



Our History with Concentrated Poverty

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American poverty has many faces. The poor are elderly and young, families and single individuals, men and women, with and without disabilities. They are of all races and ethnicities. They work in restaurants, on farms, in packinghouses, in day-labor settings, and at many more workplaces that do not pay enough to get them out of poverty. Their work is often part-time, intermittent, or largely nonexistent. They live in inner cities, suburbs, and rural areas that range from Appalachia to the Mississippi delta and from the colonias of South Texas to the Pine Ridge Reservation of South Dakota.

Most people who experience poverty have a short stint of it. We need to do much better at cushioning their fall and helping them get back on their feet, but, as troubling as poverty of any duration is, the far more vexing problem is that of those who are persistently poor and whose children tend to be poor as well. Persistent and intergenerational poverty sorts itself by race and gender, too, but it is

particularly a feature of concentrated poverty, both urban and rural.

My focus here is urban concentrated poverty and the history of efforts to ameliorate it. Many Americans see urban concentrated poverty, or to be more precise, African American urban concentrated poverty, as the face of American poverty generally. That is misleading in two respects. People who live in places of concentrated poverty are a minority of the poor, and people of color are not the only residents of such places. White Appalachia is a longstanding example of persistent poverty with devastating effects that carry on from generation to generation. And with the economic decline of predominantly white small towns around the country, we see many places where the social fabric is wearing thin, a phenomenon appearing more frequently as the current recession drags on. And, sad to say, Indian reservations are another pertinent example.

Nevertheless, African Americans make up a disproportionate number of the people who live in such circum-

stances, constituting about half of the inner-city poor. It is important to understand why this is, as well as to be aware of the history of efforts to confront it. The answer to why this especially difficult set of issues came to pass in the first place and why it is so hard to root out involves a complex, intertwined set of forces and factors: racism, economic trends, demographic changes, politics, and policy failures.

The history of significant inner-city segregation and poverty goes back to the Great Migration. Beginning with World War I and continuing for a half century and beyond, black Americans moved northward and westward by the millions from the South. Comparatively speaking, the cities of the North and West constituted liberation from sharecropping and backbreaking work in the fields for bare subsistence wages, and from a constant danger of violent reprisal for invented transgressions against whites. That the migrants were required to live in segregated neighborhoods when they moved North and West was degrading but in fact an improvement over what they had left behind.

The generation that migrated saw their new life as a step forward on the whole and accommodated themselves to the (not insubstantial) barriers they encountered. Their children saw things very differently, ultimately resulting in the violence that ripped away the veneer of normalcy.

The civil unrest of the 1960s changed everything. Until then, racially segregated inner-city neighborhoods were economically integrated and, at least in the later telling, had a strong sense of community. With expectations raised by the legal fruits of civil rights activism, younger residents—frustrated by the failure of the movement to make a difference for them—exploded in anger. The proximate cause was police misconduct. The real point, though, was palpable discrimination in the world of work, exacerbated by inferior educational opportunities and daily reminders of de facto second-class citizenship. To a new generation coming of age, going along to get along was no longer acceptable.

Visionaries like Ted Watkins in Los Angeles and Arthur Brazier in Chicago were already at work on inner-city organizing and community economic development when the cities began to burn, as were farsighted people like Dick Boone at the Ford Foundation and Mike Sviridoff in New Haven. Robert Kennedy, for whom I worked, found himself challenged by leaders in the Bedford-Stuyvesant neighborhood of Brooklyn to help them revitalize the neighborhood, and started a process that led to the founding of what became the Bedford-Stuyvesant Restoration Corporation.

Importantly, Kennedy and his Senate colleague Jacob Javits successfully attached an amendment to the legislation reauthorizing the War on Poverty that made federal

funding available for multidimensional inner-city revitalization initiatives. Via this funding and significant financial support made available by the Ford Foundation, community development corporations (CDCs) sprouted in many communities, as did the community action agencies that were at the heart of the War on Poverty. Even with the violence and the burning, there was a sense of purpose and movement and a new activism that transformed politics in city after city.

Kennedy and others who came after him—notably, George Romney as Secretary of Housing and Urban Development in the Nixon administration—had a dual vision of policies relating to place. Improving life chances for inner-city residents was one objective, but it was nested in a framework of metropolitan desegregation that would promote genuine choice for people of color to live and work outside the inner city. Romney's insistence about this ultimately wore out his welcome with the Nixon administration.

Kennedy's interest in the question of place began with three speeches that he delivered in January 1966. The speeches made two major points. The first was a call for metropolitan residential desegregation that would include people of all income levels. The second was his idea for an inner-city revitalization initiative, which turned out to be the cornerstone for what became the Bedford-Stuyvesant Restoration Corporation.

Kennedy and Romney notwithstanding, the part of the vision that called for metropolitan desegregation regardless of income disappeared from the table. Inner-city strategies, which in Kennedy's view would have included both revitalization in the inner-city areas themselves and the wherewithal for people to move out if they wanted to, focused solely on revitalizing the neighborhoods themselves.

So the story after 1968 was not what some of us had envisioned. Of course history often surprises us. Robert Kennedy was murdered, and Richard Nixon was elected. But this is just the beginning of the story.

To start with, the premises on which neighborhood revitalization efforts operated were at best too narrow. The fundamental operational idea was that the neighborhood could be lifted up within its four corners—that enough new jobs could be created inside of or just adjacent to the neighborhood to turn things around. Improved housing, neighborhood amenities, and community safety were also important aims, but they, too, focused within the neighborhood. And the all-important economic strategy—to attract enough manufacturing plants and small businesses to close the employment gap—was deeply flawed. For the most part, CDCs did not pursue strategies of helping people find jobs in the regional economy, let alone pursue the vital transit facilities necessary for people to get to those jobs once found. In retrospect, it is obvious that the

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only way to maximize employment was to pursue jobs wherever they were available. But that was not the strategy chosen.

To some extent this was an effort to make a virtue out of a necessity. If metropolitan housing desegregation and even access to jobs were unavailable to low-income inner-city residents, the only avenue for change was to transform the inner city. But the mistake also had an ideological driver. CDCs came into being during the era of black power, and many of their leaders' political views matured at that time. Their vision was one of political power grounded in economic strength. If new jobs could be situated in the immediate area, the economic success for the residents would become the building block for political power. And there was a third point, in my view. I have always thought as well that some of the white establishment's support for CDCs was driven by its comfort with a strategy of self-segregation.

If the premises were flawed, the demographic, economic, and political trends were toxic. With large sections of inner cities resembling bombed-out European cities after World War II, many residents of inner-city neighborhoods wanted to get out if they possibly could. The striking expansion of the black middle class and the enactment of the Fair Housing Act of 1968 gave some people the economic and legal basis for doing so. Not everyone who had the economic capacity to leave did so, but the exodus was big enough to destabilize the preexisting economic and community mix, and the descent into concentrated poverty was underway. Efforts at inner-city neighborhood development, already facing tough odds, became even more challenging. Whether greater mobility for lower-income people in inner cities to disperse would have helped or made matters worse is of course impossible to say. The larger point is that economic trends, racial attitudes, and political factors converged in the 1970s and 1980s to push things in the wrong direction.

Trends in the larger economy exacerbated the process. The industrial jobs that had brought impressive gains to black men along with others began disappearing in large numbers—to other parts of the country, to other parts of the world, and to technological change. The income of the lower half of earners of all races declined, and income in inner cities dropped even more.

The war on crime and the war on drugs began, and the effect was devastating for inner cities. Black men, already hit hardest by the economic changes, ended up behind bars in large numbers, with major negative effects on family formation. The percentage of births to unmarried women, which was growing all over the world and among all races and ethnicities, grew disproportionately among African American women. With available jobs increasingly so low wage that a one-worker family with children could not make enough to escape poverty, unmarried women in inner cities were hit the hardest. And welfare benefits, never an avenue out of poverty, lost more ground to inflation every year. In the 1980s crack cocaine made everything even worse.

Not surprisingly, as all of this was going on, comprehensive inner-city neighborhood initiatives lost momentum. Federal and foundation funding decreased, and the problems they were trying to attack were worsening day by day and year by year.

With so many forces influencing things, it's difficult to isolate the significance of any one variable. What we do know is that urban concentrated poverty rose dramatically from 1970 to 1990, essentially doubling over the two decades. CDCs and other community economic development initiatives expanded over that period and made a tangible difference in limited ways. But the bigger picture overshadowed these achievements. Inner cities were caught in a pincers. On the one side was a national economy that was deteriorating for all lower-income people and disproportionately for people of color. On the other side were public policies that, if anything, made matters even worse. The 1990s saw a significant improvement, largely because of the hot economy of the last half of the decade, but things slipped badly between 2000 and 2010.

Can we do better? I think so. Despite the slippage in recent years, I think we know more now about what we should do if we can command the necessary resources and political support.

Most important, we need to clarify the premises of our policies. I believe the operative word is "choice," as Robert Kennedy said in 1966. Everything we do should empower the choice of people to live where they want to live. They should have the economic wherewithal, supported by strong enforcement of antidiscrimination laws and housing vouchers as necessary, to make a real choice of where to live in any metropolitan area. At the same time, they should have a realistic possibility of staying where they live in the inner city, but in a revitalized inner-city community that offers decent housing; good early childhood programs; high-quality schools; safe streets, parks, and playgrounds; and healthy food sold at nationally advertised prices. This would be new. I do not believe there has ever been a time when we could say with any honesty

that we really offered a genuine choice for people to be able to move out or stay in their current neighborhood, with both options being to live in healthy communities.

What are the elements of such a policy?

First, every element of good antipoverty policy that is applicable to people everywhere is relevant to people who live in concentrated poverty. Jobs that pay enough to live on, based as much as possible on wages and supplemented as needed by policies like the EITC, will make it easier for people to move if that is their choice and will collectively raise the quality of life in the neighborhood for those who stay. The same is true for public benefits such as health care, child care, housing, and others.

Second, jobs in the regional economy should be a real policy instead of a bumper sticker. The legacy of the myopia of the early neighborhood revitalization enthusiasts persists despite the lip service of too many who should be doing more. Job training and placement strategies should be simultaneously aggressive in partnering with employers and recruiting inner-city residents for jobs. Transit access is a crucial component of a more robust policy that needs to be pursued at every level of government. Jobs in the regional economy are a key building block in strategies to help people take steps toward moving out and to help them stay in place if that is what they prefer.

Third, housing strategies to facilitate neighborhood improvement must be pursued in new and improved form. The HOPE VI program —begun in 1992 at the end of the first Bush administration to demolish rundown public housing and replace it with mixed-income housing—includes excellent examples of creating new mixed-income neighborhoods, but also resulted in a net loss of housing stock for low-income people. The Obama administration reconceptualized the program in the form of Choice Neighborhoods but was unable to obtain funding to move forward on an adequate scale.

Fourth, education must become a central strategy for transforming inner-city neighborhoods into healthy communities. One of the most serious failings of neighborhood revitalization strategies until quite recently has been their lack of attention to the schools attended by the children of the area, including emphasis in the all-important area of early childhood development. Although not the first effort in regard to education, the work of Geoffrey Canada and the Harlem Children's Zone (HCZ) has brought the issue to national prominence and resulted in President Obama's Promise Neighborhoods program.

HCZ teaches a number of important lessons, in addition to the basic fact that quality schools are a key to opportunity for children in low-income neighborhoods. One lesson is that the 1960s mythology that one meta-initiative



can transform a neighborhood is just that—a myth—and that multiple actors doing multiple tasks in a collaboratively strategic way is crucial. The second is that charter schools make projects like HCZ substantially more viable. It is not impossible to mount an effort like HCZ in collaboration with a traditional public school or schools—such examples exist in a number of cities—but charters have a flexibility that local schools, controlled as they are from “downtown,” are unlikely to have. And the third lesson is that school reform cannot succeed to the maximum degree possible if it occurs in a vacuum. Good schools will make a difference and will be the reason why some children will make it when they otherwise would not have done so, but they will make a much greater difference if they are part of a broader antipoverty strategy.

This point is worthy of extra emphasis. There is a bogus debate going on that pits school reform against antipoverty advocates. School reformers, wanting to squelch teachers and others who have said over the years that they cannot teach children who come to school with multiple problems that stem from poverty, say (correctly) that there are no valid excuses for failing to teach low-income children. They point (as they could not until quite recently) to multiple examples of schools that excel in teaching low-income children. But to the extent they say or imply that reducing poverty now is somehow less important than school reform, they overstate their point. Antipoverty advocates, for their part, in some instances downplay the independent efficacy of school reform.

The real answer, quite obviously, is that both school reform and serious antipoverty policies are vital. Better schools in inner cities, both charters and traditional public schools, are crucial to children’s possibilities of having a better life. But far more inner-city children will succeed in school if their parents have better jobs and higher incomes and if the communities in which they are growing up are healthy. There is no either-or here. Good schools are a must for inner-city children, but they cannot achieve maximum effect unless the schools strategy is part of a larger antipoverty approach.

The fifth element of a productive policy is that for some but not all inner-city neighborhoods, attracting people with somewhat higher incomes will be possible and can be a stepping-stone toward neighborhood improvement. For this to be a possibility at all, we must talk about a neighborhood that is accessible to the city’s center, not one that is located miles away, which is frequently the case. But the strategy is hardly without risk.

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Cities like Washington, DC, have seen neighborhoods gentrified and transformed to the point where the previous residents are pushed out by rising property taxes and rents. On the other hand, HOPE VI provides numerous examples of mixed-income developments located in low-income neighborhoods, with the consequent effect of raising incomes in adjacent blocks.

Sixth, and finally, explicit attention to the behavioral patterns— crime, nonmarital childbearing, denigration of the value of education, and more—that have been associated with concentrated poverty is essential. Sad to say, they have become embedded and, in effect, intergenerational. The structural frameworks and continuing racial discrimination have to be addressed, but so do the issues of personal and parental responsibility. Much of what is needed has to happen on the ground, in the community, carried out as a matter of civic action. Personal and parental responsibility is an indispensable part of building a healthy community.

Issues of concentrated poverty and place are not inherently racial, either in the United States or around the world. Yet we need at the same time to confront the racial facts that are disproportionately present in America’s version of concentrated poverty: the official as well as attitudinal racism that created inner-city segregation in the first place and the structural and institutional (and sometimes illegal) racism of inferior schooling, the criminal justice system, the housing market, and employer behavior that perpetuates it.

If we are to make progress in this century toward ending urban concentrated poverty, we must understand what caused it, what perpetuates it, and the plethora of remedies that must be applied to bring about changes of the necessary magnitude.

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Endnotes

The Continuing Evolution of American Poverty and Its Implications for Community Development

1. This article is an excerpt from Alan Berube, "The Continuing Evolution of American Poverty and Its Implications for Community Development." *Investing in What Works for America's Communities*. Eds. Nancy Andrews, et al. San Francisco: Federal Reserve Bank of San Francisco and Low Income Investment Fund, 2012.
2. For more information on the official poverty measure and the Supplemental Poverty Measure developed to correct its deficiencies, see Kathleen Short, "The Research Supplemental Poverty Measure: 2010" (Washington, DC: U.S. Census Bureau, 2011)
3. Rebecca M. Blank, "Fighting Poverty: Lessons from Recent U.S. History," *Journal of Economic Perspectives* 14 (2) (2000): 3–19. For this reason, many of the comparisons over time in this chapter sensitive to business cycle conditions are made from "peak to peak," or between the years of 1973, 1980, 1990, 2001, and 2007.
4. Unless otherwise noted, all statistics in this section derive from the author's analysis of Census Bureau data from the Current Population Survey, decennial censuses, and the American Community Survey.
5. Robert D. Plotnick et al., "The Twentieth Century Record of Inequality and Poverty in the United States" (Madison, WI: Institute for Research on Poverty, 1998).
6. From 1973 to 2007, average inflation-adjusted family income for the bottom 20 percent of families rose 2.7 percent, and it rose 13.0 percent for the second quintile of families. By contrast, families in the fourth and top quintiles enjoyed average gains of 35.0 and 60.0 percent, respectively. Economic Policy Institute, *The State of Working America* (Washington, DC: EPI), available at <http://stateofworkingamerica.org>.
7. John Karl Scholz, Robert Moffitt, and Benjamin Cowan, "Trends in Income Support," *Focus* 26 (2) (2009): 43–49; James P. Ziliak, "Filling the Poverty Gap: Then and Now." In *Frontiers of Family Economics*, vol. 1, edited by P. Rupert (Bingley, UK: Emerald Group, 2008).
8. Richard C. Fording and William D. Berry, "The Historical Impact of Welfare Programs on Poverty: Evidence from the American States," *Policy Studies Journal* 35 (1) (2007): 37–60.
9. U.S. Census Bureau, "Hispanics in the United States" (Washington, DC: U.S. Census Bureau., 2007). Numbers include those of any race who indicate Hispanic or Latino origin.
10. Sharon R. Ennis, Merays Ríos-Vargas, and Nora G. Albert, "The Hispanic Population: 2010" (Washington, DC: U.S. Census Bureau, 2011).
11. Karen R. Humes, Nicholas A. Jones, and Roberto Ramirez, "Overview of Race and Hispanic Origin: 2010" (Washington, DC: U.S. Census Bureau, 2011). Numbers include those of single-race groups, not of Hispanic or Latino ethnicity.
12. Steven Raphael and Eugene Smolensky, "Immigration and Poverty in the United States." In *Changing Poverty, Changing Policies*, edited by Maria Cancian and Sheldon Danziger (New York: Russell Sage Foundation, 2009).
13. Maria Cancian and Deborah Reed, "Family Structure, Childbearing, and Parental Employment: Implications for the Level and Trend in Poverty," *Focus* 26 (2) (2009): 21–26.
14. The share of the poor who were related children in female-headed households was roughly the same in 2010 as in 1970, at 18 percent.
15. Cancian and Reed, "Family Structure, Childbearing, and Parental Employment."
16. Marlene Kim, "Problems Facing the Working Poor" (Washington, DC: Bureau of Labor Statistics, 1999).
17. Alemayehu Bishaw, "Areas with Concentrated Poverty: 2006–2010" (Washington, DC: U.S. Census Bureau, 2011).
18. Rebecca M. Blank, "Economic Change and the Structure of Opportunity for Less-Skilled Workers," *Focus* 26 (2) (2009): 14–20.
19. Harry J. Holzer, "The Labor Market and Young Black Men: Updating Moynihan's Perspective" (Washington, DC: Urban Institute, 2007).
20. In 2011, blacks and Hispanics accounted for 47 percent of unemployed individuals with a high school diploma or less, versus 17 percent of the civilian labor force overall.
21. Counties classified as metropolitan in 1970 increased their share of the nation's poor population from 56 percent to 65 percent over the succeeding 40-year period. Counties that became metropolitan since 1970 contained an additional 14 percent of the poor in both 1970 and 2010.
22. Notably, among all four regions, only the South registered a long-run secular decline in poverty rate (from 15.3 percent in 1973 to 14.2 percent in 2007).
23. These shares are calculated consistently across time using metropolitan area definitions effective in 2010.
24. Elizabeth Kneebone, Carey Nadeau, and Alan Berube, "The Re-Emergence of Concentrated Poverty: Metropolitan Trends in the 2000s" (Washington, DC: Brookings Institution, 2011).
25. Michael Stoll and Steven Raphael, "Job Sprawl and the Suburbanization of Poverty" (Washington, DC: Brookings Institution, 2010); Adie Tomer et al., "Missed Opportunity: Transit and Jobs in Metropolitan America" (Washington, DC: Brookings Institution, 2011).
26. Isabel Sawhill and Ron Haskins, *Creating an Opportunity Society* (Washington, DC: Brookings Institution Press, 2009).

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1. This article is an excerpt from Peter Edelman, "Our History with Concentrated Poverty." *Investing in What Works for America's Communities*. Eds. Nancy Andrews, et al. San Francisco: Federal Reserve Bank of San Francisco and Low Income Investment Fund, 2012.

America's Tomorrow: Race, Place, and the Equity Agenda

1. This article is an excerpt from: Angela Glover Blackwell, "America's Tomorrow: Race, Place, and the Equity Agenda." *Investing in What Works for America's Communities*. Eds. Nancy Andrews, et al. San Francisco: Federal Reserve Bank of San Francisco and Low Income Investment Fund, 2012.