Separate Societies
Poverty and Inequality in U.S. Cities
SECOND EDITION

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Foreword by
PRESIDENT BILL CLINTON

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Separate Places
The Changing Shape of the American Metropolis

Poverty is not confined to the lowest-income areas of cities. It has spread across metropolitan regions. In the mid-1990s a representative from Minneapolis to the Minnesota legislature used the word metropolis to propose expanded regional cooperation. The idea was to form an alliance of the Twin Cities with their inner suburbs—to share the burdens of housing for the poor, coordinate sewer construction, pool tax revenues, even to protect farmers against subdivision pressure. By cooperating with the city, nearby municipalities could marshal forces against the privileged, farther-out suburbs.1 The notion of metropolitics, pursued perhaps most famously with Portland's growth boundary and Toronto's municipal consolidations, fits the new metropolitan reality.2 Especially in the most populous urban areas, a simple geography no longer applies—it is not just impoverished central cities surrounded by well-to-do suburbs.3 We can no longer speak the way some people used to of chocolate cities with vanilla suburbs, or of rich doughnuts with empty holes in the middle. Instead, metropolitan geographies are complicated, more like checkerboards, with poor neighborhoods moving outward until more than half of the poorest residents live not in central cities but in the surrounding suburbs.

This situation presents linguistic problems of no small consequence, and the language may reveal lack of understanding. As we noted in Chapter 1, words like city and urban have come to signify problems not urban in their essence but national or even international, with origins in such maladies as changing industrial fortunes, inequalities of family incomes, and racial discrimination, rather than in the character of a location. Researchers examin-

ing school failures invented the ugly word urbanicity, pseudoscientific language suggesting that a school's urbanees makes its children fail. Those who blame something called "the city" sidestep the need to understand how schools fail, why housing is unaffordable, what makes men and women jobless, and why crime occurs. Such city blamers need not explain why local economies and governments at all levels shortchange poor people who may feel forced to live in central neighborhoods. Nor when urban poverty clones a twin, suburban poverty, do they try to explain it with the word suburbanicity. The problem lies not just with our language but with our understanding. Sometimes, in this chapter, we slip and revert to standard linguistic practice. Then we use the words urban and city to indicate troubled central areas, whether in the city itself or its nearby suburbs, and the word suburb to indicate better-off peripheral areas. We beg the reader to remain cautious about the dual use of these freighted terms.

As we know from Chapter 3, some U.S. competitive metropolitan areas answer profitably when the global economy calls. In every case, however, whether the area thrives or falters, it must cope with profound internal differences. Suburban wealth and urban poverty—there's that risky usage—have become defining characteristics of American society, so common that we regard them as natural. The continuing waves of subdivision that have extended middle-class suburbs for decades serve to divert attention away from the troubled neighborhoods of Black, Hispanic, and immigrant poor households consigned mainly to central cities and first-ring suburbs. Over recent decades, in periods when labor markets have become more demanding, fewer and fewer men and women living in these unfavored areas have found well-paying full-time jobs. Many of these people lack good schooling and strong skills, and so many of them are incarcerated that the nation's prison population exceeds that of any other time or any other country.

In Chapter 3 we traced metropolitan economic fortunes through four periods—the Great Depression and World War II, the post—World War II decades of rising equality that we call the American Century, the New Gatsby decades of market worship and rising inequality, and finally the times of economic crisis starting in 2007.4 From the 1970s the economy shifted sharply to services, occupational categories bifurcated throughout the economy, and jobs moved overseas, so while new possibilities for higher wages or promotions to better jobs appeared for some workers, incomes stagnated for the majority. The suburban movement of middle-class African Americans, Latinos, and Asian immigrants, especially since 1990, worked as a political relief valve, lowering the overall ethnic pressure but leaving many central neighborhoods and some suburbs to collapse like worn-out flat tires. Without pumping up, these neighborhoods cannot offer good housing, proper schools, or decent environments. Many of their adults are unhealthy and without hope, and many of their kids can hardly read. The streets may not be safe at night. In nearly every U.S. metropolis, deep and troubling contrasts separate bad residential areas from good ones. The economic crisis has only made things worse.
In this chapter we focus on these *intrametropolitan* differences, tracing them to shifting industrial structures, regional economic differences, new waves of immigration, changing patterns of land values, and biases in public policy. (Chapter 5 treats federal regulations, expenditures, and taxes.) The first section introduces the chapter. The second documents metropolitan trajectories as economies vary region by region, absorbing immigrants, gaining or losing native-born populations, and winning or losing investments and jobs. The third section looks at internal employment patterns, showing shifts from cities to suburbs, growth and collapse of commercial areas, and the rise of low-paid service employment as better-paid manufacturing work vanishes. The fourth section examines changing residential patterns, the dominant pressure of sprawl, the destinations of immigrants, and changing central-city minority areas. Finally, we examine racial discrimination, failing city schools, and concentrated joblessness. What we see as we move from global economy to urban despair is that the bad cards are dealt not just to women, their children, and ethnic and racial minorities, as we saw in Chapter 2, but to select neighborhoods and municipalities as well. People and places suffer.

In the worst cases, in the most depressed neighborhoods of the most troubled regions, nothing masks the misery. New Orleans is a clear example. It has recovered only slowly and partially from the damage of Hurricane Katrina, so the city has lost population, income, jobs, and services. Its failure stemmed not only from hurricane destruction and then incompetent response, but even more from the unpromising pre-disaster situation. New Orleans lay unprotected by an inadequate flood control system, but more to the point, the city's impoverished population of color, its declining economic base, and its bungling, self-seeking political class caught the downside of a nation increasingly complacent about rising levels of inequality. The physical disaster, when it hit, poured putrid water and toxic mud atop the structures of social disaster, to devastate the city's most defenseless residents. Middle-class households, on the contrary, had the means to pick back up, even to prosper, to return from exile, live in areas better protected from flooding, benefit from commercial and public reinvestment, and have jobs. The tragic separations of social class and neighborhood in New Orleans are repeated in many metropolitan areas, though without the insult of the flood added to the injuries of racism and inequality.

### Doughnuts and Checkerboards

Patterns of race, class, and citizenship vary considerably from city to city. The Detroit metropolitan area provides one of the country's most visible doughnut patterns, yet even it looks in some ways like a checkerboard. The city once had a booming economy, but no more. Its population peaked at 1.85 million in 1950, but by 2007 had declined by more than half, to 808,000. Detroit has been "one of the nation's most distressed central cities for decades ... by far the most impoverished city in the nation in 2003, with more than one in three residents living below the federal poverty line." Detroit "faces the most severe residential segregation between Blacks and Whites of any metropolitan region in the country." Nearly 83 percent of the city's residents are Black, and just over 10 percent are White. Detroit's jobs are extremely decentralized, and it is the metropolis with the "greatest distance between African Americans and jobs." Meanwhile, the surrounding suburban population grew to 4.6 million even as the city tumbled downward with collapsing employment at the big three automakers. In Detroit's metropolitan surroundings, minority populations concentrate in a few centers, mainly Flint. Most suburban areas are nearly all White, so that not counting Detroit, Flint, and Ann Arbor, the Black population of the remaining metropolitan area amounts to less than 10 percent. Accompanying these excessive racial differences, dramatic differences apply also to family and household incomes. In 2007, median income for families in the city of Detroit was about half that of families in the metropolitan area (*including* Detroit), $33,922 versus $65,560. Table 4.1 contrasts Detroit with its suburbs. In Detroit more than 15 percent of the families are extremely poor, earning less than $10,000 per year, but outside the city, the figure drops below 4 percent. At the other end of the income distribution, more than 30 percent of suburban families earn more than $100,000, but less than 10 percent of city families do. In these ways, it looks like a doughnut with a hole in the middle. But it looks like a checkerboard, too, with its squares marking both race and class. Flint's native Whites (non-Black, non-immigrant) constitute only 42.7 percent of its population, and Flint's median income is even lower than Detroit's. The bottom line in the table subtracts Detroit and Flint (as the "city"), leaving all the rest as "suburb," thus sharpening the contrast in income disparities. All these sad Detroit-area statistics refer to 2007, well before the Big Three automaker meltdown.

An even sharper doughnut example is Rochester, New York, with a metropolitan population of about a million. Over the last half century Whites have headed for the suburbs, leaving Blacks occupying a much diminished city, with Latinos moving in as they abandoned migrant farm labor jobs. Only four municipalities (of twenty-one in the metropolis) have significant minority populations: Rochester itself, two rural townships with prisons, and a third township with an

<table>
<thead>
<tr>
<th>Metropolitan Area</th>
<th>Percentage under $10,000/year</th>
<th>Percentage under $25,000/year</th>
<th>Percentage over $100,000/year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detroit</td>
<td>15.4</td>
<td>38.3</td>
<td>9.6</td>
</tr>
<tr>
<td>Flint</td>
<td>17.2</td>
<td>42.9</td>
<td>4.4</td>
</tr>
<tr>
<td>CSA*</td>
<td>5.0</td>
<td>15.8</td>
<td>27.6</td>
</tr>
<tr>
<td>CSA without Detroit</td>
<td>3.6</td>
<td>12.7</td>
<td>30.3</td>
</tr>
<tr>
<td>CSA without Detroit or Flint</td>
<td>3.3</td>
<td>12.0</td>
<td>30.6</td>
</tr>
</tbody>
</table>


*Detroit-Warren-Flint Combined Statistical Area, as defined by the U.S. Census Bureau.*
Indian reservation, poor despite the notion that Native Americans benefit from large-scale gambling income. In a startling example of national patterns of land-use change, even though the region's industrial base collapsed as the photonics industry suffered from severe global competition (e.g., Kodak, Xerox, Bausch and Lomb) and minority underemployment rose, the all-White suburbs continued to sprawl.

Our final example is Washington, D.C. Although middle-class Black populations have moved into the suburbs, and Black elites are members of the government and top law firms, the old form persists. Heavily populated Black neighborhoods have spread out from their tight concentration in South East D.C., but they remain highly concentrated in one segment of the giant metropolis, extending across the border into Maryland's Prince George's County. Prominent Black politicians, attorneys, and others live scattered throughout the suburbs, but most of the outlying tracts have very White populations, while the Black population resides largely in one contiguous set of tracts that extend from the eastern part of the District into the suburbs. In the western suburbs tracts are close to or above 90 percent White, but many of the tracts in the east are 70 to 90 percent Black. There are a few heavily Hispanic tracts in the southwest.

In contrast to these easily depicted geographies of poor center and mainly well-off outskirts, the checkerboard of prosperity and poverty (and of White vs. minority) in many large metropolitan areas is highly complex, so that both cities and suburbs have mixes of racial/ethnic groups and income classes. Yet neighborhood by neighborhood, at that level where people actually sleep, shop, attend school, and walk or play on the sidewalks, sharp geographic variations in income, race, ethnicity, and neighborhood advantage still distinguish daily opportunities and experiences. Variations run across city and suburbs alike. New York City, with nearly 9 million people, and San Francisco, with only three-quarters of a million, each has central neighborhoods dominated by wealthy households but each has very poor districts as well. Each also has poor and minority jurisdictions in the suburbs. In New York the finance bubble gentrified famously poor Black neighborhoods like Harlem and parts of Brooklyn and Queens, and in San Francisco the dot-com boom gentrified the poor Latino Mission District. In both cities the suburbs are generally much better off than the central areas, but in specific outlying zones very poor Blacks and Hispanics dominate. Deeply troubled suburbs in the Bay Area include East Palo Alto, Richmond, large neighborhoods in Oakland, and parts of San Jose, many of these neighborhoods immediately adjacent to some of the wealthiest residential areas in the nation. The New York suburbs are checkered with very poor minority enclaves—some are inner suburban cities themselves, like Newark or Yonkers, while others are old downtowns in farther-out commuter suburbs in Westchester County and Connecticut.

Leaving aside San Francisco, New York, Boston, and a few other cities, in even the most complex metropolitan areas job losses in the center and growth in the surroundings tend to leave city economies stranded. Given the failures of national urban policy, job losses also leave public services without sufficient tax support, pushing cities still further apart from their mostly much better-off suburbs. Government jobs, historically made available as one of the last redounds for minority employment, get cut and downgraded. For city and inner-suburban residents of color, a cycle of ever-worsening conditions sets in for the economy and public services. These self-reinforcing patterns of division are difficult to reverse.9

In Detroit, for example, essential services dried up long before the collapse of the big three carmakers, adding to the burden of insufficient household incomes. Imagine the hospital situation, in the words of Attil Gewande, professor at the Harvard Medical School:

Sinai-Grace is a classic urban hospital. It has 800 physicians, 700 nurses, and 2,000 other medical personnel to care for a population with the lowest median income of any city in the country. More than a quarter of a million residents are uninsured; 300,000 are on state assistance. Sinai-Grace is not the most cash-strapped hospital in the city—that would be Detroit Receiving Hospital, where a fifth of the patients have no means of payment. But between 2000 and 2003 Sinai-Grace and eight other Detroit hospitals were forced to cut a third of their staff and the state had to come forward with a $50 million bailout to avert their bankruptcy.10

In many metropolitan areas in recent years residential segregation by racial group has become statistically less pronounced, at least among middle-class households. Still, the bulk of social interaction takes place among Whites themselves or among one or another group of people of color, with little crossing of racial or ethnic lines. Indices of segregation for activities such as church attendance and school enrollment remain startlingly high. Not more than one religious congregation in every twenty-five or thirty is racially mixed.11 Growing numbers of well-off African Americans live in the suburbs of such cities as Washington, D.C., and Atlanta, where their kids sometimes attend integrated public schools, but even in those unusual suburbs with notable minority numbers in the middle class, the internal partitioning of schools districts remains severe. Most ordinary working-class and poor African Americans still live in large, virtually single-race areas. Similar though less intense separations afflict Latinos—who in some areas may be highly suburbanized—and some groups of Asians and other minority residents, including increasing numbers of people living in inner suburbs.

Both cause and consequence of these separations by race and class find themselves reinforced by feelings of fear. Middle-class Whites travel through areas in which they sense danger, but they move protected by private autos or sometimes by suburban trains, via what Martin Jaffe calls “honky tubes” that connect city offices to suburban homes. White commuters rarely venture into contact with life in minority districts.12 White suburban teenagers often do not visit the city at all, or they conduct hit-and-run forays into entertainment zones. On the other hand, poor people of color, as we observed in Chapter 2, often live isolated in
highly circumscribed enclaves, African American, Latino, and poor Asian city teenagers rarely venture into the White suburbs or even into unfamiliar parts of the city itself, places where they feel unwelcome. Grafted on top of historical circumstances, economic differences, and ethnic affinities, the old plagues of ignorance and racism still play a big part. This chapter explores these issues in four more sections, on regional differences, patterns of job location, housing and neighborhoods, and causes that connect poverty and place.

Changing Regional Economies and City Systems

The past thirty-five years have been kind to idea-producing places, like New York and Boston, and devastating to goods-producing cities, like Cleveland and Detroit.\(^{13}\)

We begin by examining metropolitan areas as units. Although relationships between regional economic growth and national or even global growth are open to debate, and policies to reduce regional inequality are disputed, there is no doubt that some regions do better and others, worse.\(^{14}\) The aggregate rate of growth (or decline) in any metropolitan area depends on its own initiative, but perhaps more so on its location vis-à-vis other parts of the nation, its particular industrial structure, and the region's history and long-term trajectory. Metropolitan areas in regions endowed with a healthy portion of industries that enjoy booming demand for their products do relatively well, while those in regions dominated by firms in declining industries do not. Places with innovative, competitive sectors and firms may compete successfully with cheaper production sites overseas, while others may not. Older cities with antiquated streets, bridges, sewer lines, and water treatment plants face heavy repair costs, hence high taxes and relative disinterest from incoming investors. Old cities with lagging industrial sectors may thus be hit doubly hard, with constantly heavy costs for catch-up and falling demand for their exports. So-called global cities may ride high in boom times, but even they can fall hard when the economy heads downward. In this section we examine manufacturing centers and global cities, finishing with a broad comparison of national regions.

Because of its immense territory, giant population, and inward-facing domestic economy, the United States enjoys a network of cities largely independent of outside political and economic forces. Each city (really, metropolis) functions as part of a regional, national, and international economic network of cities. The size of each city's economy, and its population, depends in part on its position in this network, and of course the network itself depends on each of its parts. Thus for centuries London was outsized for England's national market and population because it was the capital of a world empire. Similarly, Buenos Aires was far too large for Argentina's economy or population because it served as the connection to the British Empire and later to America's global reach.\(^{15}\) Beneath each top internationally connected city lies a network of lesser cities, each dependent on specialized products and services from higher-ranked places, in turn supplying lower-order products and services to cities below. Many cities grow as well with specialties requiring economies of scale, or they grow for highly particular reasons—Detroit for autos, Rochester for photonics, Miami for tourism and its connection to Latin America, Washington for the federal bureaucracy. Economic functions change: Buffalo once prospered as the transportation connection to the West and also as the eastern manufacturer of heavy metal products with access via Great Lakes shipping, but both these advantages faded.

City growth has often depended on specific locational features—access to transportation such as coastal locations or ports on large rivers or lakes, centers of agricultural land, proximity to energy or natural resources, and military advantage. U.S. regional growth has been influenced especially by early development patterns, as immigrant Europeans and enslaved Africans settled first along the Atlantic seaboard but later sought territory to the west. Since World War II a few cities at the top of the global hierarchy have stood out—New York, of course, but also San Francisco and more recently Los Angeles on the other coast, dependent on their financial and military relations to what some call the Pacific Rim Empire. But most cities have grown as centers for processing of agricultural produce, as locations for specialized manufacturing, or as places close to natural resources. The arrangement has shifted as the nation's economy has moved West and South. Ever larger urbanized areas have grown with the self-reinforcing advantages of metropolitan size. Because some declines and other expansions have been so dramatic in recent years, we look separately at manufacturing centers and global cities.

The internal distribution of job loss in every metropolitan area seems to depend on race. As a researcher with the Cleveland Federal Reserve Board wrote in 2006, "race and income are two distinct dimensions of social inclusion."\(^{16}\) Perhaps the appropriate word is not inclusion but exclusion. Not too long ago, after taking a loss of 66,000 manufacturing jobs over two decades, Milwaukee rebounded into one of the nation's most robust, revitalizing economies. Nevertheless, after that rebound (in 1991) Milwaukee's official unemployment rate among African Americans was 20.1 percent, not counting people who had given up looking for work or those who were underemployed. The White unemployment rate was only 3.8 percent. Alderman Michael McGee, who started the Black Militia in Milwaukee, summed it up years ago: "Things are not booming in the Black Community. The only new construction is churches, the No. 1 employer is drugs."\(^{17}\) As we see in the next section, long before the recession that started late in 2007, permanent job losses in manufacturing caused huge increases in Black unemployment. A July 2003 report on Indianapolis provides a telling example: "Autowol, a Swedish manufacturer of seat belts, is closing a plant and laying off 350 workers, more than 75 percent of them Black. Many are young adults who were hired in the late 1990s when the unemployment rate in Indianapolis was only two percent and Autowol, to recruit enough workers to expand production, hired young men without high school diplomas."\(^{18}\)
Manufacturing Centers

As we saw in Chapter 3, the United States lost nearly 5 million manufacturing jobs in about three decades, mainly due to foreign low-wage competition, and the manufacturing workforce dropped from 20 percent of national employment in 1979 to about 11 percent in 2006. At the same time, manufacturers have upgraded skills and productivity so that production has expanded in many parts of the country but with fewer jobs." From 1970 to 1990 there was virtual collapse in many old industrial cities. The city of St. Louis, for example, lost half its manufacturing employees, and Cleveland lost 55 percent. Then came the second decline of the industrial base. Between 1995 and 2005 more than 3 million manufacturing jobs vanished nationally, nearly all after 2000. The losses occurred disproportionately in the Great Lakes states of Illinois, Indiana, Michigan, New York, Ohio, Pennsylvania, and Wisconsin. With the crisis that started in 2007, losses accelerated sharply.22

For decades, economic vitality has shifted from the rust-belt and frost-belt cities of the Northeast and Midwest to other countries and the sun belt of the South and West, with such heavy stimulus from federal military expenditures that one prominent scholar refers to the new areas as the "gunbelt."23 Rust-belt decline and sun-belt/gun-belt growth result from global shifts and outsourcing, technological advances in manufacturing, and changes in the way corporations are organized internally. They fabricate goods with new combinations of skilled and unskilled workers, ship the goods in new ways and on new routes, respond to constant product innovation and changes in consumer demand, employ new technologies, and provide new services. Firms locate offices and factories to adapt to shifts in national political priorities, avoid unions, and take advantage of local tax exemptions and subsidies. From 1969 to 1994, employment in most economic sectors shifted strongly from frost belt to sun belt. Surprisingly, despite sharp contractions in manufacturing employment ever since 1980, high-skill manufacturing grew very considerably, adding some employment in all industries and all regions, even where traditional manufacturing employment was rapidly declining.24 Figure 4.1 maps the country by census regions, showing the change in manufacturing employment from 2000 to 2007.

Table 4.2 shows recent expansions of total employment and declines of manufacturing employment by region of the country, offering dramatic evidence of massive economic and demographic shifts that have continued beyond the 1990s. In every major subregion of the country except East North Central, total nonfarm employment stayed the same or increased from December 2000 to December 2007 (the date of the official onset of the recession). But while employment was stable in the Northeast and Midwest, it increased in the West and increased massively in the South. The "Percent Change" column shows the highest growth rates in the Mountain states, the South Atlantic, and West South Central. The "Change" column shows the quantity of new employment, with virtually all growth either in the South, with nearly 3 million new jobs, or the West, with

FIGURE 4.1 Manufacturing Employment by Region, 2000–2007 (in thousands of employees)

TABLE 4.2 EMPLOYMENT SHIFTS IN THE UNITED STATES BY REGION, 2000–2007

<table>
<thead>
<tr>
<th>Region and division</th>
<th>Total nonfarm employment*</th>
<th>Manufacturing employment*</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Northeast</td>
<td>25,530</td>
<td>25,740</td>
<td>210</td>
<td>1</td>
<td>5,245</td>
<td>2,211</td>
<td>-1,034</td>
<td>-32</td>
</tr>
<tr>
<td>New England</td>
<td>7,073</td>
<td>7,068</td>
<td>-5</td>
<td>0</td>
<td>995</td>
<td>706</td>
<td>-290</td>
<td>-29</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>18,457</td>
<td>18,672</td>
<td>215</td>
<td>1</td>
<td>2,250</td>
<td>1,505</td>
<td>-745</td>
<td>-33</td>
</tr>
<tr>
<td>Midwest</td>
<td>32,143</td>
<td>31,733</td>
<td>-410</td>
<td>-1</td>
<td>5,792</td>
<td>4,308</td>
<td>-1,485</td>
<td>-26</td>
</tr>
<tr>
<td>East North Central</td>
<td>22,239</td>
<td>21,501</td>
<td>-729</td>
<td>-3</td>
<td>4,287</td>
<td>3,086</td>
<td>-1,201</td>
<td>-28</td>
</tr>
<tr>
<td>West North Central</td>
<td>9,904</td>
<td>10,223</td>
<td>319</td>
<td>3</td>
<td>1,506</td>
<td>1,222</td>
<td>-284</td>
<td>-39</td>
</tr>
<tr>
<td>South</td>
<td>46,743</td>
<td>49,700</td>
<td>2,958</td>
<td>6</td>
<td>6,008</td>
<td>4,611</td>
<td>-1,398</td>
<td>-23</td>
</tr>
<tr>
<td>South Atlantic</td>
<td>24,898</td>
<td>26,448</td>
<td>1,546</td>
<td>7</td>
<td>2,902</td>
<td>2,092</td>
<td>-810</td>
<td>-28</td>
</tr>
<tr>
<td>East South Central</td>
<td>7,677</td>
<td>7,860</td>
<td>183</td>
<td>2</td>
<td>1,405</td>
<td>1,090</td>
<td>-315</td>
<td>-22</td>
</tr>
<tr>
<td>West South Central</td>
<td>14,168</td>
<td>15,197</td>
<td>1,029</td>
<td>7</td>
<td>1,702</td>
<td>1,429</td>
<td>-273</td>
<td>-16</td>
</tr>
<tr>
<td>West</td>
<td>29,084</td>
<td>30,622</td>
<td>1,538</td>
<td>5</td>
<td>3,213</td>
<td>2,619</td>
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<td>-18</td>
</tr>
<tr>
<td>Mountain</td>
<td>8,835</td>
<td>9,009</td>
<td>174</td>
<td>11</td>
<td>748</td>
<td>638</td>
<td>-111</td>
<td>-15</td>
</tr>
<tr>
<td>Pacific</td>
<td>20,249</td>
<td>20,813</td>
<td>564</td>
<td>3</td>
<td>2,465</td>
<td>1,982</td>
<td>-483</td>
<td>-20</td>
</tr>
</tbody>
</table>

*Numbers are reported in thousands, as of December of each year, and may not sum due to rounding.

more than 1.5 million new jobs. The story with manufacturing employment is entirely negative, with large percentage declines in every region. In the West jobs fell by well over a half million, in the Northeast by more than a million, and in the Midwest and South by nearly a million and a half each.

During the entire period from 1970 on, employment growth in suburbs and especially fringe areas in the sun belt has dominated. Even during the “urban renewal” of the 1980s, suburbs and smaller Metropolitan Statistical Areas (MSAs) grew relatively faster.22 Manufacturing plants have moved away from the biggest cities of the old industrial heartland, as part of broad regional and global trends. Between 1995 and 2005, service sector jobs increased in all but one of these old manufacturing centers, but generally not enough to offset the loss. In the seven Great Lakes states, 24 metropolitan areas lost jobs, led by Chicago and Detroit.24 Steel towns in Pennsylvania and Ohio long ago joined the auto cities of Michigan as rust-belt prototypes, and despite revival based on modernized manufacturing in the 1990s, the entire region was hit with collapsing demand for its products in the downturns that began in 2007. The Wall Street malaise quickly spread as thousands of plants lost orders. Shifting fortunes can thin the social and economic fabric that holds communities together, causing poverty to rise and weakening incentives for economic growth.27

Ever since the mid-1970s, the job losses of many metropolitan areas have hit workers without much formal education especially hard. Those individual losses in turn have led to community losses marked by out-migration, shrunken tax bases, and reduced services in spite of increased needs. Sometimes job losses for unskilled workers have been matched with job increases in skilled manufacturing, but still the effects have been individually painful, since few laid-off workers themselves have the specialized skills to make the shift. The effects have been collectively destructive, since demands for public expenditures rise to outstrip municipal capacity. Since the 1990s, especially with competition from English-speaking engineers and technical workers in India, China, and elsewhere, competitive losses afflict even the high tech information sector, thus spreading the pain regionally across the country while leaving it focused still on cities but not their suburbs.

As a result of these long-term declines, job displacement is a serious problem, much worse in some regions than others. Although in the 1980s services accounted for an astounding 90 percent of all new jobs,26 service sector employment grew relatively slowly in the most severely affected job-loss areas—the Northeast and Midwest. There jobs are difficult to find in manufacturing and services, leaving many out of work for the long term.29 The displacement problem strikes minority workers with particular severity. The auto industry has provided jobs disproportionately for Black workers, so the industry crisis focuses on them. With the slowing of auto plants early in the recession, nearly 20,000 Black auto workers had lost jobs in the year up to November 2008, with the worst still to come.30 Large numbers of low-skilled workers without much education find themselves without any good options.

In the 1980s displaced workers were most highly concentrated in the East Midwest states (Michigan, Ohio, Indiana, Illinois, and Wisconsin). Other manufacturing areas—the Middle Atlantic states (New York, New Jersey, and Pennsylvania) and the East South Central states (Mississippi, Alabama, Tennessee, and Kentucky)—also had more than their share of displaced workers.31 These layoffs all had heavy concentrations of lower-skilled minority workers. In more recent economic downturns the geography of displacement has become more complicated, as has the social-class distribution, with many middle-class layoffs when the dot-com bubble burst and many more with the bank failures from 2008 on. Still, the burden falls most heavily on lower-paid, blue-collar, working-class men and women and their families.32 Mary Chapman notes: “The car companies were hardly multiracial utopias, but they, especially Ford, employed Blacks when many industries would not. Through the decades, the automakers and their higher wage scales provided a route to the middle class for many Black workers, especially those with limited education, and their children.”33

Further down the urban hierarchy, international competition and corporate restructuring have combined with inappropriate public policy to severely disrupt the economies of cities formerly based on manufacturing.34 This disruption results from more than the faltering and decline of the industries themselves; even in those places where plants continue in operation, officers and their staffs involved in planning, administration, and financial activities depart to corporate headquarters (in other, fewer cities). These moves, which began during the 1960s and 1970s, continued through the accelerated takeovers and mergers in the 1980s and have extended with globalization, mean that manufacturing cities "lost what little involvement they may have had in the planning, administration, or research
and development functions of their industry. These cities are left extremely vulnerable to shifts in market conditions because there is little likelihood of immediate growth in sectors other than traditional manufacturing. Hence the name rust belt.

The cities most subject to economic change are those with narrow economic specialization. A city can be highly dependent on an associated set of businesses, a particular complex of industries, such as automobiles in Detroit, optical and office equipment in Rochester, and tires in Akron. Even some metropolitan regions with national corporate headquarters or divisional head offices, such as Cleveland and Milwaukee, have not managed to offset production-job losses in manufacturing by adding new employment in advanced services. Syracuse resisted decline with changes in industrial structure. With their specialization in the manufacturing of machinery and electrical equipment, most firms in Syracuse stayed profitable and some new ones opened—moving to higher technology, shedding basic jobs but adding others, shifting to suburbs, and losing employment much less than in Buffalo, where two large steel plants shut down.

In Upstate New York people suffer severely as their metropolitan centers decline. Upstate includes Buffalo, Rochester, Syracuse, Rome, and Utica, all lying along the Erie Canal just below Lake Ontario, and Binghamton, Elmira, and many smaller cities in New York State’s Southern Tier. Pennsylvania cities and rural areas immediately to the south and Ohio to the west suffer similarly, as do areas throughout the broader Northeast region. Pendall and Christopher find that Upstate incomes grew only half as fast as the nation’s in the 1990s and lagged the nation by 11 percent in 2000. Cohorts of workers of the same age, race, and sex, with similar schooling, get lower wages and work fewer hours in Upstate New York. Top-income Upstate households earned less than $75,000 in 1999 compared with more than $81,000 nationally, while poor households saw their relative incomes fall almost 10 percent compared with the nation. Even while poverty rates nationally declined in the 1990s, in Upstate they rose for families, individuals, and children. And even while concentrated poverty declined nationally, it rose Upstate. In these findings we see early warnings that the national “deconcentration” of poverty was about to reverse, revealing—we should be afraid—the true nature of U.S. inequality. In one of their most stunning conclusions Pendall and Christopher point out:

Concentrated poverty in Upstate is practically synonymous with city poverty: 313 of the 575 high-poverty tracts are in Upstate cities. ... Only 13 small cities among Upstate’s 53 cities had no high-poverty tracts. The concentration of poverty in cities is especially troubling because low-income children are segregated into a limited number of school districts. About one-quarter of Upstate’s children lived in its cities in 2000, but just over 50 percent of its children below poverty lived in cities.

Global Cities

In many ways the world that urbanist Jane Jacobs wished for has come to pass. Metropolitan economies have increased in importance as nation-states have weakened. Although nation-states still control nearly all military power and regulate human migration as strictly as they can, private corporations and metropolitan interest groups govern much of the world economy and its domestic parts. As the cost and time of communication and transport have declined, geography has strangely become more important and agglomeration economies have made some cities more useful to large corporations and especially convenient for the titans of high finance. Thus we have seen disproportionate growth and wealth in the most highly ranked centers across the globe.

Until about 1980 a major part of regional convergence across the United States came from the catch-up of economic activity played by smaller metropolitan areas. Average wages in small areas increased relative to wages in larger areas, which led to diminished contrasts in metropolitan fortunes and considerable optimism about market-based limits to uneven development. However, since 1980 average metropolitan area wages have diverged, as larger areas have become still richer. At least until the market crash of 2007–2009, larger metropolitan areas prospered because they are more likely to specialize in producer services such as finance, law, publishing, and accounting, as well as corporate management, executive direction, and planning, all functions that expand in line with global prosperity.

In anticipation of these tendencies, in 1966 a book came out titled The World Cities, and then sixteen years later a prominent scholar proposed research on “world city formation.” Then came the idea of mega-cities, and in 1991 a book called The Global City. Since then books and articles on world cities and global cities have come out nonstop; and in 2006 The Global Cities Reader republished fifty scholarly articles. In all cases “city” means metropolis, and “world,” “global,” and of course “mega” cities are nearly always very large. But the idea is not just giant size; it also denotes position in various hierarchies, mostly indicating economic status, but also political and even cultural and ideological status. At the top of all the lists stand those cities that are giant-sized and immensely wealthy, by world standards—New York, Tokyo, London, followed by second-ranked cities in terms of both size and wealth, such as Paris, and then by giant, highly influential, but not so wealthy regional leaders such as São Paulo and Seoul.

A frequent index of position in the hierarchy of power and wealth (not just size) used to be the number of headquarters of multinational corporations. But that measure is so highly skewed that only a few cities get onto the list. A more flexible index of hierarchy aims to measure global connections of metropolitan areas based on locations of head offices and branches of advanced production-service firms. One index lists seven U.S. cities among global cities holding most
power—each supported by its metropolitan area economy. New York easily tops the list, followed by Los Angeles, Chicago, and San Francisco; those cities turn out to be ranked in order of their metropolitan populations. Next on the list of cities with hefty service connections come smaller metropolitan areas with special global functions—Miami, the gateway to Latin America; Atlanta, the capital of the new South; and Washington, D.C., the world’s dominant political center. Boston, Dallas, Houston, and Seattle, in that order, form the next rank, but each of these cities holds many fewer global connections.\textsuperscript{49} Except for New York, each of these top-ranked service centers has fewer international linkages than various foreign counterparts cities, possibly an indication of the declining dominance of the United States in world economic affairs. Even New York, once indisputably the capital city of the global economy, now has to share honors with London, which is smaller economically but more connected internationally, and it faces rising competition from Tokyo and Paris.\textsuperscript{44}

Among U.S. cities, how much does sitting atop these pinnacles of global power matter? Answers are contradictory. On the one hand, dominant centers tend to be rich, their economies boosted by finance and financial services (despite periods of severe recession). What manufacturing they have tends to use higher technology and operate with higher productivity. On the other hand, internal inequalities in these more competitive metropolitan areas tend to be pronounced. Even though average wage levels may be higher, so are costs, and the relative position of the poor is often worse. Furthermore, the effects of global dominance on local politics may be important and harmful for the poor, who have not just relatively lower incomes but reduced access and fewer resources. It may be that ordinary neighborhoods in these extraordinary cities have difficulty holding their own.\textsuperscript{15}

A few exceptions—the Twin Cities, Denver, Anchorage, Toronto, Mexico City—may prove the rule. Minneapolis–St. Paul serves as headquarters for four giant transnational firms: 3M, General Mills, Target, and Cargill. If theory leads one to expect strong corporate domination, in this case the evidence says that neighborhood politics can resist corporate manipulation of local affairs and the stultifying effects of globalization. This situation contrasts with other cities where corporate control is firmer, as in Atlanta or Cleveland, for example, and according to political scientist Darel Paul it demonstrates the power an opposition can exert so as to slow down the process, to resist elite pressure to “go global.” Opposition groups, we see, can “define urban ‘success’ and ‘prestige’ in markedly non-global terms.”

“Going global” is a politically contested project and far from irresistible. Popular coalitions in Denver and Anchorage have actively impeded local elites’ Olympic planning. The Canadian coalition “Bread not Circuses” helped to scuttle Toronto’s 2008 Olympic dreams. Peasant farmers near Mexico City protested and eventually blocked construction of a new international airport.

As Paul points out,

Despite the rhetoric of universal values and collective benefits, subordinate populations know the reality is quite different. Some will enjoy the direct international air flights to global capitals while others will suffer increased noise pollution. Some will find employment with transnational corporations locating in the city while others will lose their jobs with small local firms. Some will profit from industrial incentives while others will pay higher taxes or suffer declining public services. Some will work in redeveloped technology parks while others will lose their homes to local “improvements.” Some will welcome the cosmopolitan ethos of a world city while others will lament the erosion of local culture.\textsuperscript{46}

The mixed experience suggests that attempts to turn manufacturing centers into global cities may face obstacles not only from the demands of the global economy but also from local forces resisting further maldistribution of the economy’s costs and benefits. Even more locally focused remakes may face the same sorts of difficulties. Roberta Gratz talks about “the classic formula of killing a downtown to save it.” She observes that big-box projects in New Rochelle, Pittsburgh, New Haven, and Baltimore have been unsuccessful because communities have resisted. Gratz argues that the failure of these projects may “mark the possible end of decades of highly subsidized, developer-driven, national-chain-based projects replacing forlorn downtowns that are nonetheless rich in local history, character and small businesses.” Many of these projects have been stopped, she notes, because of “strong coalitions of historic preservationists” who are “invariably on the front lines.”\textsuperscript{47} In places without much remaining small business, the situation is still more bleak.

Resistance or not, levels of inequality have risen rapidly in top-ranked places, which display sharply segmented social structures, with captains of industry and especially kings of finance buying personal services from servants working in the lower orders.\textsuperscript{48} Analysis by the Fiscal Policy Institute in New York City shows enormous increases in inequality there through the 1980s and 1990s. The ratio of the average income of the richest and poorest families (the top and bottom quintiles) increased from 7.6 in 1987–1989 to 9.5 in 2004–2006. Even boom towns suffer as they expand, doubly when they contract. Silicon Valley serves as the world’s icon for clean, self-generated prosperity, yet the reality is more complex. As one looks carefully, the myths vanish like the morning fog lifting over the Golden Gate. Growth of investment was stimulated partly from “an Italianate agglomeration of small, flexible, cooperating firms,” as the myth would have it, but also because of stupendous investment from the Department of Defense; growth of branch plants of giant national industrial firms such as Lockheed Missle and Space, with 20,000 employees; strategic investments by foreign firms such as Korea’s Samsung looking for a foothold or for technology transfers;\textsuperscript{49} and finally, because of double prosperity offered by suburban advantage in one of the
country’s fastest-growing metropolitan areas. In its period of rapid growth the miracle development depended on large numbers of bad jobs with low wages, and it produced significant environmental damage.20 When the downturn punctured the technology bubble in 2002, job loss hit hard even in Silicon Valley.

Theoretical and empirical work emphasizes how regional change is caused as well by the different functional roles that cities play in the international or national economic system.31 As we saw in the previous chapter, the division of labor results in a hierarchy of cities based on levels of economic specialization, top cities being dominated by higher-order administrative and coordinating functions.32 Different city roles—that is, different positions in the urban hierarchy—correspond to varying degrees of economic growth.33 Some cities are more vulnerable than others to the effects of recent economic changes.34 Top-ranked cities, the most “diversified, advanced-service centers,” appear to have benefited most. These cities are highly integrated into the international network of finance and management, and in them are concentrated the control functions of multinational and national corporations.35 This control involves advanced services, which have grown at all levels of the hierarchy, especially in such national economic capitals as New York, London, and Tokyo. There continues to be very high concentration of the head offices of manufacturing firms in New York and Chicago, and, to a much lesser degree, in half a dozen other U.S. cities.36 Top cities also have high concentrations of investment banking, corporate law, management consulting, information processing, and other advanced business services, which are increasingly important in the economy. Although they have lost large numbers of jobs in traditional manufacturing, these few cities have rebuilt the foundations of their economies through the growth of advanced services. Corporate service activities give world cities a level of control over their destiny.37 Thus, the rise of services and the internationalization of production have converged to benefit a select few places.38 Even direct foreign investment has benefited those few cities in which banking, finance, and related corporate service activities are concentrated, especially the New York region, Chicago, the San Francisco Bay Area, and Los Angeles.39

This discussion almost seems to take us off the subject, but it does not. Even in these relatively well-off cities, the numbers of poor people are enormous and their misery is increasing. Those who are laid off are not the same ones who get the new good jobs; many of those lucky enough to replace their lost jobs do so at lower pay, and both groups are added to those previously without work or with low wages. If anything, the separation that serves as the main theme of this book is most evident where large, poor, segregated ghettos and barrios sit side by side with booming financial centers.

National Regions and Wage Variation

As evidence on manufacturing centers and global cities suggests, just as household and family incomes have become more unequal in recent years, so have regional incomes. Although for many decades researchers observed U.S. regional income convergence, since about 1980 they have found divergence. Past measurement focused on states, but given recent improvements in data, research can focus on metropolitan areas, which, as Matthew Drennan points out, are the “appropriate unit of analysis for studying intranational income inequality” because they “represent single labor markets.”40 For a long time, regional wages converged, as theorists expected. But since 1980 the pattern has shifted, and as in many other parts of the world, regional divergence has been pronounced. Prominent economists, including Gunning Myrdal, Albert Hirschman, John Romer, and Robert Lucas, have long attributed regional growth and wage differentials to self-reinforcing stimuli—products of the urbanization process itself—rather than to self-equilibrating balances of supply and demand. This idea suggests, and studies find, that larger (and already wealthier) cities will become more prosperous. It also suggests that “pro-active politics may be necessary if the aim is to overcome continuing economic difference between regions.”41

Regional wage changes have many sources. Recent divergence seems influenced by metropolitan size, the presence of business services, and levels of labor force skills. Since about 1980 the larger the metropolis, the larger the service sector compared with manufacturing, and the more developed the “human capital,” then the larger the wage growth.42

Powerful regional changes across the United States have been long in the making. In 1950 a third of all employees worked in factories, and more than 70 percent of all manufacturing jobs were concentrated in the metropolitan areas of the Northeast and Midwest,43 but as national industry was intensely reorganized, the regional shifts were dramatic. The South and West grew more than twice as fast as the Northeast and Midwest regions from 1970 to 1980. Then, from 1979 to 1986, as Table 4.2 shows, employment stagnated in the Midwest, grew slowly in the Northeast, and grew rapidly in the South, the West, and New England. In the next twenty years, manufacturing employment in the older industrial regions of the country declined rapidly.

Moving from place to place is not easy. Americans move more frequently than Europeans, and it is thus often assumed that they find migratory adjustments to economic shifts to be relatively painless. However, despite massive regional imbalances, 56 percent of native-born residents have never moved from their birth states and 37 percent live in the community where they were born.44

The boom in the South and West and the decline of the Northeast and Midwest were initially attributed to the continued filling of the frontier, the seeking of better climate, the demographic shift to an older population, and investment patterns by corporations or the military.45 No matter what the cause, this economic volatility most dramatically harmed African Americans in the declining areas, since they had relatively less mobility than Whites, for both social and economic reasons. As a result, as manufacturing jobs moved, African Americans especially were stranded in communities that had no further demand for their talents.46
The rise of some cities as opposed to others is also related to what is called the “business climate” provided by local governments and community groups. Businesses avoid cities that are perceived by business leaders to have anti-growth climates—high taxes, strict site regulations, and strong labor unions, for example. The return movement of firms can be seen as the result of a process of rearrangement of the local political environment, which includes a weakening of pro-labor and pro-neighborhood institutions.

Likewise, some industries have long preferred southern and western cities, where labor unions are weak, with low wages as a result. Southern and western states offer a labor force inhibited by right-to-work legislation, which helps firms avoid unionization of new industrial plants and service industries. At some historical junctures, the presence of large immigrant and minority populations, weakly attached to local politics and therefore relatively defenseless, may weaken opportunities for labor organization. As one researcher said back in 1989, observing economic success despite low wages: “It’s very hard to find a Southern city that’s not doing well. . . . [Population and industry] trends that have accelerated since the early 1970s have brought much of the nation’s urban prosperity to the South. . . . While smokestack industries have been declining in the Northeast and Middle West, manufacturers have been drawn to the South by the area’s relatively low wages and antitrust attitudes.”

We caution against too much regional specification of industrial and employment change. As a counterexample, take the case of Los Angeles. There one recognizes four familiar, strong elements of the urban economy: a sun-belt city of booming high-tech manufacture; a “control and command” city with a growing, high-salaries “downtown”; a rust-belt city of declining heavy manufacturing, in autos and airplanes, for example; and a “Third World” city of sweatshops with immigrant Asian and Latino workers. As this case suggests, analysts should look closely at local industrial structure, not just at the regional averages and trends. Nevertheless, there are justifiable regional generalizations. Regional economic decline is reflected not only in lost jobs and high unemployment but also in involuntary part-time work and low wages.

**Where the Jobs Are:**

**Suburbanization and Polycentric Development**

The most evident changes in work location since 1980 involve massive decentralization from city centers to suburbs. Researchers represent the complicated metropolitan geography of jobs with various abstract models. There are disagreements, but current trends are pretty clear, with three overlapping patterns of employment. In business districts one finds management, finance, business services, government offices, and an extensive series of ancillary service activities. In the central business district (CBD), competition for space is high, so land rents are extremely costly and developers build high to make the floor-area ratio (FAR) as great as possible. Where geology and zoning permit, skyscrapers result. But today the CBD is no longer the dominant employment center. Instead, employment is spread more and more widely, much of it in subcenters. Hence, most large metropolitan areas, once monocentric, are strongly polycentric. As we have seen, job opportunities in these places tend to be highly skewed, with many highly paid professionals depending on poorly paid service workers. As firms disperse, the commute to work becomes much harder for the service workers.

In specially zoned areas of the metropolis, manufacturing employment may occupy a ring surrounding the CBD, located near an airport or seaport, or cheap land with good highway access, or where zoning will allow it for some other reason. Industrial zones—and related railyards—are fewer and farther between than in the past, and in old cities heavy manufacturing sites often stand disused, their large structures rusting before being torn down, with brownfield problems following.

If core management employment concentrates in centers and manufacturing employment on special sites, most employment spreads out in closer connection to the distribution of the residential population—wholesale and retail trade, consumer services including health care, municipal governments, and schools. Employment in these sectors still clusters at enterprise sites (such as a large high school, a mall, or a hospital) and in subcenters that are sometimes built up as office parks. With the exception of downtowns and selected subcenters in the very largest metropolitan areas, nearly all places of employment are accessible only by automobile. Low-wage workers confront new difficulties getting to work. Auto ownership is low among African Americans (see Chapter 2), and reverse commutes by transit tend not to work well. Below we examine the more general problem of spatial mismatch, as suburban jobs move out of reach for inner-area populations for a variety of reasons.

How much have things changed, especially in cities famous for sprawl, such as Los Angeles, Atlanta, Las Vegas, and Phoenix? Will current patterns of change persist, and if so, why? In a key study published in 2007, Genevieve Giuliano and her colleagues examined concentrations of employment in the greater Los Angeles area from 1980 to 2000. They asked various questions about how employment is spread across the enormous Los Angeles region, focusing on employment centers, where workers are concentrated. One set of summary statistics appears in Table 4.3. Employment dispersed over the two decades but overall it continues to be remarkably concentrated, so that still more than 70 percent of all employees in the region work on only 10 percent of the land area. The pattern of employment centers in the Los Angeles region has “a remarkable degree of stability” from 1980 to 2000. Jobs are spreading out from the central business core, but even in famously sprawled Los Angeles the largest single employment center is the downtown. Together with adjacent employment centers, downtown L.A. employs about 750,000 people, or 10 percent of metropolitan employment. Outside the core, new employment centers are emerging and growing; employment
on average moves farther from the old core, but it also clusters. In the outer suburbs, employment growth is rapid and dispersing, but even this dispersed employment will later cluster into subcenters.

Nationally, as well, metropolitan jobs have dispersed from centers. One study grouped the 92 largest metropolitan areas by the percentage of jobs inside two rings, the first radius at three miles, the second at ten miles.24 Among the areas with the highest employment density, a few have 25 percent of area employees working within three miles of the CBD and more than 55 percent of employees working inside a ten-mile ring. These cities fit on nearly everyone’s list of high-density places—New York, Boston, San Francisco, Pittsburgh, and Portland. But even in these cities, access to work for the poor can be difficult, made worse for minority populations because they have not suburbanized along with the jobs.

The list of areas with extremely decentralized employment includes those with less than 10 percent of employment inside the three-mile ring. Seeing Los Angeles on the list is no surprise, but perhaps Detroit, St. Louis, and Tampa are unexpected; in these hollowed-out cities most employment is far out in the suburbs. Nationally, more than a third of people work more than ten miles out. The Northeast has the least job sprawl, but several western metropolitan areas concentrate their employment (surprise: add Las Vegas to the high-density list!). Job sprawl is not related to the age of the city. Municipal fragmentation, with lots of local government, leads to increased job sprawl. Even in places with slightly lower levels of job dispersal, getting out from the inner areas to the jobs—and for the job search—presents formidable problems for poor residents.25 Access to work depends not only on where the jobs are but also on where people live.

### Where People Live

As anyone who has ever bought a house or rented an apartment knows, neighborhood matters. People with a lot of choice, those with resources and good incomes, move in—that is, they pick areas (usually suburban areas) that have amenities and are accessible to their needs, and often in the expectation of making money on a housing investment. Those with less choice, but some, with jobs and incomes that are low but rising, may move out—that is, they may escape declining neighborhoods, places with poor services or unsafe streets. The poor usually have little choice at all about where they live.

The layout of metropolitan land uses follows various logics, influenced by politics, social preferences, and economics. Although land-use patterns may vaguely resemble the doughnuts or checkerboards we discussed earlier, they often look disorganized to the untrained eye. Nevertheless, random patterns are rare. Particular needs and goals regulate the location of single-family homes, row houses, and apartments, just as they regulate the locations of retail stores, malls, banks and offices, wholesale and shipping facilities, and storage areas. In nearly all cities around the world, at most times, land uses are denser near the centers, with gradually declining density toward the periphery. Land values are strongly influenced by accessibility, and landowners respond to high values by developing or redeveloping at increased density. In many countries, as densities have been reduced overall by increasing wealth, faster transportation, and instant communication, they have regrouped in minor density peaks rising at various distances from the principal centers. In recent decades residential patterns in U.S. cities have become remarkably less dense at the periphery, as families have shrunk while house sizes and building lots have increased. Even metropolitan areas with stagnant or shrinking populations have extended the spread of urban land on the periphery as households have multiplied and lot sizes have grown. In Rochester, New York, for example, although the metropolitan population has hardly changed since 1970, when it reached a million, the urbanized area has increased enormously. By 2005, the city population had declined 37 percent from its peak, but the suburbs had exploded.26

Immediately after World War II, large-scale suburban house building and highway construction began, leading to a massive exodus of people from the city. Family preferences for green space, good schools, and rising property values played a part, but commercial pressures and federal policies helped to degrade cities and build up suburbs. The interstate highway system installed 41,000 miles of roads, much of that pavement facilitating travel within metropolitan areas, and the Federal Housing Administration along with the Veterans Administration issued insurance for millions of suburban single-family homes. Immense federal tax expenditures attracted homeowners to the suburbs—they still pay out more than $100 billion per year. Ever since World War II, U.S. suburbanized areas have grown as nowhere else worldwide.

In 1960 central cities held about 29 percent of the country’s population. They held the same proportion in 2000 (30 percent). But of course the country grew by more than 80 million people in those forty years, and nonmetropolitan areas lost about 15 million people, so that the suburban population grew enormously, to constitute fully half the nation.27

This city-to-suburb movement formed what is still seen as mainstream America, even though it now constitutes far less than a majority—two-adult, White, middle-class suburban families with higher incomes. In fact, 73 percent

### Table 4.3: Percentage of Jobs Contained in the Densest 10 Percent of Land Area in the Los Angeles Area, 1980–2000

<table>
<thead>
<tr>
<th>County</th>
<th>1980</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>73.6</td>
<td>64.0</td>
<td>64.4</td>
</tr>
<tr>
<td>Orange</td>
<td>58.7</td>
<td>52.5</td>
<td>50.6</td>
</tr>
<tr>
<td>Riverside</td>
<td>85.4</td>
<td>61.4</td>
<td>59.3</td>
</tr>
<tr>
<td>San Bernardino</td>
<td>93.5</td>
<td>80.6</td>
<td>78.2</td>
</tr>
<tr>
<td>Ventura</td>
<td>69.2</td>
<td>64.6</td>
<td>63.7</td>
</tr>
<tr>
<td>All</td>
<td>83.7</td>
<td>74.4</td>
<td>71.1</td>
</tr>
</tbody>
</table>

of the suburban population is White, but they are not all rich, not all happy. California writer Joan Didion has written about Lakewood, a lily-white Los Angeles suburb housing many employees of airplane manufacturers. Lakewood became an icon of troubled suburbs, in a way a measure of rust-belt consequences, as it suffered from widespread teenage sexual abuse and violence.

The national shift outward to the suburbs has been massive, but it has not been uniform. In the 1990s, suburbs grew faster than the central cities in 80 percent of metropolitan areas. Since the year 2000 some central cities have gained, New York prominent among them, but nationally cities still grow less than suburbs. Of the central city population in 2007, 23 percent was African American, and 27 percent was Hispanic. Recently, Whites have moved back in some key cities: 74 central cities gained population in the 1990s, but only 5 (Denver, Atlanta, Memphis, Chicago, and Yonkers, in New York City’s first suburban ring) gained enough to offset population losses of the 1980s.

In cities everywhere, residential neighborhoods are defined at least roughly by the characteristics of their residents. As cities change, neighborhoods become differentiated even along occupational lines. Workers in White-ethnic, blue-collar neighborhoods have historically been among the most spatially constrained by the cost and accessibility of urban transportation. Neighborhoods thus reinforce, or reproduce, the different social strata of urban society. Scholars use several statistical indices to measure how different groups are segregated into relatively homogeneous areas, usually according to income or race. Five standards measure segregation: isolation, centrality, togetherness, exposure to difference, and intermixtures of various groups. Groups are identified not only by income, race, and ethnicity but also by occupation, “lifestyle” distinctions such as families with or without children or singles or elderly, immigration status, and so on.

When people decide where to live, they consider many things, including job location, housing costs, neighborhood amenities, and the potential for discriminatory resistance by neighbors. As Claude Fischer and his colleagues point out, neighborhood patterns differ regionally (the South vs. the West Coast), among metropolitan areas within regions (Latinos in Phoenix vs. Asians in the Bay Area), in the separation of cities from suburbs, in place-to-place differences (wealthy vs. poor suburbs) and within these jurisdictions, and in segregation that occurs neighborhood by neighborhood. The wealthy have segregated themselves increasingly since 1970 by selecting metropolitan areas, municipalities, and neighborhoods. Segregation of the poorest 20 percent of the metropolitan population increased significantly from 1980 to 1990, and it probably increased again after the census of 2000.

Social Class

Americans are segregated profoundly by class (which we approximate by income). Segregation levels are much higher in the United States than in western Europe, Canada, or Japan. Americans expect neighborhoods to be segregated by income, with the poor in the centers and the better-off in the suburbs, and we all act as though this pattern is natural. In most countries, however, the better-off live in the centers of cities and the poor on the periphery, and the periphery is commonly denigrated as containing neighborhoods of the poor. Income groups are typically interspersed in western European neighborhoods, as public provision and rent payments insulate housing from market forces. Volatility and inequality are reduced, limiting the role of housing as a source of exchange value. In the United States, on the contrary, home values constitute the only significant element of wealth for most families, and neighbors nearly always cluster in homogeneous income groups. Furthermore, because localities fund and regulate public schools, an additional opportunity or burden rests on families as they select a place of residence. Suburban municipalities play the game by erecting barriers when they can against undesirables—who would pay lower taxes or who would burden the schools. These are not small matters. The form of the metropolis is in many ways dictated by such concerns, and local governments are dominated by the need to serve private interests of families and households in real estate value and school access.

In a trend that paralleled the expansion of household inequality (see Chapter 2), from 1970 to 1990 most families became more segregated spatially by income (more than 85 percent of the U.S. metropolitan population), though the process differs in declining and growing regions. In regions with declining economies or stagnant or shrinking populations, new suburban construction facilitated segregation as middle-class households, able to afford the higher costs of suburban housing, left bad neighborhoods. Their new amenities included “larger houses, bigger yards and better schools,” which act as “magnets . . . into these neighborhoods where they isolate themselves from the economic decline around them.” In high-growth metropolitan areas, despite overall suburbanization of minority populations, the segregation of income groups block by block increased via new neighborhood construction, segregation increasing more in areas where overall household inequality expanded fastest.

For a brief time in the 1990s, as we have seen, “economic segregation . . . decreased significantly for all racial and ethnic groups,” matching other improvements such as declines in unemployment, poverty, and the concentration of poverty. But then the long-term trend reasserted itself. According to Rebecca Yang and Paul Jargowsky, temporary decreases in spatial inequality were overwhelmed by the continual effects of suburbanization. Even in the go-go years of the 1990s, “metropolitan areas that were suburbanizing more rapidly had smaller declines in economic segregation.” As we move toward the second decade of the twenty-first century, further expansions in spatial economic inequality seem likely. One troublesome outcome will likely be further isolation of the poor. Elizabeth Kneebone and Alan Berube note that “poor individuals and families are not evenly distributed across communities or throughout the country.
Instead, they tend to live near one another, clustering in certain neighborhoods and regions. Extremely poor neighborhoods are often home to higher crime rates, underperforming public schools, poor housing and health conditions, as well as limited access to private services and job opportunities. These conditions exacerbate the day-to-day challenges of individual poverty, in effect imposing a “double burden” on the poor population in these neighborhoods.87

If it takes a village to raise a child, then when villagers cannot or do not help, children may go astray. Although parents in poverty neighborhoods try to believe that with great individual effort they can safeguard their kids against the neighborhood’s demons, the evidence says they are wrong. Poor or problematic neighborhoods exert weaker social control on children, provide more negative role models and inferior peer effects, expose children to crime and violence, deprive them of various opportunities for youth activities, distance them from job opportunities, and inhibit their socialization into the broader society.88

Historically in the United States, an ongoing process of acculturation and socioeconomic mobility meant that relative incomes were an important predictor of location for White ethnic minorities, and now they predict location for many new immigrants.89 As people move up the economic ladder, they leave central city neighborhoods for upgraded, often suburban areas. Levels of ethnic segregation decline in the course of this movement, paralleling the rise in income.90 This “American Dream” pattern presents a dilemma for policymakers and sociologists alike. No one wants to deprive lower-income people of the opportunity to move up or out, but it is this movement that appears to some to condemn their former communities to persistent poverty and eventually to halt the relocation cycle.91

The relationship among ethnic and racial groups in city and suburban neighborhoods varies as the metropolis matures and the society becomes more complex and heterogeneous. In most theories of metropolitan change, this maturation process involves an increase in household incomes. In the course of growth, inner-city zones are seen to “turn over” and move toward “higher and better uses” through a process much like ecological succession in nature. As this happens, residents of central areas are pushed to residential rings further out.92 This mode of analysis has been applied successfully to explain the location of White ethnic groups, predicting patterns that reflect people’s tendency to live in areas with others with similar occupations, incomes, lifestyles, and ethnicity.93

Together these observations and findings provide a reasonably sound basis for an accurate description and explanation of metropolitan residential form—once the basic determinants of industrial growth are given. It becomes fairly clear why poor neighborhoods are where they are, and the obstacles to improvement stand out, at one level or another. In one basic way, however, these observations (and the “urban ecology” models on which they are based) fail miserably.94 They do not account for the persistence of segregation, poverty, and inner-city location for African American workers and their households. This failure points out the need to deal with race explicitly.

Race

Despite marked segregation by income, the most pronounced and persistent characteristic of U.S. residential segregation is not income but race. Levels of income segregation are high, but levels of racial segregation are much higher. Americans commonly recognize certain neighborhoods as ghettos and barrios, and these terms seem natural, as designations of areas to which residents are assigned by race, ethnicity, or skin color.95 In a brief presentation to the Population Association of America in 2003, John Iceland and his colleagues at the Census Bureau summarized numerous studies of the past few decades, reaching conclusions similar to those of leading sociologists John Logan of Brown University and Douglas Massey of Harvard.96 Although the landmark housing legislation of the 1960s altered patterns of housing discrimination by outlawing the most blatant methods of exclusion, segregation remains pervasive in the United States. In spite of improvements, African Americans remain the most spatially isolated minority group in U.S. urban areas, Hispanics next.97 On the average, African American isolation—a measure of the number of people who would have to move their residence to equalize the spatial distribution—is 2.5 times as high as the isolation of Latinos and 10 times higher than for Asians.98 Peter Marcuse writes that “the clearest divisions of urban space in the United States today are at the extremes,” and he notes “the segregation of the poorest, overwhelmingly black, in ghettos,” contrasting with “the self-isolation of the rich, in citadels.”99

Even when income differences do not serve to keep White and African American neighborhoods separate, formal and informal racial restrictions do. Various informal methods operate through the real estate profession, through powerful informal networks, individually imposed rental restrictions, and fear.100 Formal restrictions exist, too. Large-lot zoning operates to exclude households without enough wealth or income, as do zoning restrictions against rental housing or against apartment buildings, prohibition of industrial housing (including mobile homes), and a variety of other limitations. Through the high correlation of race with income and wealth, these limitations restrict the locational options of minority households. Historically, lease covenants and other legal restrictions directly excluded minority owners or renters; even the Federal Housing Administration prohibited integrated housing developments in the suburbs. Much of the blame for the creation and early enforcement of housing segregation belongs to the federal and municipal governments.101

Segregation of Blacks has diminished in recent years, but not much. Levels of racial segregation do diminish for minority group members with higher incomes, but modestly; that is, middle-class Blacks “generally live in more integrated neighborhoods” than do poor Blacks, but the progress has been extremely limited. Studies of African American suburbanization support the conclusion that discrimination still plays a strong role even against those who move out of the city. Suburban movers are steered into selected neighborhoods and resegregated.
They pay higher prices for inferior housing and poorer services than do Whites of comparable income levels. Sometimes the move to the suburbs just transfers the segregation to a new location.102

By some measures, Latinos have recently become slightly more segregated from Whites, but they are still much less segregated than African Americans. Latino housing patterns depend greatly on immigration—new immigrants with lower incomes, who speak less English, are more segregated. Segregation has been most pronounced in cities with high rates of immigration, in places with a significant rise in the proportion of the population that is Latino. Not all immigrant concentrations lie near the center. In Nassau County on Long Island, for example, poor Latin American workers often earn very low wages (roughly $15,000 a year in 2007), live crowded in doubled-up housing or worse, and encounter hostility and violence. Similar situations confront immigrants in many other metropolitan areas across the country. Indeed, poverty rates in some suburban areas have risen quite dramatically, very likely due to the suburban movement of Blacks and Latinos. Figure 4.2 shows that in the one hundred largest metropolitan areas, the number of poor people in central cities grew 5.6 percent from 1999 to 2005, while in the suburbs the number grew by 19.4 percent. Nationally, growth was 12.8 percent.103

An overwhelming percentage of Hispanics—93 percent—live in metropolitan areas. They comprise 16 percent of metropolitan residents, 12 percent of the suburban population, and 21 percent of the central city. Forty-four percent live in suburbs, and 48 percent live in central cities. The segregation of Puerto Ricans provides convincing evidence of the power of racial discrimination. While most Hispanics have traditionally followed the predictions of the urban-ecology model, assimilating culturally and spatially when they have higher incomes, Puerto Ricans have not. They stay highly segregated even when they have high incomes. Although this could conceivably be because Puerto Ricans, from a multiracial culture, are less averse to settling near African Americans,104 it is much more likely to be because Whites discriminate against Puerto Ricans, especially those with dark skins.

Urban sociologists and demographers John Logan, Brian Stults, and Reynolds Farley examined the numbers for all metropolitan areas that had at least 2,500 minority residents in 1980 and 2000. They looked at Black/White segregation in 225 areas, Hispanic/White segregation in 210 areas, and Asian/White segregation in 116 areas. Altogether these areas held 77 percent of the nation's White population and 88 percent of the Black population for the Census of 2000. The key statistic is the Index of Dissimilarity (D), the minimum percentage of either group that would have to change census tracts to make the two distributions the same. Thus, in a metropolitan area with 15 percent Asians and 85 percent Whites, the index would tell what percentage of Asians (or Whites) would have to move to give each census tract the same racial composition, that is, 15 percent Asian and 85 percent White.105 Logan and his colleagues' major findings are that although Black segregation has been declining, Blacks are still much more segregated than others, and the already slow rate of decline slowed still further after 1990. During the 1990s Black segregation increased in fifteen metropolitan areas, and Asian and Hispanic segregation levels stayed about the same. Segregation levels were higher in the Northeast and Midwest than in the South or West. Larger metropolitan areas are more segregated, as are those where cities are historically surrounded by multiple suburban municipalities, which functioned to exclude Black residents “during the suburban building boom.” Demographers use a cutoff of 0.60 for D to mark a high level of segregation. D ranged from a high of 85 in metropolitan Detroit to a low of 20 in Missoula, Montana.106

A study of Latino segregation focusing on the 1990s concludes that Latino segregation is increasing, mainly in suburbs, rising toward Black levels just as the latter decline. Puerto Ricans are the most highly segregated, followed by Mexicans and then Cubans. The national statistics are dominated numerically by Mexicans and Mexican Americans, and their statistics are dominated by just three areas—Los Angeles, Chicago, and New York—where 83 percent of Latinos live.107

Black segregation persists. Despite New York’s many population changes, the metropolitan area did not reduce its level of Black/White residential segregation between 1980 and 2000—the level actually rose slightly as measured by the index of dissimilarity. Three explanations all seem to contribute to persistent segregation: socioeconomic disparities, differing preferences, and housing market discrimination. Research shows “white avoidance of areas in which they are not in the majority and especially of areas where Blacks are found in very dominant numbers.”108 Summarizing their nationwide study of metropolitan areas, Logan
and his colleagues find no reason to expect any “breakthrough” changes in Black segregation: “demographers continue to wait for signs that large changes in whites’ attitudes have had a major impact on the segregation of blacks. . . . Blacks did improve their incomes during the 1990s, and blacks were less segregated in areas in which their incomes were closer to those of whites. But . . . the new factors that could have been expected to accelerate black-white desegregation failed to have much effect.” They go on to say: “Without a fundamental reordering of residential processes that would strengthen the potential sources of change, it seems likely that the rate of decline in black-white segregation will remain modest—on the order of 4–5 points per decade, possibly bringing blacks to parity with the current level for Hispanics in the middle of the 21st century.”

In the real world, race and income match up. In a 2006 report Brookings urban scholars report on what they call “first suburbs,” the older, inner ring of early U.S. suburban development. These suburbs house a quarter of the nation’s metropolitan population and are highly diverse. But their diversity may be a statistical mirage, since each ring of first suburbs is likely to contain two very different kinds of neighborhoods, some strikingly wealthy and white collar, others extremely poor. Some are well established, mainly White, with extremely high real estate prices. Others are mainly Black and Hispanic, with devalued land. Sometimes these dramatic neighborhood variations occur entirely within city boundaries—think of Washington, D.C., with immensely wealthy Georgetown on one side and very poor Anacostia on the other, one overwhelmingly White, the other Black. Cleveland’s Shaker Heights is the exception that proves the rule, an anomalous inner suburb, wealthy but intentionally integrated racially, but still contrasting with the usual inner suburbs, with their separate Black and White areas. Across the country many other close-in suburbs display wealth and, typically, Whiteness, while their inner-ring counterparts are the new ghettos and barrios. In many cases these separate suburban jurisdictions in the inner ring, when compared with the central city, have both higher and lower levels of median income.

Immigration

Thirty-seven million foreign-born residents (immigrants) live in the United States, the vast majority in metropolitan areas, as shown in Table 4.4. Nearly 20 million immigrants live in just ten metropolitan areas. New York and Los Angeles account for more than a quarter of the country’s immigrant population. Add in five more areas—Miami, Chicago, Houston, San Francisco, and Dallas–Fort Worth—and the figure increases to 45 percent. Eighty-five percent of Miami’s immigrants are from Latin America. Fifty-two percent of San Francisco’s immigrants are from Asia. Of immigrants to the nation since 2000, more than a quarter reside in just three areas: New York, Los Angeles, and Miami. The dominance of these three cities has diminished—of earlier immigrants, they hold more than a third—but it is still pronounced. Nationally, more than half the immigrant population is from Latin America, and more than a quarter from Asia, together totaling 80 percent. In the ten areas listed in Table 4.4, Latinos and Asians account for 84 percent of all immigrants.

Everywhere the geography of immigrant residence has become complex, but nearly everywhere Latinos and Asians are dominant. From 1995 to 2000 more than half of new household heads in the entire United States were Asian and Hispanic, many of them immigrants. From the other side, in 2001, immigrants accounted for 64 percent of all Asian households and over half of Hispanic households. Most Hispanic/Latino immigrants are poor, and more than 90 percent of them live in metropolitan areas, more than a quarter of them highly segregated. The highly segregated Latinos are concentrated in Los Angeles, New York, and Chicago, and as theory would predict, their segregation can be attributed mainly to low education and low income. Residential patterns relate to the job market, and Latino immigrants are especially hurt by the segmented labor market. Like African Americans, they face “globalization and deindustrialization,” which “has eliminated millions of low-skilled, high-wage jobs replacing them with low-wage, low-skill service sector jobs.” Unfortunately, African Americans and Latino immigrants sometimes struggle for the same jobs.

A study of eighty smaller Metropolitan Statistical Areas (MSAs) found that even though the absolute numbers of immigrants are relatively small, more than three-quarters of these areas doubled their immigrant populations. Ninety percent of them had net immigrant inflows between 1970 and 2000. In the South, Latino city growth has been dramatic. Excepting the Miami area, overall numbers of Latinos and the numbers of Latino communities until recently were small. Nevertheless, recent Latino growth rates have soared, above 500 percent in many southern cities. During the 1990s, while the Hispanic population increased nationally by about 58 percent, it trebled in many southern states. In Tennessee

| Table 4.4 Immigrants in Metropolitan Areas, 2005–2007 |
|-----------------------------------------------|----------------|----------------|----------------|
| Area                                           | Immigrant population | Current | Recent immigrants (entered 2000 or later) |
|                                               | Total | From Latin America | From Asia |                             |
| New York                                       | 5,271,421 | 2,645,192 | 1,382,616 | 1,116,926 |
| Los Angeles                                    | 4,447,658 | 2,615,153 | 1,472,943 | 823,072  |
| Miami                                          | 1,993,782 | 1,696,911 | 98,718   | 483,936  |
| Chicago                                        | 1,664,624 | 807,032   | 392,030  | 379,081  |
| Houston                                        | 1,167,565 | 815,872   | 239,791  | 313,913  |
| Dallas–Fort Worth                              | 1,056,341 | 722,848   | 220,158  | 313,735  |
| San Francisco                                  | 1,232,673 | 397,956   | 640,314  | 258,329  |
| Atlanta                                        | 646,393   | 336,649   | 164,605  | 228,597  |
| Phoenix                                       | 677,615   | 483,010   | 91,991   | 223,785  |
| San Diego                                      | 678,357   | 363,319   | 224,029  | 159,091  |
| Total for areas listed above                   | 18,836,429 | 10,885,942 | 4,927,195 | 4,280,465 |
| USA total                                      | 37,234,785 | 19,891,256 | 9,940,601 | 9,457,640 |

the increase was ninefold and in North Carolina, more than tenfold. As in earlier years and elsewhere, most of the recent immigration has been to cities, and the social and political experience has been mixed. Indeed, although Mexicans started working in poultry-processing plants in northern Georgia as long ago as the 1970s, there and elsewhere in the South they have "been accepted as workers but not as community members."116 Asians (both Asian Americans and immigrants), due partly to their relatively small numbers in most areas—and to their relatively high incomes—are much less physically isolated and have higher likelihoods of contact with Whites. The greatest levels of segregation occur in the cities having the largest Asian concentrations, yet even in these cities Asians are much less concentrated than other groups, and some of the concentrations are in good part voluntary. In most areas Asian immigrants settle in no particular community but in a dispersed pattern. Although some Asian immigrant subgroups are poor, especially those from the Philippines and some other Southeast Asian nations, many Asian immigrants are well-to-do. For Los Angeles, real estate operators working in Hong Kong and Taiwan direct wealthy immigrants to enclaves such as suburban Monterey Park (the "Chinese Beverly Hills"). In San Francisco, commuters from suburban dot-com employment and immigrants in wealthy households drove real estate prices and rents up, which drove poor households out.117 Non-immigrant dot-commers also contributed to the gentrification, of course.

To summarize: overall, while the restructuring of metropolitan residential areas has led to the expansion of minority populations in the suburbs, sometimes very substantially, it has left unchanged many White suburbs and at the same time deepened the isolation of very poor minority areas in the center. African American and Latino suburbanization has come more slowly, less fully, and much later than White suburbanization, and it has ended in many cases in resegregation. These geographic patterns have enormous consequences for politics and public finance at all levels in America, isolating not only rich and poor but dark-skinned people from Whites, and stimulating destructive nativist sentiments, all too frequently ending in racist violence.118 Suburbanization continues to provide a mechanism for sorting out winners and losers, for assigning to different groups extra benefits and extra costs as the economy gets restructured. Not only do some winners find their way to higher pay (fairly or not), but once there, they solidify their gains by residential separation. As is the case for interfamily distributions of income and wealth (see Chapter 2), geographic distributions of bonuses and deficits is biased against people of color (and against women). Indeed, the production of bias is aided and abetted by the process of geographic separation.

Poverty and Place

The joint effect of the movement of households and the movement of jobs takes us back to the starting point of this book—separation of work, residence, and economic, social, and political life. Now we focus on the high rates of joblessness and poverty among persons of color who live in crowded central-city neighborhoods or, increasingly, in inner suburbs. In this section we show schematically how the global, national, and metropolitan changes discussed above have not only reinforced but actually increased the isolation of very poor African Americans in ghettos. We begin by briefly analyzing the employment conditions of central cities.

Hypersegregation: Concentrated Urban Poverty and Joblessness

Berkeley sociologist Loïc Wacquant offers a new explanation for the persistent concentration of very poor Black households in inner-city or inner-suburban ghettos.119 Wacquant traces four stages of America’s "peculiar institution," which follow one another as means for exploiting a labor force and isolating its members socially.120 First comes chattel slavery, next the legalistic southern oppression known as Jim Crow, third the Great Migration and the creation of Black ghettos in cities of the North, and finally the partially evacuated but immiserated and intensified ghetto combined with prisons. As more middle-class Blacks have escaped the ghetto, those left behind, still large in numbers, are pushed still further into an underclass, without hope of improvement. Metropolitan areas have experienced two kinds of dispersal, many to poor inner suburbs and some to the middle-class suburbs—so much so that one scholar refers perhaps hopefully to "melting pot suburbs"121—and some central areas have been gentrified. Yet at the same time cities have intensified the segregation and despair of their remaining ghettos and barrios.

Highly concentrated poverty involves at its core some 8 million residents in about 2,500 very poor neighborhoods. For most of the four decades following 1970, concentrations of the very poor have tended to increase. Concentration declined in the 1990s (though not in northeastern cities) but then rose again in cities and inner suburbs.122 Neighborhoods that are afflicted with high concentrations of poverty impose limits on all residents needing access to social, economic and political resources. Large numbers of properties may be vacant and even abandoned. Adult role models may be few and far between. Various forms of criminal behavior may be pervasive.

Looking at race and ethnicity, Wilkes and Iceland report on metropolitan-level hypersegregation for 2000, classifying metropolitan areas as racially hypersegregated if they score above 0.60 on at least four of the five standard dimensions of segregation. They examined all metropolitan areas in which a minority group had a population of 1,000 or more. The census shows no hypersegregation for Asians or Native Americans and little for Hispanics but a great deal for Blacks:

Blacks were hypersegregated in 29 metropolitan areas and... levels of segregation experienced by blacks remained significantly higher than those of the other groups...
When we controlled for factors such as income, nativity, region, and economic activity, we found that blacks continued to be significantly more segregated than Hispanics (and Native Americans) on all five dimensions of segregation and were more segregated than were Asians on three out of five dimensions. Contrary to what some may posit, income differentials do not explain levels of hypersegregation, even though they help explain more general patterns of segregation.\textsuperscript{123}

Returning to incomes—at the conclusion of the 1990s, scholars discovered a reversal in long-term trends toward the concentration of poverty, and some observers celebrated the reductions. Not only did the number and proportion of neighborhoods with deep poverty decline, but the number and proportion of poor people who lived in those neighborhoods declined, too. (By standard definition, a high-poverty neighborhood is a census tract or zip-code zone with 40 percent or more of its households with income below the poverty line.) "After doubling through the 1970s and 1980s, the poor population living in high-poverty neighborhoods fell by 27% during the 1990s."\textsuperscript{124} Looking back, however, we see that the celebration was premature and that the deconcentration, while significant and important, depended not on any solid improvement in skill levels, job structures, income distribution, or policies toward the disadvantaged. Rather, the improvement resulted from the nationwide economic boom, which reduced poverty levels modestly overall and resulted in lower poverty indices for many neighborhoods.\textsuperscript{125} No sooner were the good results published, however, when the trends shifted back, toward new and even more intense concentrations and isolation. Nationwide (not just in cities) the number of working poor people living in high-poverty areas increased by 40 percent between 1999 and 2005.\textsuperscript{126} In large metropolitan areas changes in concentration of the working poor depended on region: in older industrial areas, mainly in the Midwest and Northeast, concentration increased; in the West, the earlier improvements continued.\textsuperscript{127} Although poverty and joblessness do not correlate exactly, their incidences are closely related. Data on Black male joblessness present a sharp picture of concentrations that combine race and income.

The highest concentrations of male joblessness occur in metropolitan areas with large Black populations (and not in the West). Although zones of jobless men have moved out some from city centers since 1980, they are still relatively near the centers. These men have become "more isolated, concentrated, and clustered [into] large, contiguous enclaves." In areas where Blacks constituted high proportions of the population in 1970 (30 percent or more), male joblessness later rose drastically, increasing by more than 17 percent by 2000. In areas with low Black populations (less than 10 percent) the increase was modest, 3 to 5 percent.\textsuperscript{128} Robert Wagmiller notes: "Jobless black men occupy a uniquely disadvantaged ecological position in the metropolis: in comparison with other jobless men, they are much less uniformly distributed throughout the metropolis and much more isolated from employed men, they are concentrated in a smaller amount of physical space, and their neighborhoods are more clustered and are located closer to the center of the city."\textsuperscript{129}

Table 4.5, compiled from work by Wagmiller, depicts the high concentrations of jobless minority men. In the top part of the table we see that the proportion of neighborhoods (census tracts) with fantastically high levels of joblessness (where more than half the men have no jobs) has increased in the fifty largest MSAs. The number of these areas increased fivefold from 1970 to 2000, from less than 1 percent of all census tracts to 4.5 percent. The portion of the total population living in these neighborhoods rose more than sixfold, from half a percent to more than 3 percent, still a small portion, but a growing index of severe problems for some of the neediest members of the society. The proportion of jobless men in the fifty metropolitan areas who live in these extra-high unemployment areas rose fivefold, from 1.7 percent to 8.4 percent. In 1970 there were 223 of these neighborhoods, with about 690,000 residents. In 2000 there were 2,021 such neighborhoods, with about 6.2 million residents. Of these residents, more than a million were jobless men, joined by 5 million immediate neighbors. In the worst cases, "not only has the number of neighborhoods with low male employment increased dramatically, but large, contiguous [multi-neighborhood] enclaves of concentrated male joblessness have formed as well."\textsuperscript{130}

In the bottom part of the table we see that the situation varies drastically depending on race and ethnicity. For Whites, the geographic concentration of unemployed men is minimal. For a start, in 2000 White jobless rates are low, and then only 4 percent of the jobless White men live in such deeply troubled neighborhoods, while 21 percent of jobless Black men do, one in five. Of the White population overall, only 1 percent lives in these neighborhoods, but at the other end of the scale, 12.5 percent of the Black population does, one in eight. That is, a Black person—man, woman, child, employed or not—stands one chance in eight of living in a neighborhood where more than half the employable Black men have no job, and these neighborhoods deliver some of the worst problems our society has to give out. These terrible conditions existed long before the economic meltdowns that started in 2007. On this score, Native Americans and Latinos are about half as badly off as Blacks, and Asians are in roughly the same position as Whites. As Wagmiller says:

Changes in urban economic and social life have disproportionately disadvantaged inner-city residents, particularly less educated black men. Industrial restructuring has undermined the economic competitiveness of the central city, leading to substantial job losses in the manufacturing sector and limited economic opportunities for low-skilled workers. An influx of new immigrants has undermined the labor market position of low-skilled native-born workers... and progressive suburbanization... has concentrated disadvantage in the central city [which segregation further concentrates] in low-income black neighborhoods.\textsuperscript{131}
### Table 4.5 Neighborhoods with Low Male Employment in the Fifty Largest Metropolitan Statistical Areas in the United States, by Race, 1990-2000

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<td>1980</td>
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### Three principal arguments are put forth by students of these situations to explain the extraordinarily high rates of unemployment and underemployment for African American men in central neighborhoods: (1) there is severe discrimination in hiring; (2) educational shortcomings preclude employment as job requirements get stiffer; and (3) the physical distance separating the ghetto and the suburb keeps city workers isolated from areas with multiplying jobs.

### Discrimination

As we have argued above, the overall process of urban and metropolitan development has served for decades as a means not only of social and economic advancement for some, but of social and economic separation for all. Just as the suburb has been the avenue for advancement, the central city has become the receptacle for those with few chances. Poor, poorly educated African Americans especially are trapped semipermanently, other ethnic groups temporarily, it seems, and they have limited job opportunities. Although the central-city location still provides special opportunities for some, for these impoverished groups it only adds to the economic, social, and individual inadequacies and constraints they already face.

It is difficult to say where the process begins, as the chicken-egg circle of residential and employment segregation, poor education, and inadequate services is mutually reinforcing. As sociologist Stephen Steinberg has written: “The first thing that needs to be said is that the very existence of a ghetto underclass is prima facie evidence of institutionalized racism. Ultimately, the ghetto underclass is the stepchild of slavery itself, linked to the present by patterns of racial segregation and inequality that are still found in all major institutions.”

This residential entrapment situates workers so they are likely to be pushed into job markets that take advantage of these constraints and the workers’ limitations, including but not limited to lack of easy access. In a process of labor force segmentation, vulnerable groups must accept work either at less pay or under poorer conditions than they would be expected to in a unified labor market. In the case of African American workers, there is evidence that with the exception of college graduates, most are unable to penetrate higher-wage occupations, no matter how conducive their qualifications or location. Racially based wage differentials have stayed high in cities, for all groups. Surveys show that suburban employers still discriminate against job applicants with darker skins.

Similar findings have been reported for Latino and Southeast Asian immigrants to central cities. The large-scale immigration of poor people from Third World countries after the immigration legislation of 1965 at first fed a process of growth of low-wage industries, with persistent segmentation of immigrant workers into low-wage jobs. More recent immigrants from Mexico and Central America, as we have seen, take low-wage, long-hour jobs not only in agriculture but in construction, manufacturing, commerce, and personal services. Minorities have often been told that if they expect employment at wages comparable to those of Whites, their expectations are too high.
It would be unreasonable to contend that employment, wage, and poverty differentials are entirely functions of race, ethnicity, and discrimination. All analysts agree that other factors enter in important and influential ways, if not directly then at least as intermediate and related causes. One of these factors is education.

**Education Mismatch**

In 1950 most jobs, 60 percent, did not require a high school diploma, and in 1973 still a third were available to those without a diploma. By 2001 those jobs were just about all gone, down to 9 percent. In today’s world even factories and trucking firms demand literate and numerate workers. Offices, stores, public agencies, nonprofits, community organizations, and most other employers want job applicants to arrive with formal schooling and good skills. Yet in spite of these stiffening requirements, many young people do not finish high school, and even among the students who stay to graduate, large numbers score unacceptably low in math, science, and reading. When eighth-grade students took the National Assessment of Educational Progress in 2005, many could not deal with the most rudimentary questions, and 43 percent were apparently unable to “understand” science. A quarter to a third of ninth-graders do not graduate from high school in four years. Each high school dropout loses about $260,000 in lifetime earnings and pays about $60,000 less in taxes. Dropouts have much worse health—a 45-year-old dropout has the health of a 65-year-old high school graduate—and dropouts can expect to live nine years less. Once the world leader in higher education, the United States has fallen to seventh in the proportion of young people earning college degrees.135

At least 1,700 high schools are “dropout factories,” nearly one in ten, according to Bob Balfanz at Johns Hopkins University.136 The failure numbers rise highest in the cities, harming defenseless individuals and short-changing the society. In Charlotte, San Diego, and Boston, half or more of the students lack basic science concepts. In New York, Houston, Chicago, Cleveland, Los Angeles, and Atlanta, larger proportions are lacking.137 Cleveland tops the list for school failures, with fewer than one in three graduating on time. In other cities—Memphis, Milwaukee, Columbus, and Chicago—fewer than half the ninth-graders go on to finish high school on time. In fourteen other big-city districts the graduation rates fall between 50 percent and 57 percent: New York, Los Angeles, Orange County (California), Houston, Phoenix, Dallas, Detroit, Fort Worth, Baltimore, Nashville, Las Vegas, Atlanta, Tampa, and Des Moines. The total population of these twenty cities is 29 million, about the same as Canada. Since the measure does not account for children who drop out before ninth grade, the true on-time graduation rates are actually lower.

Going from the city to the suburbs is like moving to a different world. Most suburban public schools have high on-time graduation rates—sometimes 95 percent or higher. Suburban children have much higher rates of college attendance and graduation, so that jobs requiring college degrees are open to them. Jonathan Kozol refers to suburb/city disparities as “savage inequalities,” the title of his 1991 book. Nearly every U.S. metropolis has two sets of schools: successful schools for suburban children, and unsuccessful schools for city children and children of broken-down inner suburbs. The high correlations of race with place, and race with jobs and incomes, repeat themselves as race and place correlate with the quality of schooling. Black and Hispanic children, along with the children of some immigrant groups, suffer distinctly and profoundly as they are short-changed by the nation’s dual system of public education.

**Spatial Lock**

Lack of access to jobs is at least a potential problem for many poor metropolitan residents. When the Kerner Commission reported to the White House on urban disturbances in 1968, they coined the term “spatial mismatch” to refer to the physical separation between jobs in the distant suburbs and potential workers who were residents of the ghetto.138 The mismatch argument rests on several (now familiar) points: that jobs with low educational requirements have nearly vanished with the decline of traditional manufacturing industries, especially in cities; that central-city minority residents were particularly dependent on these (long-declining) industries for work; that these city residents lack access to suburban jobs for want of automobiles and adequate public transport; and finally, that many minority workers are unskilled and therefore poorly matched with high-skill jobs in the service and high-tech sectors, which are available close to home, in the central business district and other metropolitan subcenters. Similar problems confront poor and single-parent households in the inner suburbs, especially those without automobiles.139

Skewed racial patterns of automobile ownership help explain why suburban jobs are often beyond the reach of poor city residents. Limited access to automobiles is a key problem in several metropolitan areas, including such global cities as Boston, San Francisco, and Los Angeles, as well as rust-belt cities like Detroit and Cleveland. Nationwide 27 percent of urban households with incomes below $20,000, 22 percent of Black households, and 16 percent of Latino households do not own an automobile. In contrast, 99 percent of households with incomes over $75,000 own a car, as do 95 percent of all White households.140

Advocates for the improvement of job accessibility point to several quite different aspects of the problem. Noting the shifting location of jobs, some focus on how residential segregation has denied the same suburban shift to minority households. Others note the failures of transit systems to provide adequate service to “reverse commuters,” persons who live in the city but would travel to jobs in the suburbs. Still others focus on lack of access to automobiles. And finally— noting that physical access may not be the problem—some analysts point to employer bias against racial minorities and residents of poor neighborhoods.
In spite of the self-evident nature of many of these issues of transit dependency, a word of caution is necessary. Many analysts who have tried to pinpoint the effects of transit dependency have concluded that it is difficult and probably inappropriate to assign a high proportion of high ghetto unemployment rates to lack of physical access. There may be sufficient jobs near the ghetto, enough at least to even out the discrepancies between White and African American unemployment rates for city residents. The persistent differences in these rates suggest that something else may be the cause.

Yet various methods of access to suburban jobs appear not to help enough either. Federally funded transit programs, for example, aimed specifically at improving bus service to suburban workplaces, gave "little evidence that many jobs were found." Along a slightly different line, a study of African American suburbanization in Cleveland, Detroit, and Philadelphia found that residence in the suburbs does not automatically solve the male employment problem. Likewise, studies of African American teenage unemployment in Chicago suggest that accessibility, though not irrelevant, matters only slightly. Comparable African American and White teenagers fare just as differently when they live next to each other as when they live in areas with dramatic differences in job accessibility. These studies cast serious doubt on the notion that migration to areas of greater employment growth will overcome racial imbalance and racially focused poverty.

The total separateness of the ghetto and barrio from the rest of society is caused by a combination of physical, social, and political isolation. If we aim with a different gun, we may shoot closer to the target. The ghetto and the barrio are symptoms and results of problems. Although the spatial-mismatch hypothesis raises important issues, the deeper problem is not primarily a spatial one. The theory concludes that movement toward jobs would alleviate the problem. It bypasses the problem of discrimination, an issue relevant to both the central-city concentration of African Americans and their access to jobs no matter where they are located. And it bypasses the problem of lack of education and its connection to discrimination. By focusing almost exclusively on distance and accessibility, researchers using this approach arrive at a poor understanding of the problem and recommend insufficient policy.

On the one hand, it would appear absurd to claim that physical isolation in the ghetto or barrio does not hamper residents' ability to search for and keep jobs. On the other, it would be equally absurd to plead for dispersal of the ghetto or barrio as a solution. "Dispersal" of the ghetto or the barrio does not really make sense: the ghetto and barrio represent problems, transmit inequality, and serve as a proxies for many other social processes that seem aimed toward the creation and reinforcement of separate societies. Those problems must be attacked; when they are resolved, physical distance will not be a problem any longer!

The original question was, what significance for job search does ghetto residence have? If racism and discrimination are essential components of restriction from jobs, but their operation cannot be identified by researchers as occurring in overt discriminatory acts in sufficient magnitude to explain such high underemployment rates, then we should suspect that racism and discrimination use the ghetto and barrio to restrict employment; they are warehousing areas.

Students of labor market segmentation have long known that at the most basic level (irrespective of education and training) access to jobs depends strongly on personal contacts: plumbers' sons get into the union, others (including their daughters) do not. Word of mouth serves to fill many factory jobs, basic low-skilled jobs, and clerical jobs. The issue is not simply making contact but knowing the language of the job, observing conventional work practices, and so forth. Even when there are programs of affirmative action, information must flow, personal contacts are influential, and style matters.

William J. Wilson stresses the importance of background supports for job seekers. In the ghetto not only are employee networks thin, but social support and role models are missing. The ghetto and barrio provide only a hollowed-out social structure for informal job contact, conditioning, and training. Young men and women are, in effect, socialized under conditions of deprivation, in which job-related associations are not primary—and sometimes are barely evident.

These ideas have been tested for urban youth, those presumably most susceptible to damage by the absence of such networks. By broadening the definition of accessibility beyond distance from jobs (from city to suburb), to include also density of job-information networks in the city, researchers find that ghetto residence is indeed an inhibitor to job access. In a study of census data for the fifty largest metropolitan areas, Katherine O'Regan and John Quigley have observed that young people, aged 16 to 19, are less likely to find jobs if they live in the ghetto. Their conclusion is based on findings that while social networks provide youth with access to jobs, such networks are often absent in the ghetto. These social networks include the jobs that parents and siblings have, the routines and modes they use to commute, the industries in which they work, and neighborhood contacts with other people who are not poor and not African American. When these supports are unavailable, the young people are less likely to get jobs and more likely to lose them. The problem is not spatial mismatch but spatial lock.

The changes that have undone and refit the global and national economies have also reworked the shape of American cities. In contrast to an earlier period when urban and suburban growth, of both industries and population, were positively symbiotic, since about 1975 various components of the urban economy have grown and declined in ways that have mixed with neighborhood changes so as to greatly help suburban residents but to deeply harm those left behind in the cities.

Regional economic boom and bust, differential rates of city growth and decline, and a racist-based suburbanization have contributed directly to generate
the conditions that create poverty. To be sure, it is possible that on rare, recent occasions suburbanization may have been accompanied by rapid growth of a healthy central city with plentiful jobs and improving neighborhood conditions. In some stagnating regional economies the costs and losses may be widely distributed. More frequently, however, suburban growth has been the flip side of the city's decline and decay, or of a city's division into separate zones of White corporate wealth and African American, Latino, and immigrant Third World-like poverty. White flight (and increasingly minority middle-class flight) has most often left impoverished residents economically stranded, socially separated, and physically locked in isolation, with little political power and few public resources.

5
Rebuilding the American City

In the first edition of this book we advocated changes in national policy to deal with the ills of poverty and neglect in urban areas. We wrote in 1992 that there is a potential cycle for change. It begins with the local problem of urban poverty and central-city decay and then moves to local public recognition, which generates a local response. That response is severely constrained and confounded by the exclusionary obstruction of the privileged suburbs surrounding the cities and by a lack of resources and power. In the best of circumstances, the conflict between attempts to deal locally with the problems of poverty, on the one hand, and lack of resources, on the other, will lead to coalitions and pressures on Congress, the federal judiciary, the White House, and federal agencies. In the face of these pressures, we argued, Congress would pass better federal laws and offer more generous budgets, the executive branch would better regulate the national economy, and industry would develop a more progressive response to competition in the global economy. These changes, in turn, would not only lead to better conditions, such as stronger labor demand, more attention to education, and broad health-care coverage, but also provide the funds for municipalities to make themselves better places to work and live.

We knew that changes of this sort would not happen automatically or easily, and they did not. Changes were tentative and timid in the Clinton administration; in the Bush administration many changes were aimed diametrically in the opposite direction; and during the early Obama administration, despite sympathetic noises, urban concerns have been submerged by worries over the economic crisis, climate change, and global military