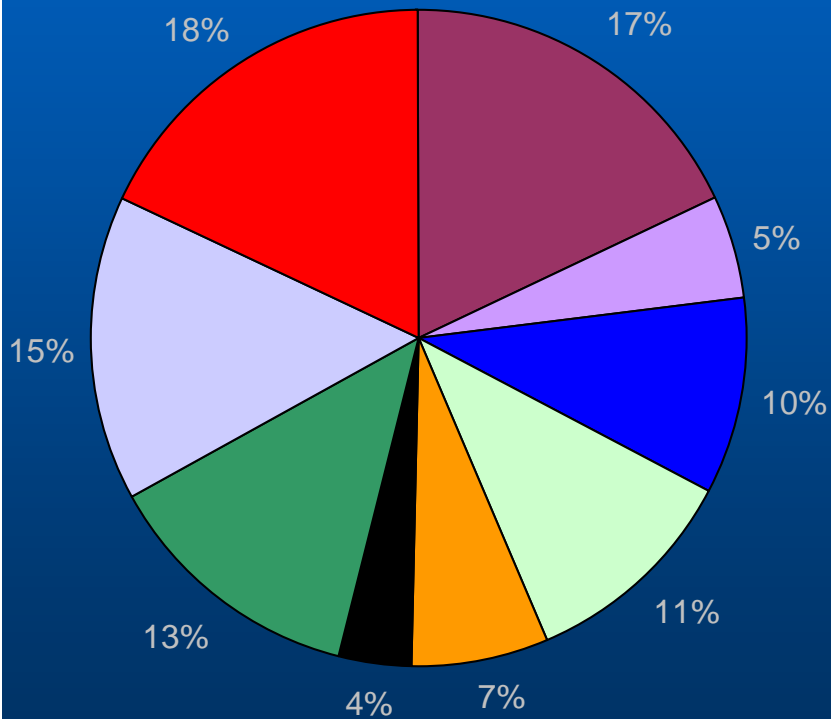
Source:
Brookings calculations
of Census 2000 data



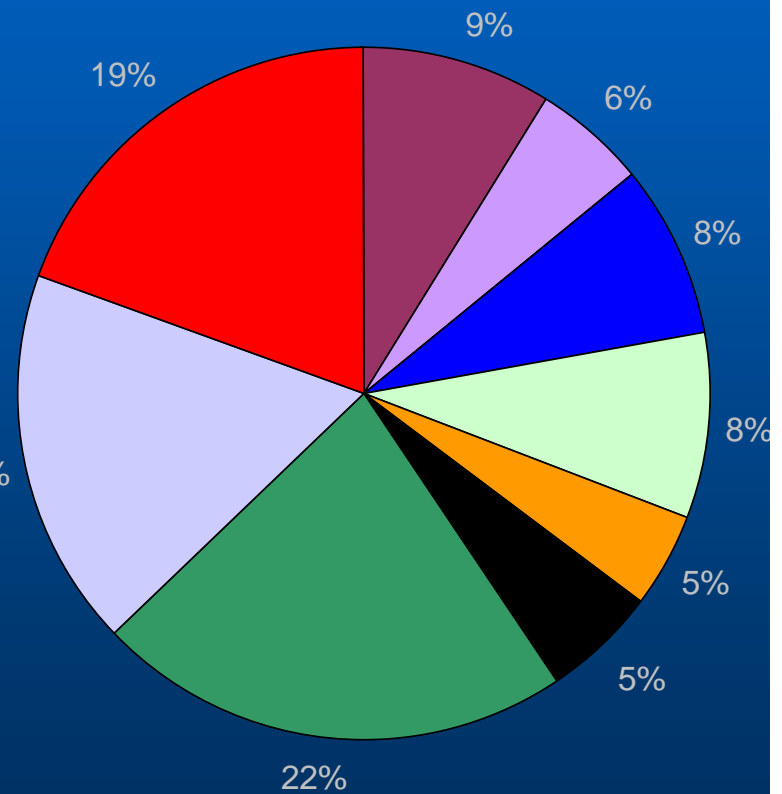


Construction, government, and services—especially education and health—are key growth sectors in the Fresno area economy

1970

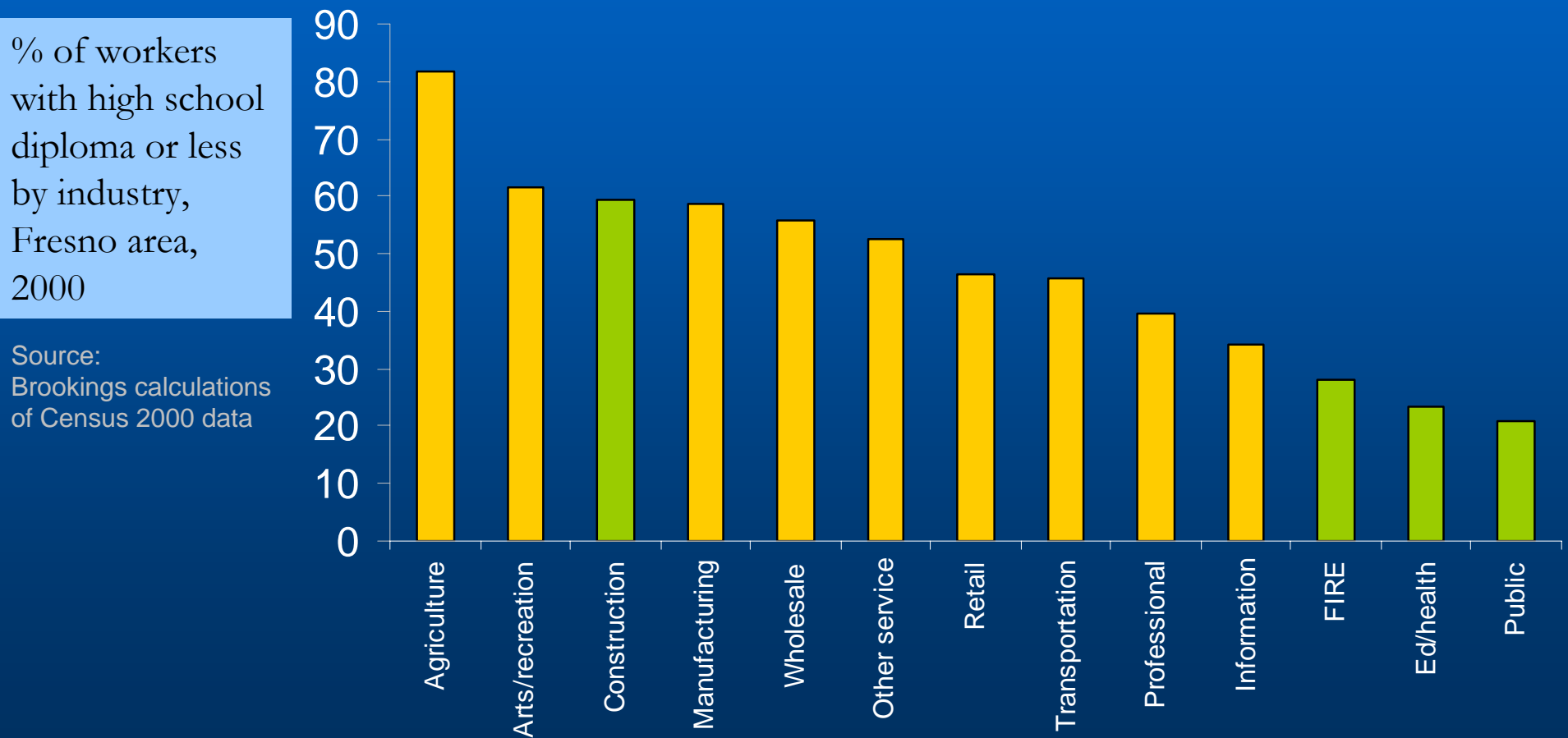


2000



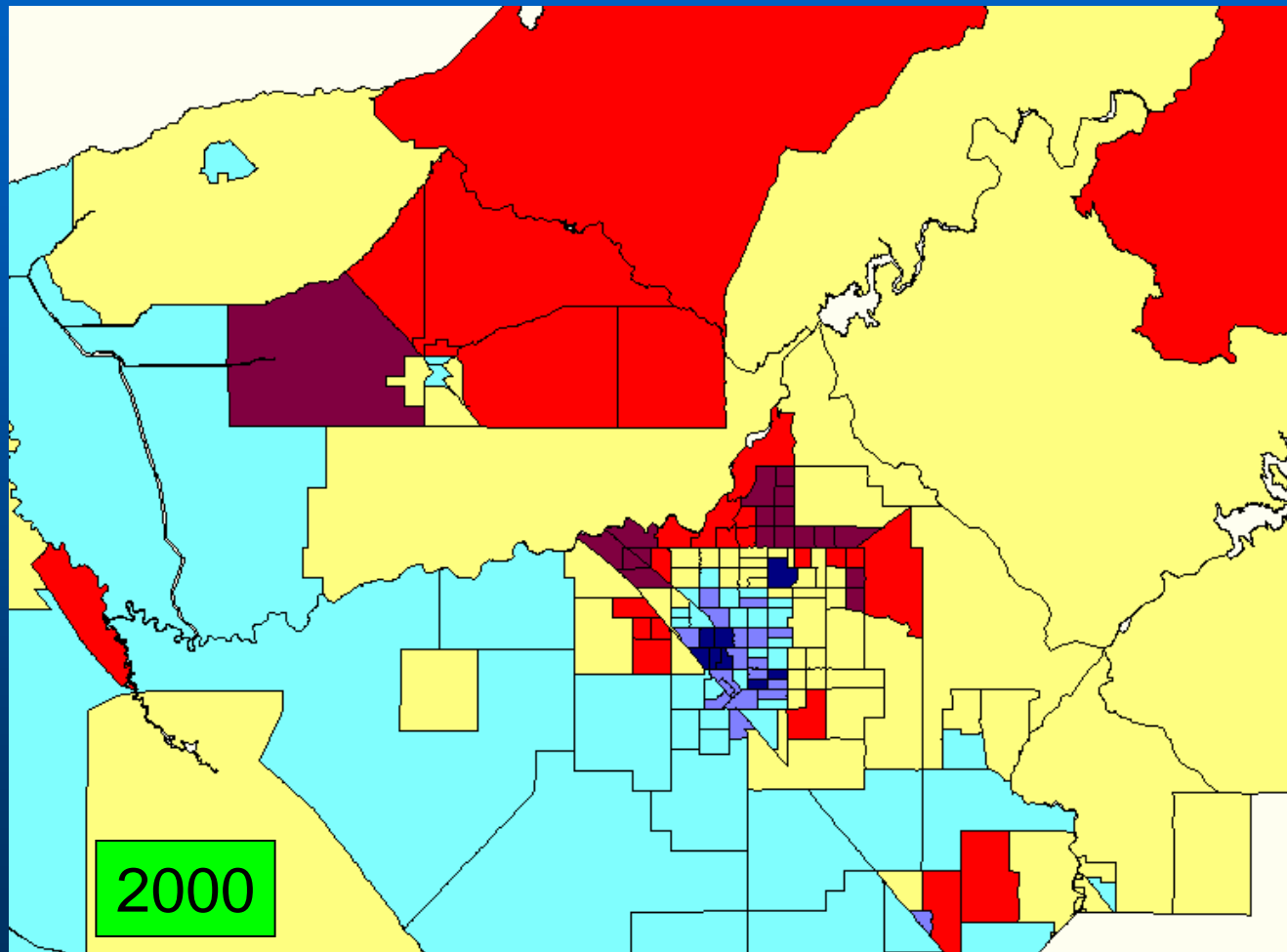


Fresno's less-skilled workers are gaining employment in construction, but not in other growth sectors





New development has occurred principally in the northern part of Fresno

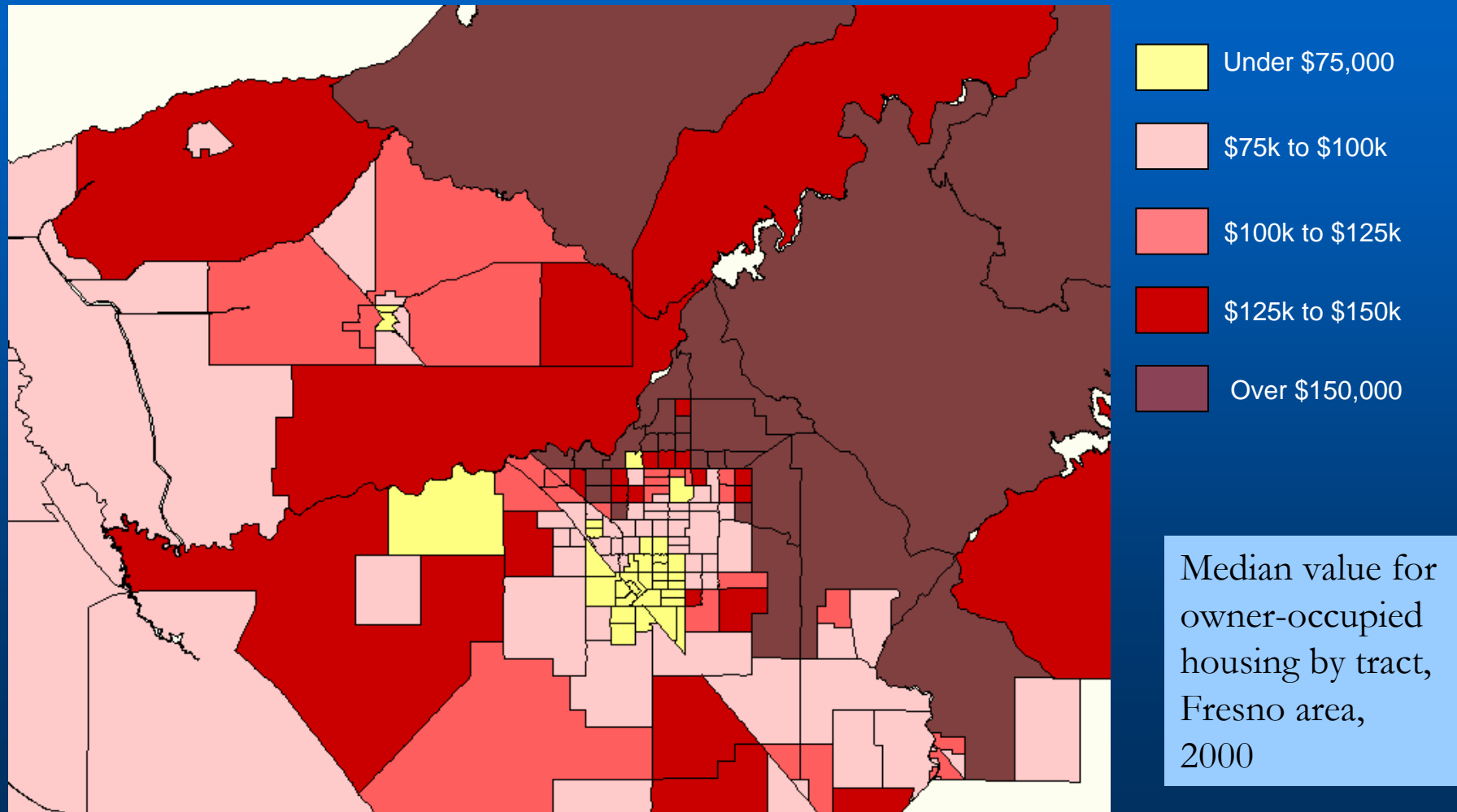


- 1949 or earlier
- 1950 to 1959
- 1960 to 1969
- 1970 to 1979
- 1980 to 1989
- 1990 or later

Median year built of housing by census tract, Fresno area, 1990 and 2000



Most of that new development has been for upper-end homebuyers





Meanwhile, many affordable housing investments have been directed towards highly distressed neighborhoods

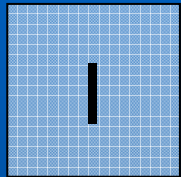
Number and percentage of Low Income Housing Tax Credit units located in high-poverty neighborhoods, 2000

Source:
Freeman (2004)

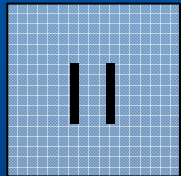
Metro Area		Number	%
1	Springfield, MA	1,708	67.0
2	New Orleans, LA	2,425	44.0
3	Chicago, IL	16,140	30.4
4	Los Angeles, CA	11,140	25.6
5	Fresno, CA	2,845	25.5
6	Miami, FL	5,980	23.7
7	West Palm Beach, FL	2,519	23.3
8	Louisville, KY	2,422	21.6
9	New York, NY	19,315	21.0
10	Cincinnati, OH	2,945	19.2



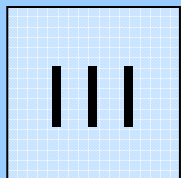
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What is concentrated poverty?



What is the situation in Fresno, and how did it evolve?



How are other cities and regions addressing concentrated poverty?



1. Workforce—Build intermediaries that bridge the skills gap between workers and growth sectors



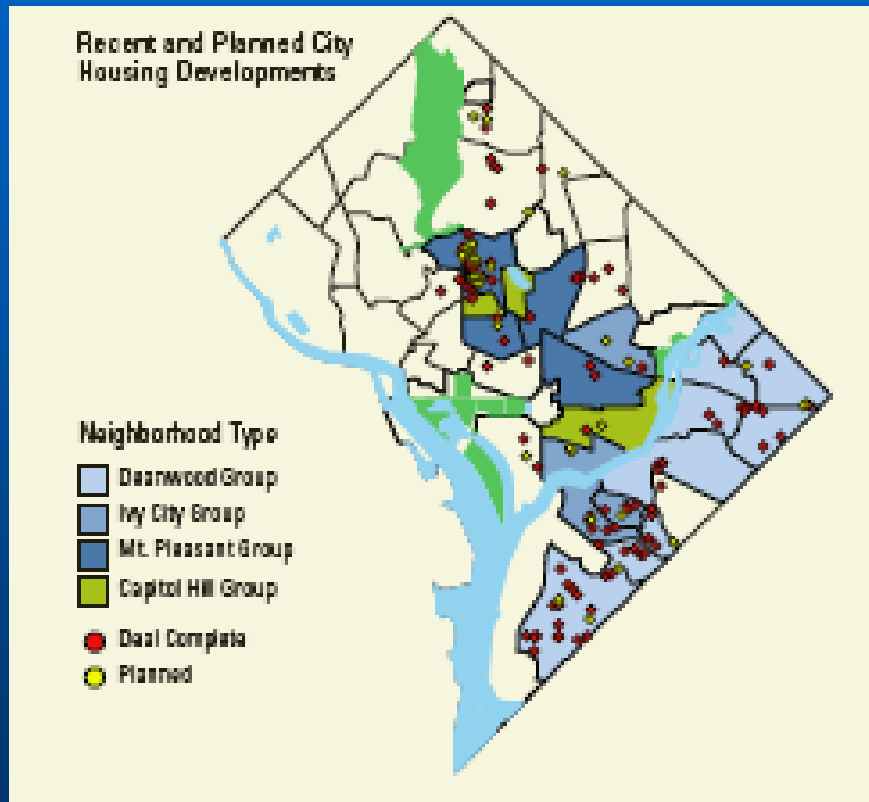
Capital at the point of impact.

The Reinvestment Fund, Philadelphia

- “Dual customer” approach towards both businesses and workers
- Brings together multiple funding streams and employers in collaborative training partnerships
- Beyond job matching—improving retention and worker advancement; tracking performance
- Strong links to existing institutions and embedded connections to education and economic development



2. Housing—Provide opportunities for low-income families in neighborhoods of choice

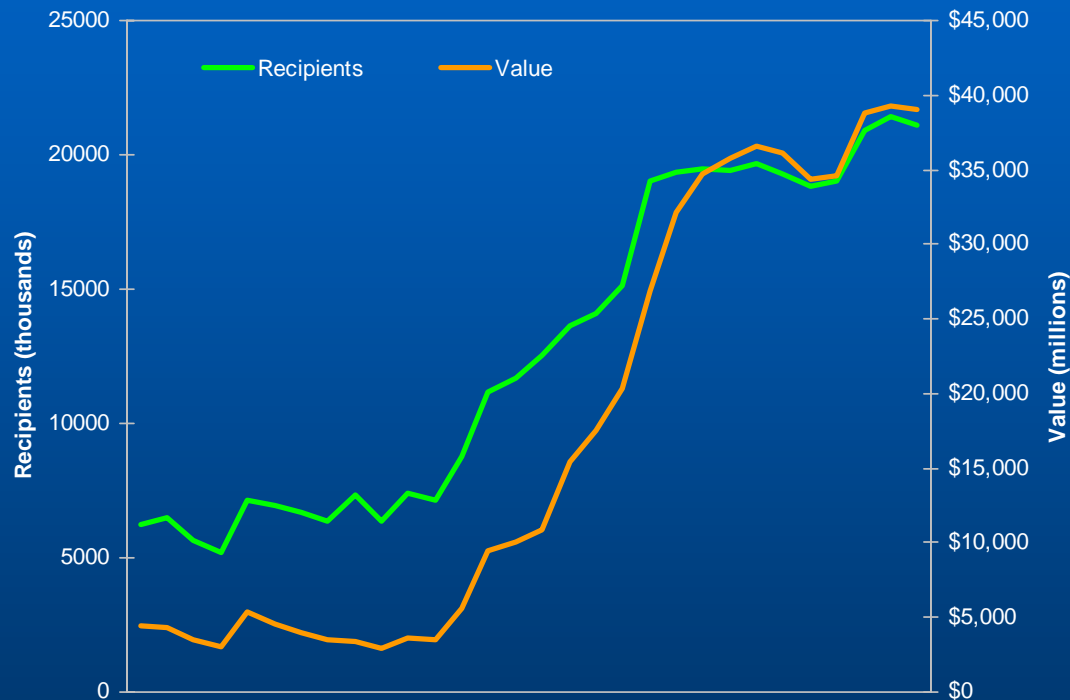


District of Columbia Planning Dept

- Affordable housing trust fund backed by % of real estate transaction taxes
- HOPE VI and local funding to modernize and integrate public housing
- Inclusionary zoning to ensure that new development provides opportunities for low-wage workers
- School modernization in targeted neighborhoods



3. Income and Financial Health—Encourage participation in, and facilitate access to, tax benefits for low-income families



Groups involved:

Mayor's Office
Business Groups
Local Companies
IRS & Free Tax Prep
Foundations
Media Specialists
Community Groups
Government Agencies

Chicago's EITC Outreach Campaign



4. Stay focused!

- NO city or region has brought together the key players from the public, private, and non-profit sectors in a focused effort to tackle concentrated poverty
- Fresno can—and should—be a leader here
- Choose your key interventions; set ambitious, measurable goals; and let everyone know who's accountable
- In five years, I hope to write a report with very different results!