

# CHILDREN LIVING IN HIGH-POVERTY, LOW-OPPORTUNITY NEIGHBORHOODS

All children and youth deserve to live in communities where they can learn, play and grow. When neighborhoods have quality schools, accessible job opportunities, reliable transportation and safe places for recreation, children are better positioned for success in adulthood. Yet millions of children live in high-poverty neighborhoods that lack these critical assets.

Though the number of children living in areas of concentrated poverty \*(census tracts with overall poverty rates of 30% or more) fell as the nation recovered from the Great Recession, the total remains far too high: more than 8.5 million, or 12%, of all kids. Moreover, children of color are much more likely than white children to live in high-poverty communities.

The Annie E. Casey Foundation's 2012 "Data Snapshot on High-Poverty Communities" underscored that living in neighborhoods of concentrated poverty undermines child well-being. Moreover, a 2015 study showed that children under age 13 who moved from low-income neighborhoods to more affluent communities had higher incomes as adults compared to peers who remained in impoverished areas.<sup>1</sup>

High-poverty neighborhoods generally don't provide access to healthy food and quality public schools or medical care, and they often subject residents to greater exposure to environmental hazards, such as poor air quality or lead. Financial hardships and fear of violence also can cause chronic stress in children, which has been linked with diabetes, heart disease and stroke later in life.<sup>2</sup>

Our nation is currently in the midst of a long period of economic expansion. Yet stagnant wages, rising housing costs and inaccessible job opportunities keep many children and families trapped in impoverished communities. And despite economic growth, we have not seen significant reduction in poverty. It is imperative that national, state and local officials, as well as philanthropic and business leaders, act to transform the communities where low-income families live. Building strong neighborhoods that foster stable, healthy families will strengthen the nation as a whole.

## Concentrated Poverty and Race

African-American and American Indian children are seven times more likely to live in high-poverty neighborhoods than white kids. Latino children are nearly five times more likely.

These disparities are the legacies of racial and ethnic oppression, as well as the result of present-day laws and practices. Federal and local policies, such as mandated segregation, or discriminatory real estate practices, such as redlining and limited access to financial institutions, locked millions of African-American families in communities that lacked resources to help children thrive.<sup>3</sup> Native Americans have suffered displacement since before the nation's founding, as well as broken promises from federal and local officials that stripped them of wealth. Latinos have faced discrimination in workplaces and from home lenders that have limited their economic opportunities.

\*Research indicates that as poverty rates increase, undesirable outcomes rise. The effects of concentrated poverty begin to appear once neighborhood poverty rates rise above 20% and continue to grow as the concentration of poverty increases up to 40%. Because 30% lies between the starting point and leveling off point for negative neighborhood effects, the figure is often used to define "concentrated poverty."

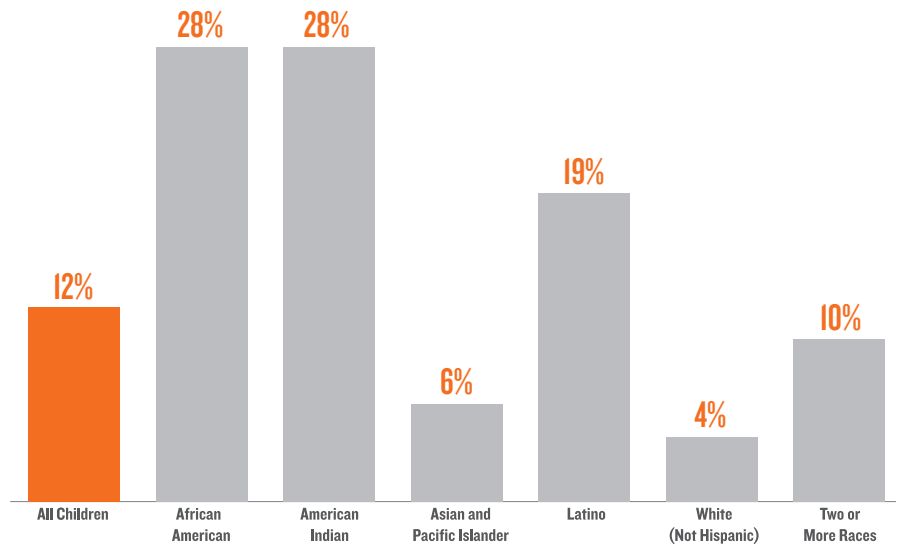
The 2017 federal poverty level was \$24,858 for a family of two adults and two children.





## African-American and American Indian Children Most Likely to Live in Concentrated Poverty

Children Living in Concentrated Poverty by Race: 2013–17



SOURCE: U.S. Census Bureau, 2013–17 American Community Survey.

## States in the South and West Have High Rates of Kids Living in High-Poverty Areas

States in the South and West tend to have high rates of children living in concentrated poverty, making up 17 of 25 states with rates of 10% and above. In Puerto Rico and the District of Columbia, 84% and 25% of children, respectively, live in high-poverty areas.

Certain states have much higher rates of children of color living in these areas. In Michigan, half of the state’s African-American kids live in high-poverty neighborhoods; the figure is 40% or higher in the District of Columbia (40%), Louisiana (41%), Mississippi (43%), Ohio (43%), Pennsylvania (42%), Puerto Rico (85%) and Wisconsin (44%).

Half of the Latino children living in concentrated poverty in America are in just two states: California and Texas. At least a quarter of Latino children live in concentrated poverty in Arizona (30%),

New Mexico (25%), New York (27%), Pennsylvania (35%), Puerto Rico (84%) and Rhode Island (32%).

Arizona is home to more than a quarter of the nation’s American Indian children living in high-poverty areas (56,000 children, or 28% of the national total). At least half of American Indian kids in Arizona (61%), New Mexico (50%), North Dakota (51%) and South Dakota (58%) live in concentrated poverty (note: only 22 states have data for American Indian children).

Although 29 states and the District of Columbia saw decreases in the share of children in concentrated poverty from 2008–12 to 2013–17, 11 made no progress, and 10 saw increases (Puerto Rico had a 1% increase).

Overall, urban areas have the largest number and share of children living in concentrated poverty: 5.4 million, or 23% of children living in cities reside in a high-poverty neighborhood. About 11% of kids (1.2 million) in rural areas live in such communities, while 5% of suburban kids (2 million) do.

## Resources

Learn more about the latest research and policy developments related to families living in high-poverty communities through the following resources:

- The Annie E. Casey Foundation’s Family-Centered Community Change™  
[www.aecf.org/work/community-change/family-centered-community-change](http://www.aecf.org/work/community-change/family-centered-community-change)
- Living Cities Integration Initiative  
[www.livingcities.org](http://www.livingcities.org)
- The Brookings Institution Metropolitan Policy Program  
[www.brookings.edu/metro](http://www.brookings.edu/metro)
- The Partnership for Sustainable Communities  
[www.epa.gov/smartgrowth/hud-dot-epa-partnership-sustainable-communities](http://www.epa.gov/smartgrowth/hud-dot-epa-partnership-sustainable-communities)
- The Poverty and Race Research Action Council  
[www.prrac.org](http://www.prrac.org)
- The Urban Institute Metropolitan Housing and Communities Policy Center  
[www.urban.org/center/met](http://www.urban.org/center/met)
- PolicyLink  
[www.policylink.org](http://www.policylink.org)

TABLE I

## Children Living in Concentrated Poverty

	Children Living in Concentrated Poverty 2008–12		Children Living in Concentrated Poverty 2013–17		Percent Change 2008–12 to 2013–17
	Number	Percent	Number	Percent	Percent
United States	9,362,000	13	8,545,000	12	-8
Alabama	171,000	15	168,000	15	0
Alaska	2,000	1	12,000	6	>100
Arizona	354,000	22	332,000	20	-9
Arkansas	119,000	17	100,000	14	-18
California	1,350,000	15	1,167,000	13	-13
Colorado	107,000	9	59,000	5	-44
Connecticut	72,000	9	59,000	8	-11
Delaware	8,000	4	10,000	5	25
District of Columbia	32,000	31	30,000	25	-19
Florida	496,000	12	459,000	11	-8
Georgia	355,000	14	335,000	13	-7
Hawaii	18,000	6	13,000	4	-33
Idaho	20,000	5	17,000	4	-20
Illinois	347,000	11	300,000	10	-9
Indiana	182,000	11	160,000	10	-9
Iowa	28,000	4	24,000	3	-25
Kansas	56,000	8	51,000	7	-13
Kentucky	159,000	16	163,000	16	0
Louisiana	199,000	18	226,000	20	11
Maine	9,000	3	9,000	4	33
Maryland	51,000	4	60,000	4	0
Massachusetts	114,000	8	90,000	6	-25
Michigan	370,000	16	330,000	15	-6
Minnesota	75,000	6	60,000	5	-17
Mississippi	207,000	28	171,000	24	-14
Missouri	136,000	10	121,000	9	-10

	Children Living in Concentrated Poverty 2008–12		Children Living in Concentrated Poverty 2013–17		Percent Change 2008–12 to 2013–17
	Number	Percent	Number	Percent	Percent
Montana	16,000	7	15,000	7	0
Nebraska	31,000	7	36,000	8	14
Nevada	76,000	11	67,000	10	-9
New Hampshire	3,000	1	5,000	2	100
New Jersey	151,000	7	177,000	9	29
New Mexico	112,000	22	118,000	24	9
New York	713,000	17	706,000	17	0
North Carolina	279,000	12	260,000	11	-8
North Dakota	11,000	7	10,000	6	-14
Ohio	376,000	14	329,000	13	-7
Oklahoma	114,000	12	105,000	11	-8
Oregon	60,000	7	57,000	7	0
Pennsylvania	311,000	11	323,000	12	9
Puerto Rico	748,000	83	616,000	84	1
Rhode Island	29,000	13	28,000	13	0
South Carolina	148,000	14	130,000	12	-14
South Dakota	21,000	11	24,000	11	0
Tennessee	215,000	14	200,000	13	-7
Texas	1,283,000	19	1,091,000	15	-21
Utah	38,000	4	22,000	2	-50
Vermont	2,000	2	2,000	2	0
Virginia	97,000	5	91,000	5	0
Washington	89,000	6	69,000	4	-33
West Virginia	30,000	8	38,000	10	25
Wisconsin	116,000	9	116,000	9	0
Wyoming	4,000	3	1,000	<.5	-100

SOURCES: U.S. Census Bureau, 2008–12 and 2013–17 American Community Surveys.

## Recommendations

Federal, state and local governments, along with the business and philanthropic sectors, must act to revitalize high-poverty communities — transforming them into places of opportunity — and expand options for low-income parents who wish to move to areas with the resources needed for families to thrive.

The Casey Foundation recommends:

### **State and local governments should work to increase housing options.**

- Support housing development and property-ownership models that preserve affordable housing — for example, community land trusts and limited-equity cooperatives that allow low-income home seekers to buy property at lower interest rates and for lower amounts of equity.
  - Acquire vacant and blighted properties to develop them for productive use.
  - Preserve and increase subsidies and other incentives for developers that commit to expand the number of affordable units.
  - Change zoning laws that restrict large areas to single-family houses only, allowing for more apartment buildings and multiunit dwellings.
- Work to end housing discrimination based on whether a person was formerly incarcerated or is using a federal housing voucher.
  - Provide relief from higher and escalating property tax rates for low- and fixed-income residents.

### **Economic opportunity should be expanded, enabling families living in high-poverty neighborhoods to move out or stay and improve their communities.**

- The public and philanthropic sectors should increase job-training opportunities for people in low-income communities.
- States and local governments should provide incentives to large community institutions, such as hospitals and universities, that hire and purchase locally and contract with businesses owned by women and people of color.
- The public and private sectors should develop and fund small-business lending and microloan programs that serve entrepreneurs in low-income neighborhoods and communities of color — or people traditional lenders tend to reject, such as individuals with poor credit or criminal records.



## About the Foundation

The Annie E. Casey Foundation is a private philanthropy that creates a brighter future for the nation's children by developing solutions to strengthen families, build paths to economic opportunity and transform struggling communities into safer and healthier places to live, work and grow.

The Annie E. Casey Foundation's KIDS COUNT® is a national and state effort to track the status of children in the United States. By providing policymakers and citizens with benchmarks of child well-being, KIDS COUNT seeks to enrich local, state and national discussions concerning ways to secure a better future for all children.

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## Endnotes

1. Chetty, R., Hendren, N., & Katz, L. F. (2015, August). The effects of exposure to better neighborhoods on children: New evidence from the Moving to Opportunity experiment. *American Economic Review*, 106(4), 855-902. Retrieved August 29, 2019, from [https://scholar.harvard.edu/files/hendren/files/mto\\_paper.pdf](https://scholar.harvard.edu/files/hendren/files/mto_paper.pdf)
2. Robinette, J. W., Charles, S. T., Almeida, D. M., & Gruenewald, T. L. (2016). Neighborhood features and physiological risk: An examination of allostatic load. *Health & Place*, 41, 110-118. Retrieved August 29, 2019, from [www.ncbi.nlm.nih.gov/pmc/articles/PMC5021616](http://www.ncbi.nlm.nih.gov/pmc/articles/PMC5021616)
3. Rothstein, R. (2017). *The color of law: A forgotten history of how our government segregated America*. New York, NY: Liveright Publishing.