

Poverty in the Atlanta Region 1970-90

A Report to the Atlanta Regional Commission

November 3, 1995

By David Rusk

Atlanta is a double winner. The International Olympic Committee has crowned Atlanta's emergence as a world city by awarding it the XXIII Olympic Games in 1996. It is a prize the Atlanta area's political, business, and civic leadership avidly sought.

The area's leadership also eagerly lobbied for another prize — designation as one of six federal “empowerment communities.” Atlanta's selection in December 1994 also has certified Atlanta's dubious distinction as site of some of the nation's worst slums.

This latest infusion of \$100 million in federal cash and \$200 million in job-generating tax credits adds new resources to the area's own home-grown, anti-poverty program — The Atlanta Project. Targeting poverty stricken neighborhoods in Atlanta itself and nearby DeKalb and Clayton counties, The Atlanta Project is a response to an irony of Olympian proportions. At the heart of one of America's most economically dynamic urban areas, many older neighborhoods have sunk deeper into poverty.

To understand further the dynamics of poverty, the Atlanta Regional Commission has contracted with David Rusk to provide his perspective on poverty issues in the Atlanta Region.¹ This report is based on his analysis of population, income, and poverty trends at the census tract level for the ten counties constituting the Commission's membership.² In addition, the report draws upon his analysis of population, economic, and social trends for all of the nation's 522 central cities in 320 metropolitan areas.

To provide focus for a complex story, the report is organized under six basic propositions:

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² Throughout the report census tracts are often referred to as “neighborhoods.” This is truer of the city of Atlanta and older, more densely populated suburbs than newer suburban areas, where a census tract may embrace many neighborhoods.

- Proposition 1 — A rising tide does *not* raise all boats.
- Proposition 2 — White poverty is individual, black poverty is communal.
- Proposition 3 — Amid prosperity, the black ghetto still grows.
- Proposition 4 — Public housing perpetuates poverty.
- Proposition 5 — Poor black neighborhoods do *not* escape poverty.
- Proposition 6 — Urban sprawl means today’s winners become tomorrow’s losers.

The report concludes with some general observations regarding policy directions which the Atlanta Regional Commission might pursue.

Proposition 1
A rising tide does *not* raise all boats.

The Atlanta area has been one of America’s most economically dynamic metropolitan areas.

From 1950-90 real median family income in the Atlanta metro area increased 192 percent.³ In effect, the standard of living of the average Atlanta area family almost *tripled* over the four decades.

This compares with a 128 percent growth rate in real median family income for all metropolitan areas. Of the country’s 75 largest metro areas the Atlanta area’s growth rate ranked fourth, as shown by Table 1.1 listing the 15 fastest growing areas.

The area’s economy has been vigorous in recent decades compared to the rest of the nation. From 1970-90 metro Atlanta’s growth in real per capita income was 49 percent, and during the 1980’s alone the growth rate was 29 percent — both far above the national metro averages.

³ All economic analyses in this section are based on census reports as analyzed by the author. The Atlanta metro area (also referred to as “area”) is defined as the 18-county area used for the 1990 census. The author recalculated income data from the 1950 census for the 18-county metro area. (For the 1950 census, the Atlanta metro area was defined as Fulton, DeKalb, and Clayton counties.) To derive changes in the real median income the author not only adjusted for changes in the national cost-of-living but for the Atlanta metro area’s cost-of-living from 1950-90 (which he calculated).

Table 1.1
Growth in Real Median Family Income
for 15 Fastest Growing Metro Areas
1950-90

<u>Metropolitan Area</u>	<u>Growth Rate</u>
WEST PALM BEACH-Boca Raton-Delray Beach FL	211%
ORLANDO FL	199%
RALEIGH-Durham NC	194%
ATLANTA GA	192%
CHARLESTON SC	191%
NASHVILLE TN	176%
LITTLE ROCK-North Little Rock AR	168%
AUSTIN TX	167%
TAMPA-St. Petersburg-Clearwater FL	158%
MEMPHIS TN-AR-MS	157%
WASHINGTON DC-MD-VA	149%
BOSTON-Lawrence-Salem-Lowell-Brockton MA NECMA	148%
RICHMOND-Petersburg VA	147%
CHARLOTTE-Gastonia-Rock Hill NC-SC	145%
GREENSBORO-Winston Salem-High Point NC	145%

All three statistics cited deal with the *quality* of economic growth (i.e. improvement in real income) rather than simply the *quantity* of economic growth. Over the same 1950-90 period total jobs in the Atlanta area more than tripled compared with less than doubled in the nation's metropolitan areas as a whole.

What has been the impact on poverty levels? Since the federal government did not officially define poverty levels until 1965, poverty trends can only be measured in a uniform way from the 1970 census onward (Table 1.2).

Table 1.2
Regional Poverty Trends
1970-90

	1970	1980	1990
Atlanta Metro	11.7%	12.2%	10.0%
Atlanta Region	11.8%	11.9%	9.6%
—City of Atlanta	19.8%	26.5%	26.0%

The region's strong economic growth, particularly in the 1980's, did help lower poverty levels. Overall the Atlanta Region's poverty levels dropped from

11.8 percent to 9.6 percent.⁴ However, during the 1970's the poverty rate within the city of Atlanta shot upward from 19.8 percent to 26.5 percent, and has remained virtually at that level (26.0 percent) despite the region's general prosperity during the 1980's.

Moreover, poverty is not evenly spread between racial groups. Among white residents of the region the poverty rate was 7.0 percent in 1970 and dropped steadily to 4.9 percent in 1990 (Table 1.3).

Table 1.3
Regional Poverty Trends
among White Residents
1970-90

	1970	1980	1990
Atlanta Metro	6.8%	6.9%	5.4%
Atlanta Region	7.0%	6.5%	4.9%
—City of Atlanta	10.9%	12.0%	9.2%

By contrast, the poverty rate among black residents was 28.6 percent in 1970 — four times the white poverty level (Table 1.4). Over the twenty years black poverty has also dropped to 22.4 percent region-wide, but is still more than four times the white poverty level. Of most critical concern, poverty rose among black Atlanta residents to 33.6 percent and remains at that level.

It is difficult to imagine that the Atlanta Region's overall rate of economic growth can be greater in coming decades than it has been in past decades. The sharply different incidence of poverty by jurisdiction and race in the Atlanta Region suggests the limits of relying on overall economic growth as an anti-poverty strategy. One of the nation's strongest regional economies has not prevented the growing concentration of poverty in the city of Atlanta and, as will be shown, in many older suburban neighborhoods. And, despite the continuing expansion of a large black middle class, strong economic growth has not lowered poverty among black residents to anything approaching equity with white residents.

⁴ "Region" and "regional" refers to the 10-county area served by the Atlanta Regional Commission. The counties are Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Fulton, Gwinnett, Henry, and Rockdale. (Census tract data for 1970 are not available for Cherokee and Rockdale counties.) As defined by the federal Office of Management and Budget, the Atlanta metro area expanded from 5 counties in 1970, to 15 in 1980, to 18 in 1990. "Atlanta metro" statistics, except where noted, have not been conformed to reflect a common set of jurisdictions and are thus less reliable measures of long-term trends.

Table 1.4
Regional Poverty Trends
among Black Residents
1970-90

	1970	1980	1990
Atlanta Metro	28.9%	28.3%	22.4%
Atlanta Region	28.6%	27.5%	21.1%
—City of Atlanta	28.4%	33.6%	33.6%

To understand why requires examining the geography of poverty – how racially and economically segregated housing markets, public housing policy, and the dynamics of urban sprawl interact to create racially-based concentrations of poverty.

Proposition 2
White poverty is individual,
black poverty is communal.

Demographers commonly identify census tracts where 20 percent or more of the residents are poor as “poverty neighborhoods.” Within that general category, neighborhoods of 40 to 60 percent poverty are classified as “high poverty neighborhoods,” and neighborhoods where the poverty level exceeds 60 percent are classified as “hyper poverty neighborhoods.” Around that 20 percent level poverty seems to reach critical mass, and what researchers generally identify as the “neighborhood effect” or “concentration effect” takes hold. Problems of social disintegration —crime, alcohol and drug addiction, school failure, illegitimacy, single-mother families, sustained joblessness and welfare dependency — are compounded. Bad neighborhoods begin destroying good households.

In the Atlanta Region there are 91 poverty neighborhoods, including 21 high poverty neighborhoods and 14 hyper poverty neighborhoods.⁵ Of these 91 poverty neighborhoods, 72 are located in the city of Atlanta, two are located in Clayton County, two in Cobb County (Marietta), nine in DeKalb County outside Atlanta itself, and six in the Tri-Cities sector of Fulton County

Yet, though there are about 87,000 white residents of the region who fall under the poverty line, few poor whites live in these poor neighborhoods. Only

⁵ All references to data from the 1990 census are made in the present tense. Though updated population estimates have been made, income estimates are not available at census tract levels. The author does not believe that the trends described have changed significantly since the 1990 census.

9,200 poor whites (or less than 11 percent of all poor whites) live in poverty neighborhoods, and slightly over 1,800 poor whites (or 2 percent) live in high-hyper poverty neighborhoods.

Nine out of ten poor whites live in predominantly middle class neighborhoods scattered throughout the region.

By contrast, there are about 144,000 poor black residents of the region (about two-thirds more than poor whites). However, ten times as many poor blacks as poor whites live in poverty neighborhoods. Some 93,000 poor blacks (or 65 percent of all poor blacks) live in poverty neighborhoods — and 44,000 (or 30 percent of all poor blacks) live in high-hyper poverty neighborhoods.

Two out of three poor blacks live in poverty neighborhoods concentrated in the city of Atlanta and nearby suburbs.

Poverty is difficult enough for any household — white or black. But almost all poor whites have the advantage of living within the environment of a larger, middle class society. Poor blacks carry the extra burden of being highly isolated within a poverty-impacted environment.

The negative impact of living in poverty neighborhoods is not limited to just low income blacks. While less than 3 percent of whites of all income levels live in poverty neighborhoods, almost 37 percent of all blacks of whatever income level live in poverty neighborhoods.

In fact, though the region's black upper middle class has grown and substantially suburbanized, many still live in poverty neighborhoods. Almost one out of five black households with incomes above the regional household median live in poverty neighborhoods (down from one out of three in 1970).

An upper middle class black household is twice as likely to live in a poverty neighborhood as a poor white household.

The high concentration of poverty in predominantly black neighborhoods is not just “an economic issue,” a statement commonly heard in the post-civil rights era. High concentrations of poverty are a direct function of highly segregated housing markets.

Over the past two decades racial segregation in housing has diminished in metro Atlanta. Demographers often measure relative segregation by a “dissimilarity index.” On a scale of 0 to 100, “0” equals total residential integration, and “100” equals total residential segregation.

On a census tract by census tract basis, the residential segregation index for metro Atlanta was 82 in 1970. By 1990 the index had improved to 68.⁶

Lesser segregation reflects primarily the movement of black households into Atlanta's inner suburbs in Fulton, Cobb, DeKalb, and Clayton counties. Table 2.1 shows the growing proportion of black residents in Atlanta's inner suburbs. On the other hand, at this stage of regional expansion, the black proportion of several newly suburbanizing counties (Cherokee, Henry, and Rockdale) is declining, as large numbers of white middle class households are moving into formerly rural counties, diluting their proportion of longer-term black residents.

Table 2.1
Distribution of Black Population
in Atlanta Region
1970-90

	<u>1970</u>	<u>1980</u>	<u>1990</u>
Atlanta Region	22.2%	25.1%	27.1%
Cherokee	n/a	2.2%	1.9%
Clayton	4.5%	7.0%	23.8%
Cobb	4.2%	4.4%	9.9%
DeKalb	13.7%	27.1%	42.2%
—Atlanta	64.3%	74.3%	73.3%
Douglas County	9.2%	5.2%	7.9%
Fayette	n/a	4.4%	5.4%
Fulton	39.1%	51.5%	49.9%
—Atlanta	50.0%	65.8%	66.5%
Gwinnett	5.1%	2.5%	5.2%
Henry County	32.0%	17.5%	10.3%
Rockdale County	17.2%	8.7%	8.1%
City of Atlanta	51.3%	66.6%	67.1%

Residential segregation in metro Atlanta (an index of 68) does not approach the levels found in most Northern metro areas, such as metro Cleveland (85), metro Chicago (86), or metro Detroit (88). In fact, metro Atlanta's experience is most

⁶ This index means that in 1970 about 82 percent of all blacks would have had to move from their current neighborhoods to other neighborhoods in the "right" proportions for all neighborhoods across the metro area to have had a 22 percent black population (the metro-wide average). By 1990 only 68 percent of all black residents would have to move in similar fashion to achieve a mathematically even distribution — i.e., a 27 percent black proportion in all neighborhoods. (Of course, the formula could as validly be interpreted as implying the similar relocation of white residents.)

paralleled by metro Washington, DC, where the index has fallen from 81 to 66, and suburban Prince George's County, Maryland is Washington's DeKalb County.

On the other hand, movement toward residential integration in metro Atlanta does not match the rate of change in metro Charlotte (53), metro Norfolk-Virginia Beach-Newport News (50), or metro Raleigh-Durham (48) — all of which have comparable black populations. And the rate of change in metro Atlanta merely matches the experience of 11 Southern metro areas where the average index dropped from 79 in 1970 to 66 in 1990. (In comparison, in 18 Northern metro areas the measure of residential integration changed from 85 to 78 over the same twenty years.)

The Atlanta region was divided into 320 census tracts in 1980. In only 26 census tracts were black and white residents in rough proportion to their ratio regionally (i.e. between 15 and 35 percent black and 65 to 85 percent white). During the 1980's only 14 of those tracts were relatively stable and still maintained approximate racial balance by the end of the decade (see Appendix A). Two others in suburbanizing Henry County were re-segregating as white areas, while ten had re-segregated as black areas. Racial turnover was dramatic in areas like College Park, where three neighborhoods that were 60 to 78 percent white in 1980 are now 61 to 87 percent black.

Thus, though the indices of relative segregation of metro Atlanta's housing markets will undoubtedly continue to improve, stable, racially integrated neighborhoods will likely be a rare occurrence.

Residential segregation has a vital impact on the dynamics of poverty in the Atlanta region.

Proposition 3 **Amidst prosperity, the black ghetto still grows.**

As noted earlier, from 1970-90 the regional rate of poverty dropped from 11.8 percent to 9.6 percent even as the absolute number of poor persons increased from 172,000 to 230,000 persons. (The region's overall population doubled from 1.2 million to 2.5 million.) However, as shown in Table 3.1 and Maps 1 and 2, during that same period the number of poverty neighborhoods grew dramatically, increasing from 56 to 91. Most poverty neighborhoods were (and are) located within the city of Atlanta.

Table 3.1

**Growth in Poverty Neighborhoods
for the Atlanta Region
1970-90**

	1970	1980	1990
Atlanta Region	56	85	91
Cherokee	n/a	0	0
Clayton	0	1	2
Cobb	1	2	2
DeKalb	4	10	13
—Atlanta	2	5	4
Douglas	0	0	0
Fayette	n/a	0	0
Fulton	49	72	74
—Atlanta	48	69	68
Gwinnett	0	0	0
Henry	2	0	0
Rockdale	0	0	0
 City of Atlanta	 50	 74	 72

Atlanta had 50 of the region's 56 poverty neighborhoods in 1970, and 72 of 91 in 1990. However, as these numbers show, concentrations of poverty have begun to form in older suburban areas as well. The six suburban poverty neighborhoods in 1970 have grown to 19 with the greatest number being in southern DeKalb County and the Tri-Cities area of southern Fulton County.

As ominous for Atlanta as the growth in numbers of poverty neighborhoods is the greater intensity of poverty within many of those neighborhoods. In 1970 there were 14 high poverty neighborhoods (i.e. 40 to 60 percent poor) and 5 hyper poverty neighborhoods (i.e. more than 60 percent poor). By 1990 the number of high poverty neighborhoods has increased to 21, and the number of hyper poverty neighborhoods had almost tripled to 14.

These are not neighborhoods of concentrated white poverty, but of concentrated black poverty. Out of the 91 poverty neighborhoods in the region, there are only 13 (half suburban) in which whites are a majority of residents (and probably only eight in which poverty among white residents exceeds 20 percent). There are *no* high- or hyper-poverty census tracts where the majority of residents are white.

Despite the region's two decades of unparalleled prosperity, the city of Atlanta ends the period more burdened by concentrated poverty than it began, and some inner suburbs are becoming poverty-impacted as well.

Proposition 4

Public housing perpetuates poverty.

The federal public housing program began as transitional housing to help families temporarily down on their luck during the Great Depression. The program mushroomed during World War II to house families of workers flooding into wartime factories. For the first three post-war decades public housing projects still housed a mix of both poor households and working class families. Because of the varied income mix of tenants, rental payments were sufficient to cover the projects' operating costs. The federal government subsidized only construction costs.

However, in the late 1960's a well-intentioned change in federal policies reoriented the nation's public housing program in a disastrous direction. The so-called Brooke amendment mandated that local public housing authorities give priority to the poorest households and capped rents that could be charged at 30 percent of tenants' incomes. The result was two-fold. Working class families were rapidly pushed out, and local authorities, faced with falling rental income, became dependent on federal operating subsidies. By the 1990's large public housing projects for families have become the most effective instrument of economic — and racial — segregation in America's urban areas.⁷

The Atlanta Region is no exception. Of the 20 poorest census tracts in the region (all in Atlanta itself), 16 are the site of large public housing projects (see Appendix B). The other four have large projects located in adjacent census tracts. Over time social problems spawned by large public housing projects cause social deterioration in adjacent blocks. Bad neighborhoods drive away good neighbors.

The 16 neighborhoods themselves are highly segregated. Over 94 percent of the residents are black, and over 60 percent are poor. Average household income is less than one-quarter of the regional average. These neighborhoods have among the highest crime rates, highest school dropout rates, highest alcohol and drug abuse rates, etc. in the Atlanta Region. Of course, *by public policy design*, any public housing-dominated neighborhood has high rates of unemployment and welfare dependency.

The public housing projects themselves represent from 39 percent to 100 percent of all neighborhood housing units. In fact, the public housing projects in

⁷ All comments about public housing are directed at *family* public housing. Public housing for the elderly poor is successful and socially unobjectionable.

just these 16 neighborhoods account for 60 percent of all public housing projects in the entire Atlanta Region.

Why is public housing such a social disaster? The answer is that family public housing is no longer a transitional setting, bringing together families temporarily down on their luck. Today's housing projects pool many households rendered long-term losers both by their own actions, by public policies, and by broader economic and social trends. This legacy of failure is often transmitted from generation to generation.

This report has focused thus far on *where* the poor live. The next section will discuss who are poor and, most significantly, who are *not* poor.

A generation ago the largest group of poor in America was the elderly. Three decades of Social Security improvements, Medicare, pension reform, and general prosperity have greatly reduced poverty among the elderly. In the Atlanta metro area only 14 percent of all persons 65 years of age or more are poor (10 percent of elderly whites, 33 percent of elderly blacks). The elderly poor account for only 11 percent of all poor persons.

Married couples are also *not* the poor. Barely three percent of all married couple households fall below the poverty line, and barely four percent of married couples with children are poor. In metro Atlanta 97 percent of white two-parent families and 92 percent of black two-parent families are not poor.

In sharp contrast, almost 31 percent of all single-parent families — and 33 percent of single-mother families — are poor. A child in a single-parent household is almost eight times as likely to be poor as a child in a two-parent household.

There is a sharp racial difference in this phenomenon. Only 17 percent of white, single-mother households are poor, while 43 percent of black, single-mother households are poor.⁸ Poor white single mothers and their children account for only about 13 percent of all poor whites. (They are outnumbered by poor elderly whites, who are 16 percent of all poor whites.) However, poor black single mothers and their children are over 42 percent of all poor blacks. (Poor elderly blacks are only 8 percent of all poor blacks.)

⁸ Of course, the latter means that 57 percent of black, single-mother households and 83 percent of white, single-mother households are *not* poor — testimony to many determined single women who handle both work and child-rearing in the face of often arduous challenges.

There are undoubtedly many factors which contribute to these racial disparities. Because of the higher incomes of white men, formerly-married white single mothers receive more income as widows or divorcees than would formerly-married black single mothers. And though the census summaries do not provide the information, the proportion of unmarried mothers is much higher among black women than white women. (The percentage of black children born out of wedlock is three times higher than the percentage of white children born out of wedlock.)

Differences in poverty levels between white and black single-mother households do not reflect a significant difference in the willingness to work. Some 78 percent of all white single-woman householders and 72 percent of black single-woman householders work during the course of the year. In fact, 55 percent of poor white single-mothers and 45 percent of poor black single-mothers also work during the year.

The critical difference is what that work yields in the way of income. Working full-time, year-round at a minimum wage job (i.e. \$4.25 in 1989) would have yielded an annual income of \$8,840 — still below the federally-calculated poverty threshold of \$9,990 for a single parent and two children in 1989. To escape poverty the single mother must have access to higher wage employment.

White single mothers and their children are highly integrated into the larger, more prosperous regional society. As noted above, only one of ten poor whites lives in a poverty neighborhood, and about half of these poor whites lives in a poverty neighborhood that is predominantly black. (As noted above, there are only 13 majority-white poverty neighborhoods compared to 78 majority-black poverty neighborhoods.) Even suburban housing assistance programs emphasize integration into predominantly working class and middle class neighborhoods through subsidizing rents of poor households in private rental housing. (There are only three small public housing projects in all of Atlanta's suburbs.)

In contrast, black single mothers and their children are highly isolated within inner city poverty neighborhoods and most often in large public housing complexes. To illustrate this point, in the 16 high poverty census tracts with large public housing complexes (see Appendix B), there are about 5,600 single-mother households which represent 36 percent of all households in those 16 census tracts; 84 percent of the single-mother households are poor. In these same neighborhoods there are only about 1,600 married couple households (37 percent of whom are poor). *In Atlanta's poorest neighborhoods there are over three times as many single-mother households as married-couple households.*

However, *in metro Atlanta society overall there are almost seven times as many married-couple households as single-mother households*, and single-mother households (34 percent poor) represent only 8.5 percent of all households.

For poor black, single-mother families, economic deprivation, racial discrimination, and public housing policy have converged to create totally skewed and destructive neighborhood environments in which to raise their children. Many such mothers lack the most basic educational and job skills to secure adequate jobs wherever they might be found. However, jobs have vanished from inner-city neighborhoods. Many city-based factories have closed, while growing neighborhood poverty has dried up many local retail and service-based jobs. The new low- and semi-skilled jobs are being created in far-off suburbs. Time and cost of transportation prevent many public housing residents from accepting lower-wage suburban jobs — even if personal networks or public jobs programs could successfully connect poor black single mothers with prospective employers. Meanwhile, their children grow up in a micro-society with few examples of successful married-couple families to demonstrate that school, job, and marriage remain the basic path to success in America.

Proposition 5
Poor black neighborhoods do *not* escape poverty.

For thirty years America and the Atlanta area have followed the same basic anti-poverty strategy — “community development.” Community development began with “community action programs” under the Great Society’s War on Poverty (with its “maximum feasible participation” of the poor). It continued through the Model Cities program and its successor Community Development Block Grants (with the mandatory involvement of advisory councils of poor neighborhood associations). The latest federally-sponsored incarnation is “empowerment communities” and “enterprise zones” (see introduction). During these decades, also, over 2,000 quasi-private community development corporations have evolved, heavily supported by federal funds and foundation grants. Their “community-based successes offer new hope that the complex problems of the inner cities *can* be solved. *Something is working...*,” a respected national business organization recently concluded.⁹

All share basically the same philosophical approach: leave the minority poor isolated in poverty-impacted inner city neighborhoods and provide resources (job

⁹ Committee for Economic Development, *Rebuilding Inner-City Communities: A New Approach to the Nation’s Urban Crisis*. New York: March, 1995, p. 1.

training, low-income housing projects, day care, social services, etc.) to help them and their neighborhoods escape poverty.

It is an approach that appeals to admirable, time-honored American values, such as personal initiative, self-help, self-determination, and community — even racial — pride.

There is one problem. The community development model doesn't work. *Almost no poverty-impacted, black majority neighborhoods have ever escaped poverty anywhere.*

This is illustrated even in the Atlanta Region which, as noted above, has had one of the nation's most dynamic economies. Appendix C lists 52 poverty neighborhoods in 1970 (i.e. census tracts which had poverty levels of 20 percent or greater) and lists their poverty rates at the end of the next two decades.¹⁰ Table 5.1 summarizes the trends.

Table 5.1
Change in Poverty Levels
in 1970 Poverty Neighborhoods

	1970- 1980	1980- 1990	1970- 1990
Poverty Decreased	8	18	7
Poverty Stabilized	9	11	9
Poverty Increased	35	23	36

Over the twenty year period, out of 52 poverty neighborhoods the poverty rate decreased significantly in only seven neighborhoods; in five of the seven the poverty rate dropped sufficiently to remove them from being classified as poverty neighborhoods. The poverty rate was stabilized in nine neighborhoods (i.e. the rate did not increase nor decrease by more than ten percent of its initial level). The poverty rate increased in 35 of the census tracts. Overall, out of 52 poverty neighborhoods in 1970, only five escaped poverty status, while the poverty rate increased sufficiently in 45 other census tracts which were not poor in 1970 to convert them into poverty neighborhoods by 1990. Moreover, the poverty rate declined in only one out of 17 high-hyper poverty neighborhoods from 1970 onwards.

¹⁰ Eight separate census tracts in 1970 were consolidated into four in order that comparable areas could be examined, using 1970, 1980, and 1990 census data.

Which are the poverty neighborhoods where the poverty rate declined significantly? Two are areas of suburbanizing Henry County (tracts 703 and 704). Another is located in Atlanta's Central Business District (tract 27); it virtually disappeared as a residential neighborhood, dropping from 644 to 12 households. Two were poor white neighborhoods in Northeast Atlanta (tracts 11 and 30); they underwent substantial regentrification with both middle class whites and middle class blacks replacing poor white households. Another Northeast Atlanta neighborhood is one of the region's few stable, integrated neighborhoods (tract 32). Its poverty rate decreased, but so did average household income as a percentage of the region's average household income; tract 32 is still very poor (35 percent poor).¹¹

Finally, Tract 41 in Southwest Atlanta appears to be fulfilling the model envisioned by community development advocates. In 1970 it was poor, but not desperately so (a poverty rate of 29 percent). It was clearly a neighborhood undergoing racial transition; 53 percent black in 1970, it is now 96 percent black. More affluent black households have replaced poorer white households. Not only has the poverty rate dropped to 24 percent (not enough to escape poverty status by 1990), but the average household income has risen from 57 percent to 90 percent of the regional average!

From 1970 to 1990 not one majority-black poverty neighborhood out of approximately 80 escaped poverty in the Atlanta Region.

Does this mean that community development-oriented programs are failures? Not at all. Such programs nationally have developed strong, neighborhood-based, minority leaders. Such programs nationally have provided a first rung on the professional career ladder in government and business for tens of thousands of minority professionals and administrators. Education, job training, and placement programs have helped hundreds of thousands of poor residents move out of poverty. These positive outcomes have also occurred in the Atlanta region as well.

But the evidence is also clear about what happens with many, many residents of poverty neighborhoods who become more successful through such programs or through the region's rising prosperity. *They move out!* And those who are left behind — predominantly poor households who do not have many housing choices — sink into greater poverty and isolation.

¹¹ Tract 32 may be almost unique in America; a relatively stable, racially integrated, working class neighborhood

That is precisely what happened in the region's 52 poverty neighborhoods after 1970. Setting aside Henry County's two suburbanizing census tracts,¹² 47 out of 50 poverty neighborhoods lost households. Overall, the number of households dropped from 77,800 in 1970 to 46,400 in 1990 — a 40 percent decline. The number of poor residents also declined in 42 out of 50 poverty neighborhoods, dropping from 70,600 to 51,200 (a 28 percent reduction).¹³ But with working and middle class households moving out at a much faster rate, neighborhood poverty rates increased.

For neighborhood retail businesses, the combination of middle class abandonment and of more pervasive impoverishment of remaining residents was devastating. Adjusted for inflation, real buying power in these 50 neighborhoods declined 30 percent. In tract 41 in Southwest Atlanta, however, the sole example of a poor minority neighborhood which is probably escaping poverty status, the neighborhood's real buying power increased by 59 percent!

Inner city poverty neighborhoods are twice victimized. First, many of their more prosperous residents are pulled away by the attraction of better homes, safer neighborhoods, and better schools in suburban areas. Second, others are then pushed out by the physical deterioration, rising crime, and failing schools of older city neighborhoods slowly being abandoned.

Proposition 6
Urban sprawl means today's winners become
tomorrow's losers.

All of the previous sections have focused on urban poverty — an issue which may not be of great concern to many suburban residents and their elected officials. Even the rise of suburban poverty neighborhoods (19 by 1990) may not raise sufficient alarm — though there are two dozen more suburban neighborhoods

¹² Tracts 703 and 704 in South Henry County are typical examples of suburbanizing areas. With the influx of new middle class families into new subdivisions, the number of households in tracts 703 and 704 increased from 1,846 to 3,928 (113 percent) and 798 to 2,114 (165 percent), respectively. With skyrocketing land values (pushing out poorer households) and increasing job opportunities, the absolute number of poor residents declined from 1,826 to 1,115 and from 728 to 361, respectively. The poverty rate in tract 703 declined from 29 percent to 10 percent; in tract 704, from 25 percent to 6 percent. Adjusted for inflation, the two tracts' real buying power increased 217 percent and 347 percent, explaining the explosion of new shopping centers.

¹³ Four of the eight neighborhoods where the absolute number of poor residents increased are the location of large, public housing projects, including tracts 20 and 21, which have 721- and 1,000-unit projects.

where poverty rates had risen into the teens by 1990 and may well pass through the critical 20 percent threshold by the next census.

However, the Atlanta Region is a prime example of the iron law of urban sprawl: the new beats out the old. Without strong regional growth management programs, “greenfield” development has natural advantages over “brownfield” development. A high proportion of new high-end residential, commercial, and industrial development occurs on the regional periphery.

Looking at the Atlanta Region’s development over the decades, one sees a familiar pattern. Decade by decade, higher end development spreads outward from the core. Wealth begins at the center, but as formerly rural communities become suburbanized, their average incomes move rapidly up the regional income scale. Meanwhile, many older areas slide slowly (or precipitously) down the relative income scale.

There are exceptions to the pattern of decline in core communities. Sections of Northeast Atlanta and the Buckhead area contain many of the region’s premier residential neighborhoods. (Annexed in the 1950’s, the Buckhead district is filled with newer “suburban” neighborhoods captured by the expanded central city.) Some older, high income sections of DeKalb County also maintain their value from decade to decade. But most city neighborhoods and older suburban subdivisions slide slowly downhill.

Appendix D documents this phenomenon for all census tracts in the Atlanta Region over the past two decades. The results are summarized in Table 6.1 and depicted in Map 3. Each tract’s average household income is expressed as a percentage of the region’s average household income in 1970, 1980, and 1990. All tracts are characterized in four groups. In Group A are tracts which were above average income in 1970 and improved their relative standing in the past two decades; these are “higher income winners.” “Lower income winners” (Group B) began with below average income in 1970, but have also been gaining ground. Group C are “higher income losers” who started strong in 1970 but have lost relative standing since, and group D represents below average income tracts in 1970 which have continued to lose relative standing.¹⁴

¹⁴ The number of census tracts in rapidly developing counties such as Cobb or Gwinnett counties is understated. As rural counties suburbanize, the Census Bureau regularly breaks up the original census tracts into smaller and smaller sub-units. For example, what was Cobb County’s tract 303 (1970 population: 15,131) became six tracts by 1980 (i.e. 303.01-303.06) and was further subdivided into 15 tracts by 1990 (i.e. 303.07-303.21) with a total population of

Table 6.1
Changes in Relative Mean Household Income
within the Atlanta Region
from 1970-90

Jurisdiction	A	B	C	D
	No. Tracts Higher Inc Winners 1970-90	No. Tracts Lower Inc Winners 1970-90	No. Tracts Higher Inc Losers 1970-90	No. Tracts Lower Inc Losers 1970-90
Atlanta Region	21	49	81	100
<i>Cherokee*</i>	<i>1</i>	<i>6</i>	<i>1</i>	<i>3</i>
Clayton	0	1	9	3
Cobb	2	1	12	7
DeKalb	6	6	34	15
—Atlanta	1	3	0	5
Douglas	0	3	1	2
<i>Fayette*</i>	<i>3</i>	<i>0</i>	<i>2</i>	<i>0</i>
Fulton	8	19	22	68
—Atlanta	6	16	14	59
Gwinnett	1	5	0	1
Henry	0	4	0	1
Rockdale	0	4	0	0
City of Atlanta	7	19	14	64

(*Cherokee and Fayette county data cover only 1980 to 1990.)

Despite having some of the region’s wealthiest neighborhoods (which are becoming even wealthier), Atlanta’s “losers” outnumber Atlanta’s “winners” by a three to one margin. In similar fashion, DeKalb County’s “losers” are four times as many as its “winners.” Clayton County’s decline has been almost universal and precipitous. Cobb County presents a contrasting picture. Many older neighborhoods, particularly in Marietta, have declined, but have been counterbalanced by the growth of new subdivisions which are inadequately reflected in Table 6.1 because of distortions inherent in reconstituting census tracts (see footnote 14). Trends in Douglas County are also mixed, while Cherokee, Fayette, Gwinnett, Henry, and Rockdale counties all show the positive impact of new development.

These neighborhood trends are summarized by county in Table 6.2.

129,998. In order to contrast comparable areas over the two decades, the 15 tracts in 1990 must be reconstituted as a single reporting area co-terminus with the original tract 303. Thus, in these comparisons newer suburban counties appear to have far fewer census tracts than mature areas such as Fulton County.

Table 6.2
Changes in Relative Mean Household Income
by County in the Atlanta Region
from 1970-90

Jurisdiction	Pct of Regional Hshld Inc in 1970	Pct of Regional Hshld Inc in 1980	Pct of Regional Hshld Inc in 1990
Atlanta MSA	100%	99%	98%
Atlanta Region	100%	100%	100%
Cherokee	N/A	88%	92%
Clayton	105%	98%	81%
Cobb	107%	109%	108%
DeKalb	113%	106%	96%
—Atlanta	73%	67%	69%
Douglas	88%	95%	89%
Fayette	N/A	126%	122%
Fulton	114%	90%	100%
—Atlanta	106%	76%	83%
Gwinnett	102%	111%	108%
Henry	83%	96%	90%
Rockdale	83%	101%	100%
City of Atlanta	103%	76%	82%

In contrast with many other metropolitan areas, a most striking phenomenon in the Atlanta Region is the relative comeback of the City of Atlanta and Fulton County during the 1980's. With its average household income having fallen precipitously from 103 percent of the regional average in 1970 to 76 percent in 1980, the city gained ground modestly back to 82 percent by 1990. Fulton County as a whole went through a similar cycle (from 114 percent to 90 percent to 100 percent).

In the 1980's Atlanta was the only major American city without recent annexations which regained significant economic ground relative to its suburbs. In part, Atlanta was still benefiting from its last major annexations in the 1950's, particularly of the Buckhead area and other parts of North Atlanta. In substantial measure, Atlanta's success also reflects the region's economic boom, which brought "yuppie" households flooding into several city neighborhoods.¹⁵ As

¹⁵ Though the central cities of other Information Age capitals did not gain economic ground comparable to Atlanta's success, they stabilized their long term decline relative to suburban income

measured by average citywide income statistics, this resurgence of white, high income households in some parts of Atlanta more than offset growing abandonment of city neighborhoods by many black middle class households and greater concentrations of black poverty. And though Table 6.1 shows that the relative decline of Clayton and DeKalb counties has been steady through the two decades, the resurgence of North Atlanta and North Fulton County as centers of great wealth does explain the seeming downturn in other suburban counties' relative fortunes in the 1980's. Average household incomes in Cobb, Douglas, Fayette, Gwinnett, Henry, and Rockdale counties all dipped slightly as a percentage of the regional average in 1990.

This "dip" is, in part, a function of the income measure analyzed. Table 6.3 compares income trends as measured by the median household income rather than mean household income, which has been used exclusively to discuss "average" income in this report. Median income gives no special weight to extremes of wealth and poverty and may reflect a truer social profile of the "average" household in a community.¹⁶ In terms of median household income, the City of Atlanta checked its precipitous decline during the 1980's. However, as a percentage of the Atlanta metro area's median, the city's median household income level in 1990 (60-62 percent) gives a less optimistic picture than its relative mean household income level (82 percent). In parallel fashion, the relative well-being of the suburban counties, compared with the city of Atlanta, is emphasized by measuring median rather than mean household income.

Table 6.3
Changes in Relative Median Household Income

levels. In terms of per capita income (rather than average household income), Atlanta advanced from 81.9 percent of suburban per capita income in 1980 to 88.9 percent in 1990 — a gain of 7.0 percentage points. The 1990 city/suburb per capita income ratios and the net gain/loss of older, "inelastic" Information Age capitals are Boston (76.7%; -0.9%); Denver (92.1%; -1.4%); San Francisco (82.1%; -1.2%); Seattle (101.2%; +2.7%); and Washington, DC (86.8%; -0.6%). The strength of a central city like Charlotte, which constantly annexes new development, is reflected in its city/suburb income ratio (121.7%; +3.3%).

¹⁶ To illustrate the difference between "median" and "mean," consider a city with only three households: household A's annual income is \$1,000; household B's is \$10,000; and household C's is \$1,000,000. The city's median household income is \$10,000; an equal number of households falls on either side of this midpoint. The city's mean (or average) household income is \$337,000 (i.e. the community's total income of \$1,011,000 divided by three households). Assuming that this community has a very progressive tax system, the mean household income (\$337,000) would better reflect the local government's tax base. However, the median household income (\$10,000) would more fairly reflect the economic status of the typical family. The City of Atlanta's median household income (Fulton County only) is \$22,316; its mean household income is a much higher \$38,384. By contrast, with a high degree of economic homogeneity, Fayette County's median household income (\$50,167) and mean household income (\$56,376) are much closer together.

**by County in the Atlanta Metro Area
from 1970-90**

Jurisdiction	Pct of Metro Median Hshld Inc in 1970	Pct of Metro Median Hshld Inc in 1980	Pct of Metro Median Hshld Inc in 1990
Atlanta MSA	100%	100%	100%
Atlanta Region	n/a	n/a	n/a
Cherokee	n/a	97%	108%
Clayton	118%	109%	93%
Cobb	118%	117%	115%
DeKalb	120%	108%	99%
—Atlanta	75%	62%	60%
Douglas	n/a	109%	103%
Fayette	n/a	139%	139%
Fulton	107%	76%	83%
—Atlanta	97%	61%	62%
Gwinnett	110%	123%	121%
Henry	n/a	103%	104%
Rockdale	n/a	114%	109%
City of Atlanta	n/a	n/a	n/a

Nevertheless, both county-level methodologies tend to mask the primary lesson of the census tract-level analysis: *At least two-thirds of the Atlanta region’s neighborhoods, including half of all suburban neighborhoods, are in relative decline.*

Concluding Remarks

The Atlanta Region has been one of America’s great economic success stories in the second half of the 20th Century. Will this success continue in the 21st Century?

How the Atlanta Region addresses the issue of concentrated black poverty will be central to that answer. It is black poverty that is the region’s greatest social challenge. (“White poverty is individual, black poverty is communal.”) Reducing concentrated minority poverty will require recognizing some hard truths documented in this report.

As an anti-poverty strategy, the region cannot passively place its reliance on just a growing regional economy. (“A rising tide does *not* raise all boats....Amid prosperity, the black ghetto still grows.”)

On the other hand, wedded to a traditional community development philosophy, why should the Atlanta Project succeed when all others have failed? (“Poor black neighborhoods do *not* escape poverty.”) Success will require abandoning some long-standing approaches to how to respond to the needs of low-income households. (“Public housing perpetuates poverty.”)

Within a racially and economically segregated society, impoverished black ghettos are not transformed by either Big Bucks (e.g. infusions of “empowerment community” funds) or Big Bootstraps (e.g. “empowerment community” tax incentives). *Ending black low-income ghettos is achieved by racial and economic integration into the larger regional society — the same method by which low-income white ghettos were never allowed to form.*

What the Atlanta region needs for the 21st Century is a healthy dose of what HUD Secretary Henry Cisneros has called “people-regionalism.”

“As we enter the 21st century, a new model is emerging, driven by global trends in technology, investment, and human skills. Our most vital relationships are increasingly shaped at the global, regional, and neighborhood levels.

“To overcome concentrated urban poverty in this emerging world, access to social and economic opportunity must be opened at each level. For many regions an important framework through which access can be achieved is unified governance — central cities that annex potential suburbs, consolidated city-county governments, fully empowered urban counties, and unified school districts. For other large, complex regions, formal local government unification is no longer possible. The challenge is not to foster regional *government* but regional *governance* in these key areas: “fair share” low- and moderate-income housing... metro-wide housing choices [for inner-city public housing residents]...equal educational opportunities [where] racially integrated, mixed-income housing markets are the foundation of successful racially and economically mixed classrooms ... area-wide growth management ... area-wide revenue sharing arrangements.”¹⁷

¹⁷ Henry G. Cisneros. *Regionalism: The New Geography of Opportunity*. Washington, D.C.: U. S. Department of Housing and Urban Development; March, 1995, pages 17, 20, 22.

Such people-regionalism policies challenge the political comfort zones of suburban and inner city leadership alike. Indeed, the combination of poverty and race is the most explosive issue in American politics. How can one hope to forge political coalitions to adopt policies that promote both benefit sharing and burden sharing region-wide?

There are many simple reasons which ought to be sufficiently compelling. Among them are

In a regional context the urban poverty problem is manageable. Up close, the myriad problems of the Atlanta Region's poorest neighborhoods appear beyond solution. But of every 100 residents of the Atlanta Region only about 4 are poor and white, and nine out of ten poor whites live in predominantly middle class neighborhoods scattered throughout the region. And of every 100 residents of the Atlanta Region only about six are poor and black, but two out of three poor blacks live in poverty-impacted neighborhoods in Atlanta and some of its older suburbs. Integration into the larger, middle class, regional society — with its values, expectations, and opportunities — is the most effective anti-poverty program. It works for most poor whites, and would work for most poor blacks. To end the isolation of the minority poor what the Atlanta Region may lack is not the economic capacity but the political will.

Doing the right thing costs less than doing the wrong thing. A prominent educator once remarked “If you think education is expensive, try ignorance.” The most effective antipoverty programs help move people to opportunity; most poor families will better themselves in opportunity-rich environments. Housing mobility programs that allow poor, minority households to resettle in middle-class, suburban areas result in higher employment rates, higher wages, and higher school attendance and graduation rates. By contrast, high-poverty, inner-city ghettos are destructive environments that ultimately exact high social costs. At most, renting a typical Atlanta area apartment for a poor family cost \$6,000-\$7,000 a year in 1990; the annual cost of running a prison was three to four times as much for each prisoner. Saving lives is cheaper than wasting lives.

Sprawl is expensive, too. Urban sprawl is driven not only by the lure of greener pastures but by abandonment of older, poverty-impacted neighborhoods. It is expensive. The systematic devaluation of many older neighborhoods costs billions of dollars, while low-density development adds billions more in higher costs. Public facilities and services for a typical new suburban home on a one-acre lot cost almost twice as much as a moderate-density townhouse and four times

those of a higher-density apartment.¹⁸ It may be the American Way to abandon one generation's investment to duplicate it in the next generation, but it is not the way of our global economic competitors. Our cycle of sprawl and abandonment is economically wasteful.

In a healthy region everybody wins in the global marketplace. Cities and suburbs are highly interdependent parts of integrated regional economies whose competitiveness is affected by the health of each jurisdiction. The higher a region's internal disparities by jurisdiction, race, and income group, the less competitive the region is economically.¹⁹ Political borders do not seal off the problems of concentrated poverty.

Unfortunately, such rational, region-wide arguments rarely prevail over public fears and political inertia. *What has worked is building political coalitions based on mutual self-interest.* Regional growth management policies, regional "fair share" affordable housing, and regional revenue sharing will benefit many older suburbs as well as the central city. ("Urban sprawl means today's winners become tomorrow's losers.") In the Atlanta Region all communities which are losing relative income status are potential members of such a coalition. These region-wide policies are essential in order to bring long-term stability to their communities and sustain their long-term value. Forging political partnerships to address society's toughest issues is not a painless exercise in group consensus. It requires building tough political alliances.

This report has analyzed the dynamics of urban growth and urban poverty solely within the context of the counties comprising the Atlanta Regional Commission's membership. That membership does not truly embrace the entire Atlanta area. Over the last half century the Atlanta metro area has expanded from three counties to 20. There are as many metropolitan counties which are not members of the Atlanta Regional Commission as there are members. Rural counties enter the economic orbit of Greater Atlanta less affluent than established urbanized areas. However, they inevitably rise and pass the core communities. Just as Gwinnett surpassed DeKalb and Fayette surpassed Clayton, as urban sprawl

¹⁸ The costs of sprawl are reviewed in Chapter 8 of *The Technological Reshaping of Metropolitan America*, the final report of the U.S. Congress' Office of Technology Assessment (Washington, DC: U.S. Government Printing Office, September 1995).

¹⁹ An excellent review of the evidence is provided by a cover story by Aaron Bernstein, "Inequality — How the Growing Gap between Rich and Poor in America Is Hurting the Economy," *Business Week* (August 15, 1994).

accelerates, spurred by interstate highways and decentralized malls and office parks, Barrow and Spalding will overtake Gwinnett and Fayette. Long-term community stability requires regional planning and growth management.

For many of Atlanta's black leaders regionalism will be seen as "diluting" the black community's political power and threatening hard-won leadership roles. And there is ample precedent for such fears. The Atlanta Region has offered few instances of significant numbers of white residents voting for black candidates. Black political successes are still built on majority black constituencies.

This report has highlighted some of the costs of racial segregation. Let us examine yet another. The Atlanta area is known nationally for its large black middle class. Many have left city neighborhoods for suburban subdivisions (many of which, in turn, are re-segregating). There are 118 majority black census tracts in the Atlanta region. In only 5 majority black census tracts does the mean household income equal or exceed the region's mean household income. In other words, *for a black middle class family living in a majority black neighborhood, the odds exceed 95 percent that the neighborhood will be below average income.*

The gap between black and white has been narrowing in metro Atlanta. From 1970-90 the residential segregation index has improved from 82 to 68. That rate of progress far exceeds metro Detroit (88.4 to 87.6) but falls well short of metro Norfolk-Virginia Beach-Newport News (77 to 50). The income gap has closed. In 1970 black median household income was 56 percent of the region's median household income; today the ratio has improved to 67 percent. Yet that rate of closing the gap is hardly commensurate with the black community's educational achievements. As late as 1970 only 32 percent of adult blacks had graduated from high school and only 6 percent had college degrees. Just two decades later, 70 percent are high school graduates and 16 percent have college degrees.²⁰

Over the last half century the Atlanta region is proof of the value of striving toward a more just and balanced society. With its massive annexations in the 1950's, Atlanta was a very strong central city for several crucial decades. The civil rights movement allowed Atlanta to grow beyond its role as regional center of the Old South, to capital of the New South, to World City. Social and economic gaps between blacks and whites are closing — however slowly. Yet as the Greater Atlanta area grows larger, more complex, and more far-flung, barriers for

²⁰ The comparable figures for adult whites are 84 percent high school graduates and 30 percent college graduates.

the black poor become more difficult for many to overcome. Yesterday's formulas do not work in today's conditions.

These are the questions which must be addressed by the Atlanta region: "Are we to be two separate societies – one white, one black? Or many societies – fragmented by race, economic class, and multiple political jurisdictions that reinforce tribal divisions? Or are we *one community*, competing and progressing in the global environment of the 21st Century together?"