

THE CHANGING FACE OF CONCENTRATED POVERTY

Jennifer Wolch

Department of Geography
University of Southern California
Los Angeles, CA 90089
Phone: (213) 740-0050
Fax: (213) 740-0056
Email: wolch@usc.edu

Nathan J. Sessoms

Department of Geography
University of Southern California
Los Angeles, CA 90089
Phone: (213) 740-0050
Fax: (213) 740-0056
Email: sessoms@usc.edu

Abstract

Recent research by Jargowsky (2003) highlights dramatic changes in the spatial distribution of concentrated poverty throughout the metropolitan U.S. during the 1990s. Yet the traditional definition of concentrated poverty – 40 percent of the tract population living below the federal poverty threshold – remains problematic in light of burgeoning working poor populations, the emergence of inner-suburban poverty, and long-standing problems with the federal poverty threshold itself. Under such circumstances, the common assumption that concentrated poverty areas are ‘underclass’ neighborhoods plagued by social dysfunction and pathology appears open to question. This article assesses the physical environments and social profiles of inner suburban neighborhoods in Los Angeles County characterized by concentrated poverty. Findings reveal that such neighborhoods tend to be relatively clean and well maintained. Moreover, their residents are not disproportionately prone to high levels of unemployment, high school dropout rates, reliance on public assistance, or share of female-headed households – variables traditionally used to define both concentrated poverty and ‘underclass’ areas. Results suggest the need for both quantitative and qualitative research methods in order to better depict emerging poverty patterns, as well as the development of flexible, place-specific policies able to address the multi-faceted needs of both poverty neighborhoods and that of their residents.

Introduction

Recent research has revealed startling developments in the spatial distribution of concentrated poverty. Jargowsky (2003) asserts that, during the 1990s, concentrated poverty decreased significantly throughout metropolitan areas in the Midwestern and Southern regions of the United States, while increasing within inner-suburban areas and, in particular, the West. Such findings suggest that the face of poverty is undergoing dramatic changes, as poor areas are becoming increasingly differentiated. More importantly, they raise questions as to whether conventional methods of measurement may be unable to adequately depict the complex landscape of poverty, particularly in ‘globalizing’ cities such as Los Angeles, Chicago, New York.

The measurement of concentrated poverty has commonly relied on the census tract level of analysis due its relative approximation to neighborhood size, and most studies have used two basic threshold measures to define ‘poverty’ and ‘concentration’. However, these approaches may be problematic. Census tracts do not assume the social politico-administrative or fiscal responsibility of addressing concentrated poverty through the provision of housing, welfare, health care or community policing. Rather, in view of welfare reform and devolution, localities – cities and counties – bear an increasing share of this burden (Marcelli, Musso, and Wolch, forthcoming). Therefore, research techniques that ignore this reality of scale may lead to the adoption of policies that are ill-suited and unable to effectively meet the needs of impoverished areas.

Further, what researchers have taken to constitute as ‘concentration’ has been based on a 40 percent benchmark, which defines ‘extreme’ poverty census tracts (used as proxies for neighborhoods) as those in which 40 percent or more of the population is

living below the federal poverty threshold. Criticisms of the federal poverty threshold are legion (Madden 1996), the most salient being its inability to distinguish between the needs of different family types (eg: the need for childcare services, health insurance, etc.) or consider regional variations in cost of living expenses, as it is defined on a national scale (Marcelli and Wagle, forthcoming). But perhaps more troubling is that, despite the fact that the 40 percent benchmark has become the standard for defining concentration among urban poverty researchers, neither the environmental nor behavioral criteria behind this measure have been adequately specified. Given recent changes in the topography of poverty, including the emergence of the working poor and inner-suburban concentrations, traditional notions of ‘extreme poverty’ neighborhoods (and our inherent assumptions about their character) may no longer apply. Yet with few exceptions (Massey and Denton 1990, Greene 1991), there has been no substantive critique of the 40 percent threshold for concentration.

Based upon research conducted in the southern California metropolitan region, this paper interrogates the meaning of ‘concentrated poverty’ and proposes to address the following research questions: Do selected places characterized as “high-poverty neighborhoods” match traditional ideas of these neighborhoods as conceptualized through the use of the 40 percent threshold measure? More specifically, how do the physical environments of these places and social profiles of the residents compare with those commonly associated with traditional conceptualizations of “extreme poverty neighborhoods”? Lastly, from a policy perspective, if this 40 percent measure turns out to be unable to adequately characterize the complex landscape of poverty concentration,

will its continued use shape our assumptions – and, more importantly, the nation’s urban policy debates – in inappropriate ways?

The paper is organized as follows. In section II, we review numerous studies that have employed the 40 percent threshold to demonstrate its broad usage at various scales including the central city, neighborhoods, and large metropolitan areas. In doing so, we demonstrate that these areas have consistently been characterized by notions of physical deterioration and perceived social pathologies – inaccurately and thus unjustly stigmatizing urban poverty areas, as well as those residing there. Next, in Section III, following a brief depiction of poverty conditions in southern California, we describe the methodology and specific data employed by this analysis. Following, in Section IV, we discuss our methodology and present general information regarding the four municipalities in which we conduct our analysis, as well as census tract profiles that characterize the specific ‘extreme poverty’ neighborhoods where our research was conducted. Section V discusses the results of our two-fold analysis and reveals that the 40 percent threshold measure is arbitrary and unable to delineate an accurate portrayal of poverty in the region. Instead, the use of a mixed methodology incorporating quantitative measures and qualitative techniques capable of highlighting the changing distribution of poverty would advance our comprehension of emerging trends in the geographic mobility and behavior of concentrated poverty. Lastly, in Section VI, we discuss policy implications and suggest areas for further research.

II. Literature Review

Research focused on urban poverty concentration in the metropolitan United States highlights the problems associated with poverty measurement and demonstrates

that a consistent measure has yet to be agreed upon. Conducted during the post World War II period, the vast majority of this research has asserted or sought to confirm three primary findings: (1) during the 1970's, poverty increased dramatically throughout metropolitan areas of the United States; (2) at the same time, the number of poor people residing within these areas increased; and (3) this exacerbation of poverty conditions occurred primarily within African American neighborhoods. A more detailed investigation of methodologies, however, reveals that the 40 percent threshold remains the most widely used measure of poverty concentration, even though the origins of this particular threshold criterion have gone largely unexamined. In addition, despite its arbitrary nature (as recognized by Mincy, Sawhill and Wolf 1990, Massey and Eggers 1990, Jargowsky and Bane 1991, and others) and an absence of empirical evidence, scholars have utilized this particular benchmark not only to measure poverty concentration levels within large cities, but also to identify “underclass areas” characterized by the presence of dysfunctional social behaviors. In this section, we review several of these studies, as well as criticisms, with the goal of providing both a historical perspective of the 40 percent threshold, as well as a demonstration of its broad usage in analyzing poverty conditions across various geographic areas.

The 40 Percent Threshold

The concept of employing percentage-based thresholds for the identification of impoverished neighborhoods was originally developed by the U.S. Census Bureau (1970) and published in a supplemental report of the Census of Population and Housing. Defining “low-income” areas as those containing census tracts in which 20 percent of the

population lived below the poverty level (in 1969), this methodology was developed “in order to provide a statistical index based on income only and to utilize the small area data on poverty status which were available in 1970 for the first time in a decennial census” (p. VIII). Definitions for low-income areas consisting of census tracts with poverty rates 30 and 40 percent were also constructed in order to provide some degree of flexibility. The same method of defining poverty was utilized in the 1980 Census, although the term “low-income area” was eliminated in favor of the term “poverty area”.

Over time, areas in which 40 percent of the population lived below the poverty line became synonymous with “extreme poverty”. The fact that poverty thresholds were originally developed by the U.S. Census Bureau assists in explaining why such thresholds, and in particular the 40 percent variant, have become the primary means of analyzing poverty conditions. For many decades, the decennial census has served as the primary source of comprehensive data at various geographic scales. Therefore, data supplied by the census bureau is commonly believed to be the most accurate and is, therefore, commonly relied upon by researchers. In addition, this particular type of data (at the census tract level and stratified by thresholds) was unavailable prior to 1969 (Danzinger and Gottschalk 1987). Therefore, beginning in 1970, poverty scholars and social science researchers took full advantage of this “new” data, and its potential to guide groundbreaking contributions. Finally, the 40 percent threshold gained significant prominence during the 1980s, as researchers became interested in examining the “poorest of the poor” and, began to employ the threshold exclusively. Ultimately, this particular method of poverty measurement became intimately tied to the debate regarding the

“urban underclass”, as well as the perceived behavioral characteristics of this mythical population.

The “Underclass Debate” and Dysfunctional Behaviors

While poverty rates fell during the 1960s in part as a result of the War on Poverty, they rose slightly in the 1970s. During the 1980s, however, they increased dramatically, drawing the attention of both mainstream journalists and academics, who immediately began speculating about the causes, geographic scope, and potential effects of this phenomenon. Although the term “underclass” was first employed as a term to denote conditions of unemployment (Myrdal 1944), during the 1980s, poverty scholars began to utilize the term to denote conditions of extreme poverty. More specifically, they offered several hypotheses regarding the existence and characteristics of an extremely impoverished population that was widely believed to be comprised of minorities - Blacks and Hispanics, in particular (Clark and Nathan 1982, Nathan 1987, Wilson 1987). The vast majority of this research indicated that this poverty population was greatest in the rustbelt areas of the Midwest and snowbelt areas of the East Coast.

While these studies yielded numerous conceptualizations regarding the potential causes and possible characteristics of the nation’s burgeoning poverty population, they produced little information regarding the precise definition and measurement of the neighborhoods in which this population resided. At the root of this dilemma was the fact that various competing conceptualizations of the dimensions of poverty existed. Diverging from the previous practice of grouping all poor people together for the sake of developing a universal panacea, scholars began to analyze the poverty population from three different perspectives: (1) the length of time that they remained impoverished

(persistent poverty); (2) the specific type of household in which they lived and its perceived dysfunctions (behavioral characteristics); and (3) the type of community in which they lived (geographic areas). These methodologies were confirmed by Nathan (1987) who commented that "...underclass conditions are multifaceted. They are economic, behavioral and geographically focused" (p. 58). Over time, however, scholars began to focus less on the persistence of poverty, and turned their attention toward the dysfunctional behaviors believed to be prevalent within urban neighborhoods (Glasgow 1980, Auletta 1982, McLanahan et al. 1986, Van Haistma 1989, Jencks 1989, Ricketts 1989, Murray 1990).

The most notable study utilizing behavioral characteristics as the primary indicator of underclass existence was conducted by Ricketts and Sawhill (1988). These researchers designed an operational definition based on the geographic clustering of specific dysfunctional behaviors. Moreover, diverging from studies that were more qualitative in nature, they argued that such behaviors denoted actions "most likely to inhibit social mobility, to impose costs on the rest of society, or to influence children growing up in an environment where such behaviors are commonplace" and, therefore, might be better studied through the use of quantitative methods of analysis (p. 319). For Ricketts and Sawhill, these behaviors included dropping out of high school, being unemployed, receiving welfare, and living in a female-headed household. Further, they contended that an "underclass area" was one in which the proportion of drop-outs, unemployed, welfare recipients and female-headed households was significantly greater (by one standard deviation) than the mean for the entire United States population.

Findings indicated that 2.5 million people lived in such areas, and that these tracts were predominantly located within urban areas of the Northeast. More importantly, however, Ricketts and Sawhill (1988) asserted that such areas were not significantly different from extreme poverty areas, defined as those in which 40 percent of the population lived below the poverty line. In doing so, they linked socially deviant behavior with the 40 percent threshold. Specifically, they asserted that "...extreme poverty areas can reasonably be used as a proxy for concentrations of social problems" (p. 322).

Several scholars, however, were critical of this particular method of poverty measurement and analysis. Geographer Mark Allan Hughes (1989) argued that drawing conclusions regarding individuals and households from aggregate data leads to the "ecological fallacy" in which "the attributes of a shared space are believed to imply shared attributes among individuals occupying that space". He maintained that "...these distinct groups (of people living in the ghetto) share a physical attribute (ghetto residence), but it is an heroic inference that, therefore, these groups share a fundamental acculturation toward work and family and so on. Thus, it is at best unfounded and at worst misleading to discuss a group of individuals that form a 'ghetto underclass' based on the kind of neighborhood pattern presented by Sawhill and her colleagues" (p. 191).

Later, Jargowsky (1994) argued that "[t]his approach falls short of its goal because the most salient underclass values – violence, drug use, and hostility toward mainstream values – are not well measured *at the census tract/neighborhood level* in the census or, for that matter, in any data set" (p.289/*italics included*). Further, he argued that those variables that are measurable are open to interpretation.

Eventually, the debate regarding the urban underclass became mired in controversy as numerous journalists (see Lehman 1986) argued that the idea of an urban underclass was actually derived from the much-criticized “culture of poverty” thesis (Harrington 1962, Lewis 1966), which asserted that poverty was generational and impossible to escape (Ricketts 1992). Additionally, scholars have argued that the term underclass itself was “inherently subjective” (Gans 1990, p.21) and had the potential to be used as a “racial codeword that subtly hides anti-Black and anti-Hispanic feelings” (p. 273). Many poverty researchers, therefore, turned their focus toward the issue of poverty concentration within urban neighborhoods. Although previously raised in poverty research, this particular issue gained attention as criticism regarding underclass research grew. However, similar to research focused on underclass behaviors, the 40 percent threshold was, once again, employed – this time to denote areas of poverty concentration.

Poverty Concentration

Already well known for his conceptualization and explanation of the underclass, one of the first to conduct research in the realm of poverty concentration was William Julius Wilson (1987). One of the first to utilize the 40 percent threshold to examine the overall increase in poverty concentration, his findings revealed that poverty increased dramatically, not only in Chicago, but throughout metropolitan areas of the United States during the 1970's, as did the population of poor people residing within them. In particular, he theorized that poverty became more spatially concentrated (especially within poor African American neighborhoods) during the 1970's due, in part, to structural changes within the economy and the subsequent exodus of the African American middle-class from these areas.

Both Danzinger and Gottschalk (1987) and Jargowsky and Bane (1991) confirmed Wilson's assertions – and in doing so endorsed the use of the 40 percent threshold exclusively to denote poverty areas and focus on the nation's most impoverished residents. In particular, Jargowsky and Bane (1991) asserted "...that the 40 percent criterion came very close to identifying areas that looked like ghettos in terms of their housing conditions" (p. 239). In addition, they contended that "the areas selected by the 40 percent criterion corresponded closely with the neighborhoods that city officials and local Census Bureau officials considered ghettos" (p. 239). Thus, these scholars argued that although "any fixed cutoff is inherently arbitrary...the 40 percent criterion appropriately identifies most ghetto neighborhoods" (p. 239).

In addition, Jargowsky (1997) added to previous depictions of 40 percent neighborhoods. In his examination of the causes of concentrated poverty throughout metropolitan areas, he labeled these neighborhoods 'poverty areas' and characterized them based on the condition of their physical infrastructure, including deteriorated housing, abandoned structures with broken windows, discarded automobiles, and the presence of loiterers. Thus, concentrated poverty neighborhoods, already defined by economic deprivation and the deviant behaviors of residents, commanded varying levels of attention based on their physical conditions.

Scholars have criticized this methodology and, in most cases, emphasized the spatial nature of poverty. For example, Massey and Denton (1990) disagreed with this method of poverty measurement, contending that "...levels and trends in poverty concentration are best studied with well-established measures of segregation that use complete information on the spatial distribution of income instead of ad hoc and arbitrary

definitions of ‘poverty neighborhoods’ and ‘poverty concentration’” (p. 1156). These scholars, instead, favor the use of segregation indices.

Similarly, Greene (1991) disagreed with this methodology, arguing that “[r]esearchers who employ this method...assume that census tracts with high poverty rates are independent and self contained settlements and that the degree to which the inhabitants of the tracts are socially isolated from the nonpoor is not affected by whether the poverty tracts are scattered throughout the city or clustered close together” (p.240). He, therefore, emphasized the use of a geographic coordinate system that considered the spatial relationship(s) between poverty tracts.

But despite these criticisms and the development of alternative measures more focused on the spatial nature of poverty, scholars have continued to employ the 40 percent threshold in both quantitative and qualitative studies as a means of analyzing various aspects of poverty concentration. These include, but are not limited to its increase within inner-suburban neighborhoods (Orfield 1997), the geographic context of its root causes (Cooke 1999), the manifestation of these root causes in everyday life (Sanchez-Jankowski 1999), its relationship to housing and community development politics at various scales (Goetz 2000), and, demonstrating a shift in racial focus, issues surrounding white poverty concentration (Mulherin 2000).

As mentioned earlier, the vast majority of the research on the underclass and poverty concentration has focused on urban neighborhoods of the Midwest and East Coast. However, patterns of poverty concentration in metropolitan regions appear to have shifted significantly over the past several decades. Changes in the West, and particularly southern California, have been notable. Nearly half (6 of 15) of the largest

increases in high-poverty populations between 1990 and 2000 occurred in metropolitan areas located in Southern California (Jargowsky 2003). Thus, our particular geographic focus is warranted. Given recent dynamics of globalization, state devolution, and fiscal federalism, traditional measures of poverty may not provide a suitable representation of the region's poverty conditions. Thus in what follows, we focus on southern California in an empirical analysis of the region's poverty landscapes and their implications for the continued use of the 40 percent threshold in poverty research.

III. Poverty Conditions in Southern California

The southern California region is an appropriate area in which to examine the changing face of poverty, due to recent economic, social, and demographic transformations, as well as the area's polycentric spatial form. Similar to other areas of the United States, during the 1970s and 1980s, the region experienced significant modifications in its economic structure due to increasing globalization of the economy and attendant deindustrialization (especially of heavy manufacturing and defense-related sectors), reindustrialization of key sectors, the rise of services, privatization of state services and industry deregulation, as well as the liberalization of trade and rising foreign direct investment (Soja and Scott, 1996; Dear, Schokman and Hise, 1996; Wolch, Pastor, Joassart-Marcelli and Dreier, forthcoming). These processes were, in turn, catalysts for the spatial reordering of metropolitan form.

During this time, employment levels decreased significantly in manufacturing sectors such as autos, as well as the aerospace industry. However, unlike other areas of the nation, during this period southern California also experienced a significant increase

in the production of non-durable and craft-based goods including furniture and textiles. The effects of these trends have been most evident in the region's polarized labor market, where blue-collar positions, traditionally occupied by the middle-class, have disappeared and have been replaced by low-wage, non-unionized jobs and high-skill, high-wage positions.

Such structural transformations have resulted in burgeoning levels of poverty and inequality, characterized by a rapidly growing working-poor population. This particular population is largely comprised of Latinos and recent immigrants of other national origins, who occupy many of the newly created low-wage positions in the manufacturing and service sectors. These economic and social conditions have, in turn, led to the formation of new clusters of economic activity and residential patterns. For example, the majority of the region's economic activity now occurs within outlying suburban areas, rather than Los Angeles' industrial core. As a result, older urban areas contain an increasing share of low-wage jobs. These conditions have contributed to severe income polarization in southern California, and Los Angeles County, in particular (Wolch et al. 2004).

Most recently, the region has also seen significant demographic changes. The rise of world city-regions as key actors in the increasingly globalized economy has rendered southern California a major destination for international labor migration flows, which have, once again, altered metropolitan labor markets and spatial form. In part, more affluent, predominantly white residents have gradually relocated to outlying suburban and exurban areas, while lower-income, predominantly minority residents remain concentrated within older inner-city and inner-suburban areas. Many of these residents

are members of the working poor population. Meanwhile, communities of color have been established in outlying areas, as well. For example, an emerging population of Latino and Asian immigrants has formed residential clusters and centers of commercial activity known as ethnoburbs (Li 1997, 1998). These clusters, rapidly becoming ports of entry for immigrants, differ from central city ghettos and traditional ethnic enclaves, in that they do not result from forced segregation attempts, but instead serve as voluntary conglomerations where personal, social and economic networks are developed and maintained. Such exurbanization trends have been responsible for increasing levels of segregation stratified by race, ethnicity and class. In particular, poor people in southern California continue to suffer from numerous “mismatches”, which serve as barriers to increased socio-economic status. These include spatial mismatches, in which residents lack access to higher wage employment positions, as well as skill mismatches, in which residents lack the necessary education or skills required for higher-wage positions. Recent research suggests that these mismatches disproportionately affect minorities by significantly reducing their ability to earn higher incomes (Pastor and Marcelli, 2001).

IV. Methodology

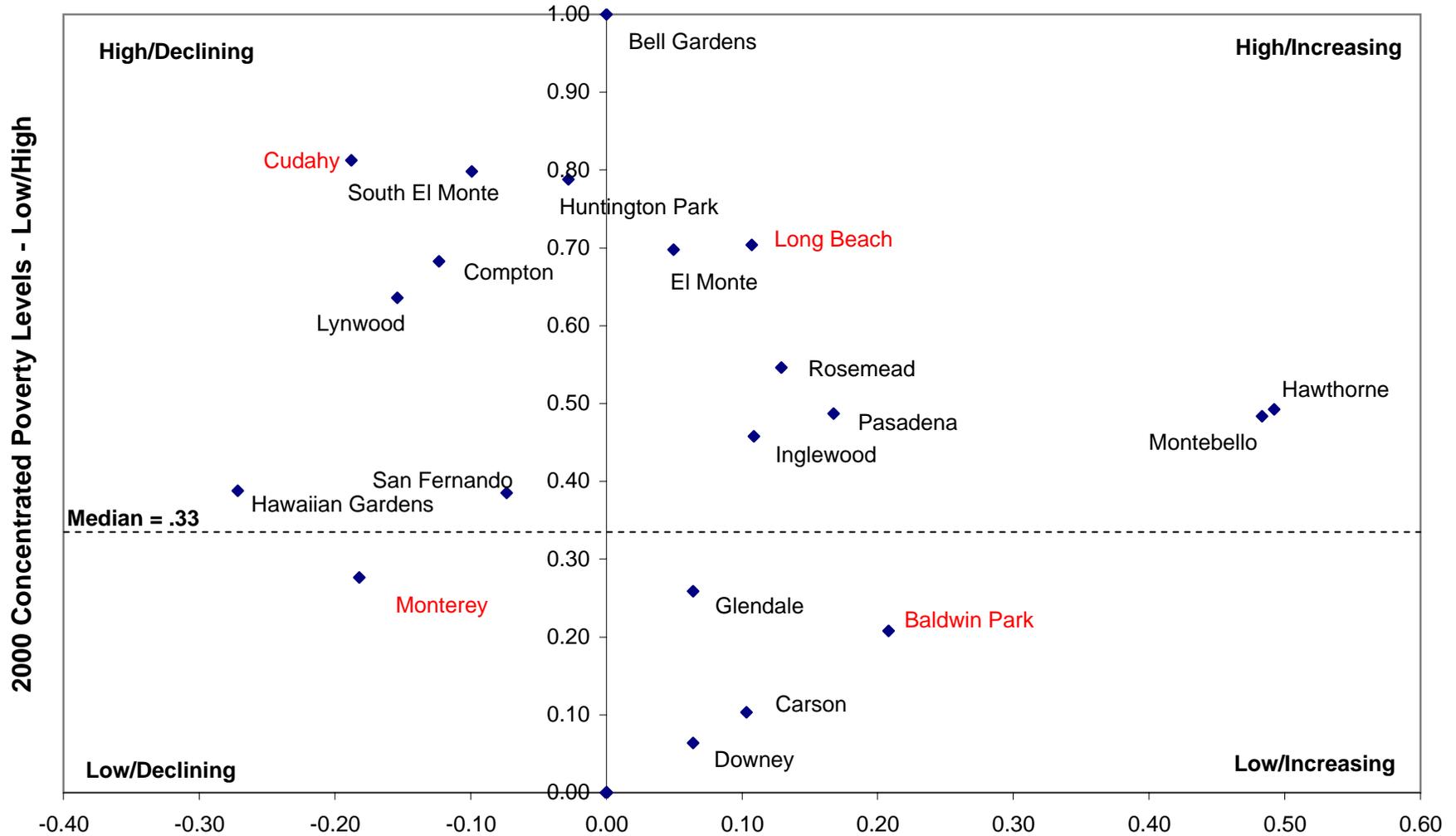
This study utilized field-based methods and data from the 2000 Census of Population and Housing Summary Tape Files 1 and 3 to explore the physical conditions and range of urban life found in areas that have historically been identified as “high poverty” or “extreme poverty” neighborhoods. In doing so, we examine the relevance of the 40 percent criterion. In addition, we focus on both the census tract and city scale of

analysis in recognition that diverse local governments – suburbs as well as inner cities – increasingly share the impacts of concentrated poverty.

First, we randomly selected 30 of the 88 cities located in Los Angeles County, virtually all of which can, at this juncture, be characterized as ‘inner ring’ suburbs due to rapid outward expansion of the greater metropolitan region. Many of these inner suburbs have high poverty rates, but are located outside of the county’s central city (Los Angeles), and are therefore useful for testing the implications of utilizing the 40 percent threshold. We then calculated the Concentration Index (a segregation index used to measure the ratio of poor people that reside in extreme poverty areas) to provide concentrated poverty rates for the years 1990 and 2000 and to illustrate changing patterns of concentrated poverty during the 1990s.

Second, each city was grouped into one of four quadrants based on their 2000 concentrated poverty rate (and whether it was above or below the county median) and the direction of rate change (growth or decline) that occurred between 1990 and 2000 (Figure 4.1). One city was selected from each quadrant for in-depth comparative analysis. These cities included: Monterey Park (below average and declining rate of concentrated poverty), Cudahy (above average but declining rate of concentrated poverty), Long Beach (above average and increasing rate of concentrated poverty), and Baldwin Park (below average but increasing rate of concentrated poverty). This particular method of selection ensured a solid cross-section of cities that are in various economic conditions and experiencing different economic trajectories.

Figure 4.1 - Concentrated Poverty Matrix



Note: The remaining 10 cities demonstrated concentrated poverty rates of 0 in 1990 and no change in 2000

1990-2000 - Decline/Growth In Concentrated Poverty

Source: 1990 & 2000 Census

Third, within each of the selected cities, we identified census tracts with concentrated poverty rates greater than 40 percent. In total, sixteen (16) tracts were identified. However, unlike traditional studies of neighborhood poverty, we adopted an alternative poverty threshold based on 150 percent of the official benchmark. While the debate surrounding the inadequacy of the official poverty index has been well-publicized¹ our usage of this alternative threshold is warranted given the increased cost of living incurred by southern California residents. Recent research conducted by the American Chamber of Commerce Research Association (ACCRA) (2004) reveals that Los Angeles' cost of living composite index score for the first quarter of 2004 (149.9) is greater than that of other large American cities commonly analyzed in the concentrated poverty literature such as Chicago (119.3), Philadelphia (117.2), Baltimore (110.3) and Detroit (109.1). Moreover, while the index considers differences in the costs of several consumer expenditures (transportation, utilities, groceries, miscellaneous goods and services, etc.) the most salient of these, particularly for southern Californians, is housing. Along these lines, Joassart-Marcelli and Wagle (forthcoming) argued that "...basic needs definitions based on the official poverty line may not be accurate enough to reflect regional differences in costs of living. For instance, setting the poverty threshold at 150 or 200 percent of official poverty may be justifiable in the Los Angeles area where housing costs are much higher than in most of the nation, but may not be valid in other regions including mid-western cities" (p. 6). The ACCRA's (2004) housing index score for Los Angeles (235.2) for the first quarter of 2004 was two times that of Baltimore (116.7), and significantly greater than that of Philadelphia (126.3), Detroit (126.4), and

¹ See Orchansky 1978, Levitan and Shapiro 1987, O'Hare et al. 1990, Ruggles 1990, 1991, Swartz and Volgy 1992, Fisher 1992, 1992, Citro and Michael 1995, Joassart-Marcelli, forthcoming.

Chicago (141.9). Further, this particular threshold has been adopted by researchers to analyze conditions of inequality associated with metropolitan growth in Los Angeles (Southern California Studies Center 2001), as well as the effects of race and poverty (and family structure) on children's health (Montgomery et al. 1996). In fact, these researchers argue that "One and a half times the official poverty index, although closer to recent revised poverty estimates, is still a conservative estimate of the population in substandard living conditions" (p. 1402). However, in order to compare our findings with those of others, we also report on the share of households in our selected tracts that fall below the 100 percent of the official poverty threshold (Table 4.1).

Table 4.1 Comparison of Selected Tracts Using Alternative Definitions of 150% and 100% of Poverty

City/Tract	150% of Poverty (Individuals)	100% of Poverty (Individuals)	100% of Poverty (Households)
Baldwin Park			
4047.01	40.7	26.0	24.7
4047.03	46.9	28.0	21.9
4051.02	41.8	25.0	23.4
Cudahy			
5343.01	50.1	32.0	28.1
5343.02	43.3	27.0	26.3
5344.04	58.6	33.0	30.8
5344.05	53.7	32.0	31.8
5344.06	45.1	24.0	23.5
Long Beach			
5752.01	65.0	50.0	42.5
5752.02	67.3	48.0	48.3
5764.01	71.6	49.0	47.3
5764.02	67.2	44.0	40.4
5764.03	69.8	51.0	45.2
Monterey Park			
4817.12	42.4	24.0	19.5
4817.14	47.4	24.0	24.3
5304	46.9	35.0	29.3

Finally, diverging from the many studies that simply employ the 40 percent threshold, and building on previous research on poverty neighborhoods, we selected and measured characteristics that have been commonly associated with “high” or “extreme” poverty neighborhoods. More specifically, we evaluated both the physical characteristics of the selected neighborhoods, as well as the social and economic characteristics of residents in order to ascertain whether or not the 40 percent neighborhoods meet these criteria and, thereby validate the myriad assumptions regarding the physical conditions of ‘extreme poverty areas’, as well as behavioral deviance of residents living within such neighborhoods.

The social and economic characteristics evaluated are those based upon research conducted by Ricketts and Sawhill (1988) and include (1) unemployment rates², (2) high school drop-out rates, (3) receipt of public assistance, and (4) percent female-headed households. These researchers defined an “underclass” – and thus socially deviant – areas as any census tract with high proportions of all four characteristics (defined as one standard deviation above the U.S. mean for a given variable). Further, they asserted that “extreme poverty areas can reasonably be used as a proxy for concentrations of social problems” (p. 322). We reconstructed their analysis utilizing tract data from the 2000 Census. Following our analysis of all U.S. tracts, we calculated the sum, mean, standard deviation, and upper threshold for high proportions of each behavioral category. Table 4.2 provides a listing of these variables and their definitions. Additionally, in order to provide a more detailed assessment of poverty concentration, as well as a greater comprehension of the changing topography of poor areas in the region, tract profiles

² Our definition of unemployment is based upon the definitions available through the Census and, therefore, differs slightly from that of Ricketts and Sawhill (1988).

(Tables 4.3 – 4.5) were constructed to highlight various characteristics (demographic, socio-economic, and housing) within the four study areas. We utilize these profiles to aid in the discussion of our findings.

Table 4.2 - Definition of Underclass Behaviors
(Ricketts and Sawhill 1988)

1. High-school dropouts - The proportion of 16-19 year olds who are not enrolled in school and are not high school graduates.
2. Unemployment – The proportion of unemployed males 16 and older.
3. Welfare recipients - The proportion of households receiving public assistance income.
4. Female-headed households – The proportion of households headed by women with children under 18.

Similarly, we observed the physical conditions and the range of urban life styles within each of the selected neighborhoods. After conducting site visits in numerous metropolitan areas in the Northern, Midwestern and Southern areas of the United States, Jargowsky (1997) concluded that 40 percent neighborhoods “tended to have a threatening appearance, marked by dilapidated housing, vacant units with boarded-up windows, abandoned and burned-out cars, and men ‘hanging out’ on street corners” (p. 11). While these conditions may exist within some high poverty neighborhoods, they serve as broad generalizations and continue to perpetuate negative images while guiding popular beliefs and policy about such areas. Further, the extremely pervasive nature of the 40 percent benchmark within urban poverty and social science research requires more detailed fieldwork, particularly within a society that is becoming increasingly “globalized” as it will emphasize the specific ways in which global economic restructuring serves as a catalyst for local level changes (such as the differentiation of poor areas). Moreover, this represents a more useful and informative methodology, rather than the use of arbitrary thresholds or broad generalizations.

To that end, and with Jargowsky’s (1997) assertions in mind, we conducted a series of investigations, including observation of the condition of the existing urban infrastructure, public services, and economic activity (e.g. conditions of housing, streets, city services, amenities such as parks, as well as levels of commercial investment and apparent economic vitality) in an attempt to examine the validity of his conclusions. Through our empirical investigation, all tracts were visited at various times - weekdays and weekends, afternoons, evenings, and nights – in order to ensure accurate observations. Additionally, we interviewed city planning department staff members to

learn more about the general conditions of the study areas.³ Further, within the tracts, we conducted observations in both residential neighborhoods and commercial districts. In the following sections, we present the results of our two-fold analysis.

³ This is similar to the strategy employed by Jargowsky (1997), who consulted with planners and city officials about the condition of 40% neighborhoods. Our meetings yielded valuable information regarding the housing stock, level of economic activity, and general infrastructure in the selected tracts, as well as the specific demographic and socio-economic dynamics present.

Table 4.3 Demographic Profile

City	Total Pop.	% Poor	%White	%Black	%Latino	%Asian	Med. Age	% Imm.
County Median	9,519,338	29.8	30.9	0.09	44.5	11.8	32	36.2
<i>Baldwin Park</i>								
4047.01	5,786	40.7	4.2	2.2	83.3	9.6	26.7	48.4
4047.03	3,595	46.9	6.0	0.0	90.1	3.7	23.2	44.4
4051.02	4,881	41.8	7.4	1.7	75.4	13.8	28.2	55.2
<i>Cudahy</i>								
5343.01	4,533	50.1	6.4	0.0	93.4	0.13	24.7	54.3
5343.02	3,927	43.3	1.4	0.0	94.7	2.2	22.2	54.8
5344.04	3,875	58.6	5.3	0.67	92.4	1.0	24.5	50.9
5344.05	4,435	53.7	5.6	0.18	93.3	0.85	23.5	51.1
5344.06	4,463	45.1	3.8	0.0	94.9	0.0	22.8	57.8
<i>Long Beach</i>								
5752.01	5,085	65	3.8	21.4	42.5	23.6	24.9	43.6
5752.02	5,347	67.3	1.4	5.7	55.4	31.0	21.7	52.6
5764.01	5,066	71.6	4.7	10.2	59.6	21.6	20.2	48.4
5764.02	5,575	67.2	5.3	9.0	62.0	22.2	21.9	50.5
5764.03	6,082	69.8	7.7	14.8	53.9	19.4	22.2	46.6
<i>Monterey Park</i>								
4817.12	5,273	42.4	3.5	0.17	21.1	70.8	35.9	70.3
4817.14	2,478	47.4	3.3	0.80	13.3	81.5	41.4	71.2
5304	3,853	46.9	4.9	2.7	76.6	13.7	33.4	33.3

Table 4.4 Socio-Economic Profile

City	Med. Inc.	Med. Per Cap. Inc.	% HS Grad	% Emp. in Mfg.	% Emp. in R. Trade	% Unemployment
County Median	\$42,189	\$20,683	18.8	14.8	10.5	8.2
<i>Baldwin Park</i>						
4047.01	\$37,847	\$9,139	19.4	28.0	14.2	7.0
4047.03	\$30,875	\$9,622	21.7	30.2	8.9	12.1
4051.02	\$33,810	\$11,663	17.5	25.6	7.1	9.4
<i>Cudahy</i>						
5343.01	\$29,921	\$9,482	16.5	34.7	8.5	12.7
5343.02	\$34,679	\$9,791	13.9	23.2	7.0	13.3
5344.04	\$24,784	\$7,746	16.9	23.7	8.8	10.7
5344.05	\$24,786	\$7,036	15.8	33.2	9.0	9.3
5344.06	\$29,079	\$7,689	16.2	38.9	10.3	8.4
<i>Long Beach</i>						
5752.01	\$19,388	\$8,741	21.4	20.4	15.8	18.1
5752.02	\$20,924	\$6,000	12.1	28.6	8.7	18.6
5764.01	\$18,285	\$6,453	17.0	15.9	8.0	15.9
5764.02	\$21,198	\$6,811	15.6	16.9	15.5	23.4
5764.03	\$19,122	\$8,140	17.8	18.4	9.6	19.8
<i>Monterey Park</i>						
4817.12	\$26,136	\$12,987	21.0	22.5	11.3	6.4
4817.14	\$22,174	\$10,074	13.8	23.5	12.3	10.3
5304	\$24,630	\$10,763	20.1	8.9	12.3	16.8

Table 4.5 Housing Profile

City	% Homeowners	Med. Home Value	GRent = 50%+ of Inc.	% of HH w/4+ Peo.
County Median	50.1	\$201,400	21.6	14.8
<i>Baldwin Park</i>				
4047.01	70.6	\$136,900	24.6	67.8
4047.03	40.1	\$137,200	31.2	64.0
4051.02	50.9	\$127,200	23.7	65.1
<i>Cudahy</i>				
5343.01	14.9	\$102,100	19.6	61.4
5343.02	16.8	\$160,200	21.6	75.6
5344.04	22.7	\$104,200	20.8	61.0
5344.05	11.3	\$146,700	25.2	68.2
5344.06	9.5	\$197,700	20.1	72.2
<i>Long Beach</i>				
5752.01	23.3	\$128,400	17.5	48.9
5752.02	20.1	\$153,500	29.5	63.3
5764.01	11.1	\$155,400	31.7	58.7
5764.02	17.6	\$151,000	34.7	58.7
5764.03	11.0	\$125,800	30.6	55.4
<i>Monterey Park</i>				
4817.12	30.2	\$187,500	21.2	41.3
4817.14	24.0	\$184,500	31.6	32.4
5304	37.1	\$169,700	14.2	36.8

IV. The Geographic Differentiation of Poor Neighborhoods in Southern California

The results of our quantitative analysis are shown in Table 5.1. Contrary to the assertions of Ricketts and Sawhill (1988), our analysis of rates of female-headed households, high school drop-outs, unemployment, and welfare dependency revealed that only *two* of the 16 tracts meeting the 40 percent threshold had scores that were one standard deviation above the mean on all four indicators – Tracts 5343.02 (Cudahy) and 5752.01 (Long Beach).

Cudahy's Tract 5343.02 is characterized by a population of very young Latinos (94%) half of whom are foreign-born. This particular tract possessed a relatively low rate of concentrated poverty based on the 150 percent poverty threshold (43%), which is consistent with the fact that it had the second-highest highest median income level in the entire sample, and a relatively high per capita income level, as well. Just over a quarter of households had income below 100 percent of the official poverty threshold. Despite these relatively favorable socio-economic traits, however, this tract possessed an extremely low percentage of both high school graduates and residents employed in retail trade, and suffered from a relatively high level of unemployment. Although the tract has one of the highest median home values in the entire sample, the vast majority of the residents are renters - further complicating matters. Three-quarters of the households are large, having 4 or more residents, and a relatively high percentage spend 50 percent or more of their income on rent.

TABLE 5.1 U.S. Tract Analysis Results

	% Female Headed Households	% High School Dropouts	% Unemployment	% Welfare Recipients
SUM	7225.43	7287.40	2784.72	2530.07
MEAN	0.11	0.11	0.04	0.04
STDEV	0.092066716	0.144581105	0.039840916	0.047054398
Upper Threshold (M+STD)	0.20	0.26	0.08	0.09

Sample Tract Analysis Results

	% Female Headed Households	% High School Dropouts	% Unemployment	% Welfare Recipients
Cudahy				
5343.01	0.14	0.12	0.06	0.11
5343.02	0.20	0.32	0.08	0.13 *
5344.04	0.18	0.20	0.05	0.16
5344.05	0.16	0.15	0.06	0.11
5344.06	0.22	0.19	0.04	0.16
Baldwin Park				
4047.01	0.10	0.05	0.05	0.14
4047.03	0.11	0.23	0.06	0.12
4051.02	0.11	0.11	0.07	0.08
Long Beach				
5752.01	0.24	0.28	0.08	0.19 *
5752.02	0.24	0.21	0.07	0.27
5764.01	0.32	0.14	0.06	0.35
5764.02	0.27	0.19	0.12	0.24
5764.03	0.34	0.18	0.11	0.34
Monterey Park				
4817.12	0.08	0.12	0.03	0.14
4817.14	0.08	0.00	0.06	0.16
5304	0.19	0.07	0.12	0.16

Tract 5752.01 in Long Beach is heavily Latino (42.5%), but contains significant percentages of Asians and Blacks, as well. The tract population is young, and has a lower share of immigrants than all but one other tract in our sample. In addition, the tract possesses one of the highest percentages of high school graduates. Meanwhile, 42.5% of the households have income levels below 100 percent of the poverty level and the concentrated poverty rate based on 150 percent of the poverty threshold (67.3%) was the third highest in the entire sample. Again, this is consistent with low median household incomes and moderately low per capita incomes observed here. With the highest percentage of residents employed in retail trade, the tract also possessed the highest unemployment rate in the entire sample. Nearly half of the households are large (4 or more residents), and although the majority of them are renters, very few have high rent-to-income ratios compared to other tracts in the sample.

Although the remaining (14) tracts failed to meet the criteria set forth by Ricketts and Sawhill (1988), those tracts located in Cudahy were similar to Tract 5343.02 and those located in Long Beach were similar to Tract 5752.01. However, clusters of tracts in each city differed from each other in important respects, and their landscapes did not always conform to expectations of dilapidation and social dislocation suggested by the concentrated poverty or 'underclass' literatures. Contrary to the findings of Jargowsky (1997), our qualitative assessment, supported by discussions with planners from the respective cities, revealed few if any dilapidated or abandoned housing structures, burned-out cars, and loiterers wandering the streets. Instead, our sample of 40 percent neighborhoods possessed a range of urban life, including some run-down housing and streetscapes, but also enjoying well-maintained (and in some cases newly developed)

housing, safe, well-paved streets, the presence of franchise commercial and retail businesses similar to those found throughout the region, as well as “mom and pop” establishments, extensive public transportation networks, and well-maintained outdoor parks and public recreation areas.

These findings about inner suburban poverty landscapes call into question the ability to use either Ricketts and Sawhill’s criteria or the 40 percent threshold to identify ‘extreme’ poverty areas that fit stereotypical notions of the inner city ‘ghetto’ and associated behavioral pathologies believed to characterize such places. In what follows we briefly sketch out the heterogeneous landscapes of these ‘extreme poverty’ neighborhoods. Additionally, and in order to enhance our in-depth analysis of each area, we utilize GIS maps (Figures 5.1 – 5.4) to highlight the spatial distribution of four specific variables: poverty, the relationship between race and poverty, unemployment, and immigration.

Baldwin Park

In the Baldwin Park census tracts meeting the 40 percent threshold, relatively young Latinos comprise the majority of the tract populations (75.4% to 90.1%). Additionally, these tracts had the lowest percentage of immigrants in the 14-tract sample (44.4% to 55.2%). Consistent with the fact that the share of households below 100 percent of the poverty threshold was relatively low (21.9% - 24.7%), the tracts demonstrated the highest median incomes in the entire sample (\$30,875 to \$37,847 compared to an LA County median of \$42,189) and relatively high per capita incomes (\$9,139 to \$11,663), as well. Meanwhile, unemployment rates were relatively high with two of the three tracts (4051.02 and 4047.03) having levels greater than the county

median. Finally, households are large and, despite having relatively low median home values and the highest rates of homeownership (40.1% to 70.6%) in the entire sample, it is home to a significant number of rent-burdened households.

The selected tracts in Baldwin Park demonstrated a greater variety of lower-density housing than other tracts in our sample. The dwelling stock was comprised mainly of small apartments and modest single-family homes of various sizes. Most structures were well maintained and had lawns that were nicely manicured, although some were unkempt. The streets were well paved and a number of development projects were in evidence, including additions to some of the homes. During our visit several residents were enjoying themselves at the local park (children participating in day camp, seniors enjoying card games, etc.). Again, several strip-malls offered a variety of stores, including a Blockbuster Video store, fast food restaurants, ninety-nine cent stores, laundry mats, and small “mom and pop” retail establishments accessible by bus.

Cudahy

Less racially balanced than Baldwin Park, the selected tracts in Cudahy are dominated by younger Latinos (92.4% to 94.9%) - at least one-half of whom were immigrants. The percentage of households below 100 percent of the official poverty threshold ranged from 23.5% to 31.8%. In addition, the tracts demonstrated the second-highest median household incomes (\$24,784 to \$34,679) and per capita incomes (\$7,036 to \$9,791), as well as the highest percentages of residents employed in the manufacturing industry. Still, the tracts house the most poorly educated residents in the entire sample, greater than average unemployment rates, and the lowest rates of homeownership. Finally, household sizes are some of the largest in the sample of 14 tracts, with 60-75

percent having four or more occupants. And despite extreme variations in median home values the area is home to a significant percentage of rent-burdened households.

In Cudahy, we discovered the presence of high-density housing, including small apartments, small single-family residential structures and mobile homes – many of which had their front doors open – speaking to the perceived safety of these neighborhoods. Further, we witnessed residents, including families, walking the streets, playing in the local park (part of a large public recreation center) and enjoying themselves at a local fair. Finally, we identified several commercial, retail, and service establishments present and being frequented by neighborhood residents. These included Kaiser Permanente and Downey Bank, as well as a Super K-Mart, Big Lots, several strip-malls, and a variety of fast food restaurants that were accessible by bus.

Long Beach

The cluster of tracts in Long Beach is the poorest, youngest, most racially diverse, and most disconnected from the formal labor market of the 14-tract sample. The population is very young and a large share is foreign-born (43.6% to 52.6%). The percentage of households below 100 percent of the poverty threshold ranged from 40.4% to 48.3% - and thus these tracts fell into the ‘concentrated poverty’ category regardless of which poverty measure was used. Consistent with these characteristics, these tracts possessed the lowest median household incomes (\$18,285 to \$21,198) and per capita incomes (\$6,000 to \$8,741) in the entire sample, as well as the greatest percentages of unemployment (15.9% to 23.4%). Finally, the selected tracts demonstrated extremely low rates of homeownership (11.0% to 23.3%), and the greatest concentration of rent-burdened households in the entire sample.

The selected tracts in Long Beach contained numerous single-family homes and apartment buildings. Unlike the other clusters of tracts, and consistent with its deeper poverty, this particular area suffered from declining infrastructure (poorly paved streets, sidewalk debris, and poorly lit, dirty alleys) and, most notably, a lack of major retail stores. The economic well being of these neighborhoods is constrained, as indicated by the presence of low-end jewelry stores, and small “mom and pop” markets, ninety-nine cent stores, restaurants (fast food and sit-down), and laundromats. However, we did observe a well-maintained library and a well-manicured park, that was sufficiently lit and hosted well-attended soccer and basketball games.

Monterey Park

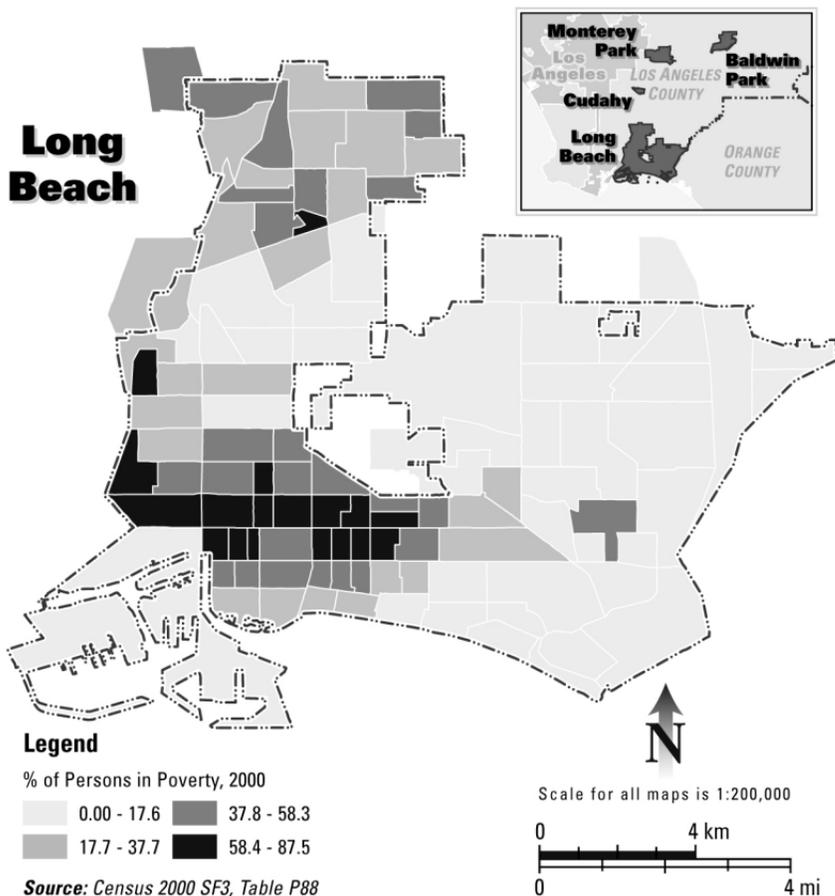
Two of the tracts in Monterey Park were predominantly Asian (70% and 81.5%), (most of whom are immigrants), while the remaining tract was primarily comprised of native-born Latinos (76.6%). In addition, median ages were far higher than the county median (33.4 to 41.4 yrs.), reflecting the fact that many younger immigrants have been united with their parents and older relatives. Further, despite having median household incomes that were significantly lower, the tracts had the lowest percentage of households below 100 percent of the official poverty threshold (19.5 to 29.3) and the highest per capita income levels in the entire sample (\$10,074 to \$12,987). Given relatively small shares of large households, this suggests a somewhat more affluent population, fewer of whom need to crowd into large households and pool income in order to make ends meet. Education and housing characteristics support this picture, as the area possessed percentages of high school graduates greater than the county median, homeownership

rates of 24.0% to 37.1%, significantly higher median home values (by comparison to others in the sample), and lower percentages of rent-burdened households.

Monterey Park's landscape was consistent with this picture of an older, slightly more affluent area. We observed a wide variety of housing structures in close proximity, including apartment buildings on deep lots, smaller well-maintained homes, and beautiful, newly built homes. Meanwhile, some homes were in need of repair. While none of the streets were poorly maintained, some looked as if they had been recently paved. A wealth of commercial establishments was observed, including restaurants, medical centers, pharmacies, small businesses (cellular phone stores and hair salons), banks (Union Pacific, Citibank, Bank of America), grocery stores, academic assistance centers, and travel offices – all accessible via an expansive public transportation system that included three different types of buses. Further, we observed residents of all ages, including the elderly, walking through the neighborhood and enjoying themselves at a large, well-maintained park/public recreation center.

Figure 5.1

Poverty



Cudahy

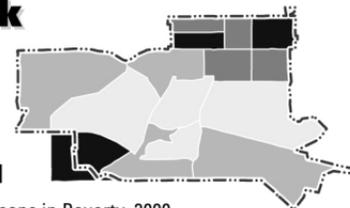


Legend

% of Persons in Poverty, 2000



Monterey Park

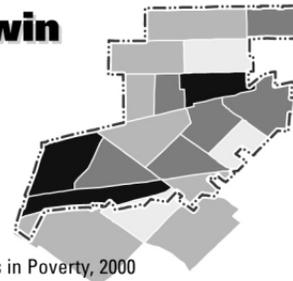


Legend

% of Persons in Poverty, 2000



Baldwin Park



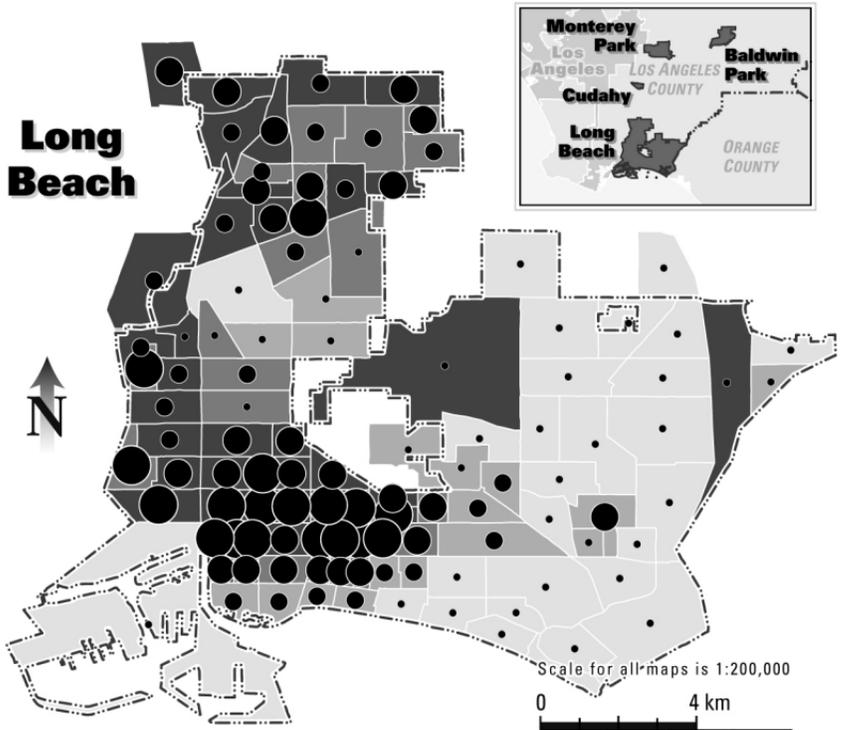
Legend

% of Persons in Poverty, 2000

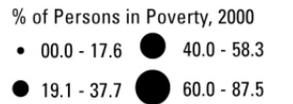


Figure 5.2

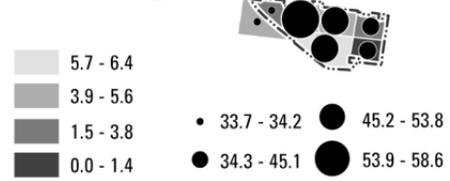
Race/Poverty



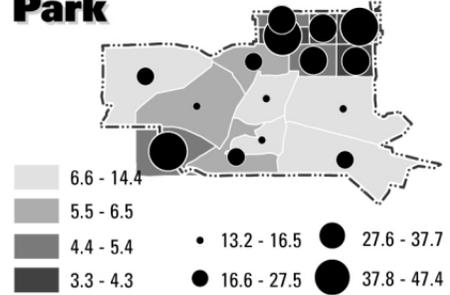
Legend



Cudahy



Monterey Park



Baldwin Park

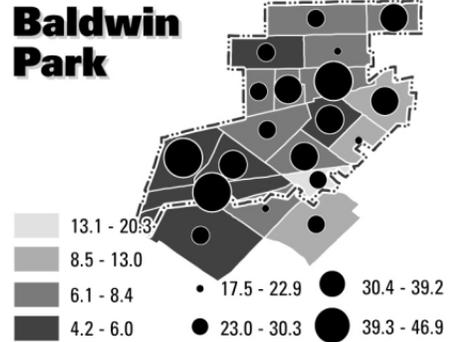
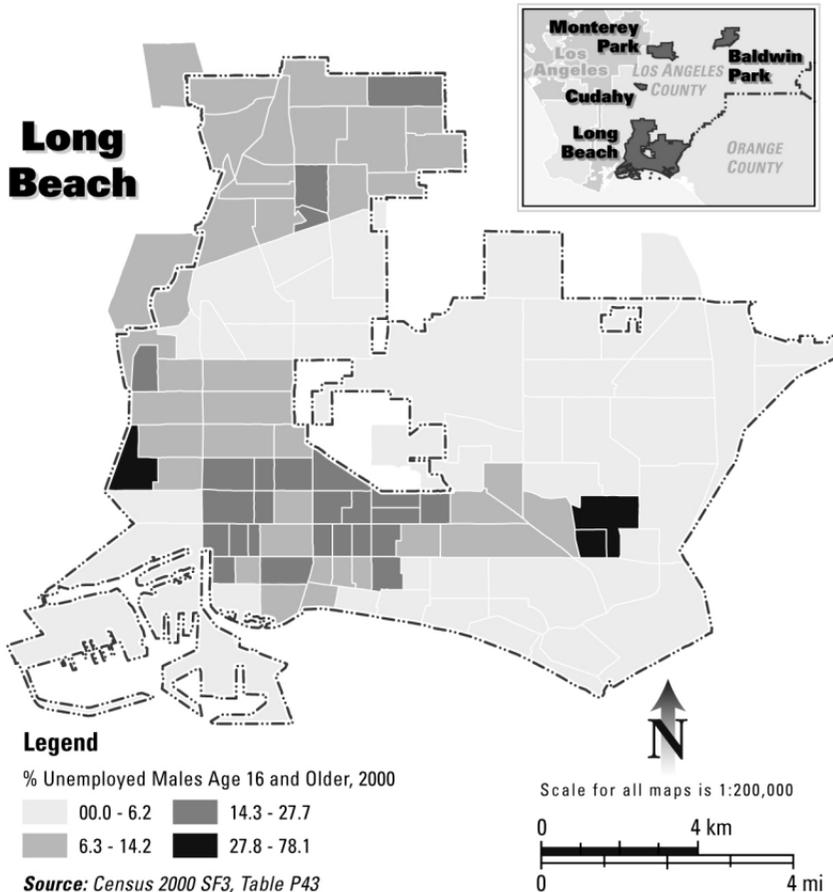


Figure 5.3

Unemployment



Cudahy

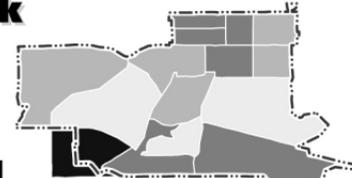


Legend

% Unemployed Males Age 16 and Older, 2000



Monterey Park



Legend

% Unemployed Males Age 16 and Older, 2000



Baldwin Park



Legend

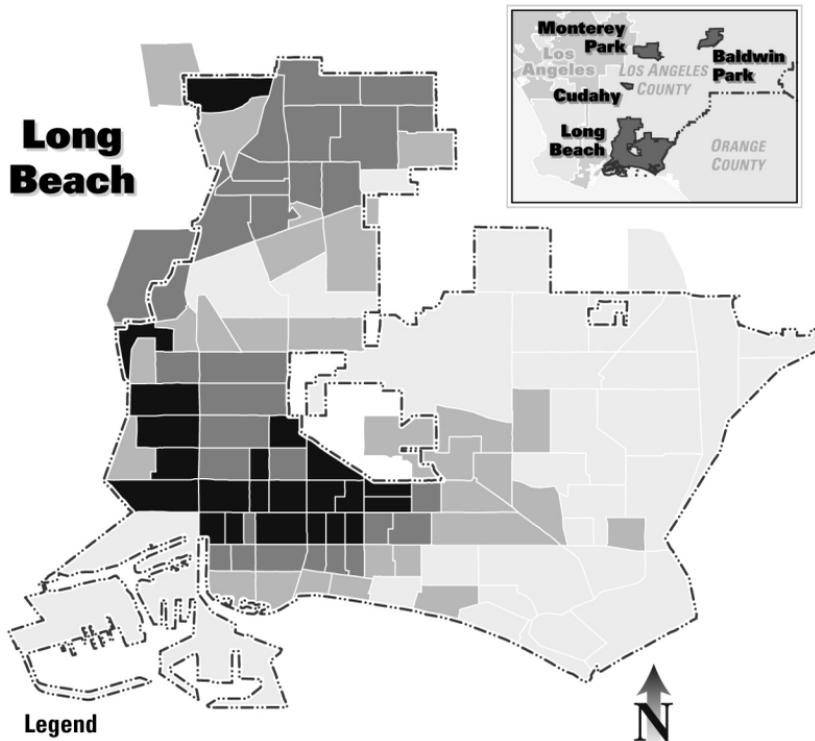
% Unemployed Males Age 16 and Older, 2000



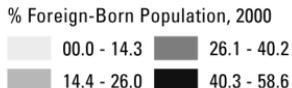
Source: Census 2000 SF3, Table P43

Figure 5.4

Foreign-Born Population



Legend



Source: Census 2000 SF3, Table PCT20

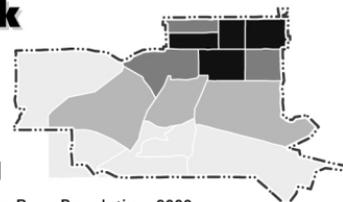
Cudahy



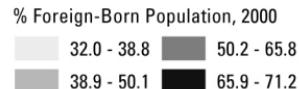
Legend



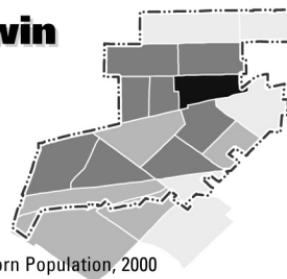
Monterey Park



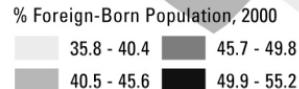
Legend



Baldwin Park



Legend



VI. Conclusion

Traditional methods of poverty measurement and resulting conceptualizations of impoverished neighborhoods are based upon a Midwestern/Northeastern-based model that emphasizes the misfortune of African Americans trapped in declining inner cities (Wilson 1987, Myers 2002). However, concentrated poverty is a geographic phenomenon that is dependent upon place-specific local and regional forces (Kodras 1997, Cooke 1999) as well as broader economic forces situated at the nation-state and global scales.

The results of our quantitative analysis, field-based research, and tract profiles based on 2000 Census data, reveal robust empirical findings that illustrate the changing landscape of concentrated poverty neighborhoods, as well as the increasing differentiation of such neighborhoods. Based on an analysis of inner-ring suburbs, findings challenge long-standing assumptions regarding the ‘urban’ nature of the concentrated poverty phenomenon and its ties to ‘urban underclass’ populations. In addition, they challenge the use of traditional poverty measurement tools - namely the 40 percent threshold - to denote neighborhoods of ‘extreme’ poverty and concentrations of social ills, as well as the physical make-up of these areas and social characteristics of those who reside there.

Our quantitative analysis empirically demonstrated that “40 percent” neighborhoods are not, in fact, disproportionately home to residents with dysfunctional behaviors or social ills. And in doing so, we challenge the assertion of Ricketts and Sawhill (1988) that such neighborhoods “are proxies for social problems” (p. 322). Instead, within a globalizing region such as Southern California, such neighborhoods

may illustrate the effects of attendant economic and demographic restructuring processes, characterized by immigrant populations (both young, and older immigrants reunited with families), and a growing number of low-skill, low-wage, nonunionized employment positions necessary to support burgeoning manufacturing and retail sectors linked to global trade and local-service industries. Not surprisingly, these types of communities share low homeownership rates, crowded housing, and high rent-to-income burdens.

Finally, our extensive analysis of the selected 40 percent tracts underscores the inappropriate nature of this particular measure and its inability to highlight emerging trends in the landscape of concentrated urban poverty. In particular, the presence of large immigrant Latino households, many of whom are supported by young, poorly educated individuals, trapped in low-skill, low-wage manufacturing and retail employment positions and, due to a long-standing housing crisis, are forced to pay expensive housing costs, clearly speaks to the presence of a burgeoning working poor population. Despite significantly greater levels of racial diversity (Blacks, Whites and Cambodians), and higher unemployment rates (suggesting a deeper spatial/skills mismatch and/or inability of Cambodian refugees to obtain jobs), the tracts in Long Beach demonstrate similar characteristics. Meanwhile, in Monterey Park, we found an older, predominantly Asian, immigrant population, as well as an older, native-born Latino population. Despite differences in race and educational attainment, many of these residents work full-time, but are unable to obtain enough income to rise above the poverty threshold – a story that is at odds with the picture painted – for more than two decades - by research using the 40 percent measure.

What does our analysis suggest with respect to future research? There are four areas that warrant closer scrutiny by those concerned with understanding such subjects. First, the inadequacies embedded within the current quantitative methods of poverty measurement suggest that, used alone, such measures depict only a portion of the range of ‘urban life’ that exists within poverty neighborhoods. In particular, the 40% threshold – currently the primary means of identifying ‘extreme’ poverty neighborhoods – conjures notions of geographic spaces marked by blighted and decayed structures lining barren streets and occupied by residents (typically African American) afflicted with dysfunctional behaviors. We have demonstrated that this is misleading. Moreover, it also represents a “hands-off” approach to poverty measurement based upon simple assumptions, rather than nuanced empirical research and fails to capture the specific politics of place or everyday lived experiences in such spaces. Such false portrayals often lead to the formation of negative perceptions (e.g., the ‘urban underclass’) that are long lasting and difficult to overcome.

Future research should involve the use of a mixed methodology incorporating not only quantitative measures, but also qualitative techniques to substantiate research findings. Such techniques may involve ethnographies, including the use of field notes as well as interviews with community leaders and residents, structured observations and visual methods such as photography. Used in tandem with quantitative methods, such techniques may be better suited to capture and articulate the specific factors associated with newly evolving patterns of concentrated poverty.

Along these lines, our extensive fieldwork and detailed demographic analysis revealed that the selected tracts contained large working poor and immigrant populations,

and may therefore be considered ‘gateway cities’ or immigrant entry-points. While this may be true, it further demonstrates that – contrary to poverty literature and popular belief – all concentrated poverty neighborhoods are not the same. Moreover, it typifies the increasing level of differentiation presently occurring within these areas. Therefore, researchers should avoid the use of broad generalizations in conceptualizing concentrated poverty neighborhoods, as they may differ significantly in terms of their demographic and socio-economic characteristics depending on their geographic location and related economic factors.

Second, since the early 1970s, the term ‘urban underclass’ has been employed to describe the poorest poverty populations and, more importantly, as a racial code word (Gans 1993). This study reveals the weaknesses in Ricketts and Sawhill’s (1988) argument and demonstrates that ‘40% neighborhoods’ should not be considered “proxies for social problems” (p. 322). Additionally, the results of this study should divert scholars’ attention from individual level behaviors such as rates of high school drop-outs, unemployment, welfare recipients, and female-headed households and, instead, direct it toward the presence of the underlying structural catalysts for poverty. These include shifts in the global economy, related immigration trends, and the rise in low-wage, non-unionized employment opportunities that together have resulted in a burgeoning working-poor population. Recognizing these structural drivers of poverty, we need research that connects specific policies commonly associated with globalization, including the liberalization of trade and foreign investment, privatization of state property rights, deregulation of industry, minimization of private associations (namely unions), and decreases in the level of general public expenditures (including welfare and other social

services) and their polarizing effects have led to conditions of severe geographic unevenness. While there is a growing body of literature that offers theoretical and abstract notions of various facets of global economic restructuring, including the emergence of the ‘informational’ economy (Castells 1998, 1999) and ‘global’ cities (Sassen 2001, 2002), we need to begin speaking of the explicit ways that such phenomena manifest themselves in the increasingly heterogeneous landscapes of U.S. cities.

One such example might focus on the relationship between economic restructuring and employment processes at the local level. The well-publicized argument offered by Wilson (1987) emphasized that increasing levels of poverty concentration within poor neighborhoods were highly correlated with decreasing employment opportunities, as deindustrialization severely restricted the number of blue-collar/manufacturing positions available to local residents. However, our research reveals that this particular line of reasoning does not apply in the case of southern California, and, quite possibly, other ‘globalizing’ regions. Instead, the selected tracts are home to numerous employment positions, as a significant percentage of residents are employed within the manufacturing and, to a lesser extent, retail service sectors. Many of these, however, are low-wage positions and, therefore, residents do not earn sufficient wages to eclipse the poverty line. Such findings emphasize the need to better comprehend the ways that local labor markets interact with concentrated poverty neighborhoods. In particular, the types of jobs and industries that locate near concentrated poverty neighborhoods, as well as the means by which local residents learn about and gain access to jobs and construct and utilize social networks may reveal a great

deal about the relationship between local restructuring and concentrated poverty neighborhoods.

Third, while this research has utilized both place and people-based perspectives in our investigation of the selected concentrated poverty tracts, Los Angeles remains a major immigrant destination. Therefore, many of the residents for whom socio-economic characteristics were obtained were immigrants living in specific places at a specific time. However, recent research has asserted that “at a given point in time, measurement of residents’ characteristics includes the most disadvantaged newcomers to a city, but not the more advantaged ‘graduates’ from the place” (Myers 2002, p. 25). Therefore, as foreign-born residents improve their economic and housing circumstances over time and move out of poverty, they often relocate to other neighborhoods. Future research should examine the various policy implications that accompany an explicit focus on the residents of concentrated poverty neighborhoods over time.

Lastly, recent research has discussed the correlation between increasing poverty levels and costs associated with the provision of municipal expenditures, such as police, fire, etc. (Pack 1998). This emphasizes the ever-increasing increasing burden faced by localities – cities and counties – to address not only poverty conditions, but also the indirect or ‘uncompensated’ costs associated with them (Joassart-Marcelli, Musso and Wolch, forthcoming). Future research, therefore, should investigate the distribution of concentrated poverty at varying spatial scales – not just the census tract. Rather, we need to understand how varying concentrated poverty landscapes impact those jurisdictions that bear either the *de jure* or *de facto* responsibility for the health, safety, and welfare of

residents, as well as the impacts on entire metropolitan regions and their inner city, inner suburb, and outlying areas.

Our research has questioned the environmental and behavioral criterion behind the 40 percent threshold. The results of our analysis demonstrate that places commonly believed to be suffering from extreme levels of dysfunction, crime, disinvestment, blight and decay are, in many cases, reasonably clean, safe, well-maintained and home to a variety of public facilities and commercial/retail establishments. This reinforces the notion that poverty neighborhoods vary from each other and, thus, face different challenges, as the catalysts for poverty are diverse in nature (eg: immigration and low-wage employment, spatial/skills mismatches and unemployment, lack of affordable housing, high rent-to-income ratios, and low rates of homeownership, etc.). To that end, these areas have different needs as well as associated equity constraints. Currently, people-and place-based anti-poverty policies are constructed from a ‘one size fits all’ frame of reference. However, as the landscape of poverty becomes increasingly complex and heterogeneous, policy makers must be open to the development and implementation of more flexible, innovative place-specific policies that are able to address the multi-faceted nature of poverty neighborhoods as well as that of their residents.

Working Bibliography

ACCRA (8/19/2004). www.accra.org/media.

Auletta, K. 1982. *The Underclass*. Random House: New York.

Bureau of the Census. 1970. "Low-Income Areas in Large Cities". Subject Report. U.S. Department of Commerce: Washington D.C.

Castells, M. 1998. *End of Millennium*. Oxford: Blackwell.

Castells, M. 1999. *The Informational City: Information Technology, Economic Restructuring, and the Urban-Regional Process*. Blackwell: Oxford.

Clark, K., and R. Nathan. 1982. The Urban Underclass. In *Critical Issues for a National Policy: A Reconnaissance and Agenda for Further Study* (p. 33-53). Washington D.C.: National Research Council, Committee on National Urban Policy.

Cooke, T. 1999. "Geographic Context and Concentrated Urban Poverty within the United States". *Urban Geography* 20,6:552-566.

Danzinger, S. and Gottshalk, P. 1987. "Earnings Inequality, the Spatial Concentration of Poverty, and the Underclass". *American Economic Review* 77, 2:211-215.

Gans, H. 1990. "Deconstructing the Underclass: The Term's Dangers as a Planning Concept". *Journal of the American Planning Association (Summer)*: 271-277.

Glasgow, D.G. 1980. *The Black Underclass: Poverty, Unemployment, and Entrapment of Ghetto Youth*. Jossey-Bass: San Francisco.

- Goetz, E. 2000. "The Politics of Poverty Deconcentration and Housing Demolition". *Journal of Urban Affairs* 22(2):157-173.
- Greene, R. 1991. "Poverty Concentration Measures and the Urban Underclass". *Economic Geography* 67, 240-252.
- Harrington, M. 1962. *The Other America: Poverty in the United States*. Macmillan: New York.
- Hughes, M. 1989. "Misspeaking Truth to Power: A Geographical Perspective on the Underclass Fallacy". *Economic Geography* 65, 187-207.
- Jargowsky, P. 1994. "Ghetto Poverty Among Blacks in the 1980s" *Journal of Policy Analysis and Management* 13(2): 288-310.
- Jargowsky, P. 1997. *Poverty and place: ghettos, barrios, and the American city*. New York: Sage.
- Jargowsky, P. 2003. "Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s". *The Living Cities Series*: Brookings Institution.
- Jargowsky, P. and Bane, M. 1991. "Ghetto Poverty in the United States, 1970 to 1980". in *The Urban Underclass* edited by Christopher Jencks and Paul E. Peterson. Washington, D.C.: The Brookings Institution.
- Jencks, C. 1989. "What is the Underclass – and is it Growing"? *Focus* 12(1): 14-26.
- Joassart-Marcelli, P., A. Alonso, N. Sessoms, and J. Wolch. 2003. *Spatial Poverty Concentration in Southern California: A Multidimensional Analysis*. Working Paper. Department of Geography. University of Southern California.

- Joassart-Marcelli, P. and U. Wagle. 2002. "Working Poverty in Southern California: Towards an Operational Measure". Working Paper. Department of Geography. University of Southern California.
- Joassart-Marcelli, P. and U. Wagle. 2002. "Working Poverty in Southern California: Towards an Operational Measure". Working Paper. Department of Geography. University of Southern California.
- Kodras, J. 1997. "The Changing Map of American Poverty in an Era of Economic Restructuring and Political Realignment". *Economic Geography* 73, 67-93.
- Lewis, O. 1966. *La Vida: A Puerto Rican Family in the Culture of Poverty – San Juan and New York*. Random House: New York.
- Li, W. 1998. "The Anatomy of a New Ethnic Settlement: The Chinese Ethnoburb in Los Angeles". *Urban Studies* 35,3: 479-501.
- Li, W. 1999. "Building Ethnoburbia: The Emergence and Manifestation of the Chinese Ethnoburb in Los Angeles' San Gabriel Valley". *Journal of Asian American Studies* 2: 1.
- McLanahan, S. I. Garfinkel, and D. Watson. 1986. Family Structure, Poverty, and the Underclass. Paper prepared for Workshop on Contemporary Urban Conditions sponsored by the Committee on National Urban Policy of the National Research Council. Washington D.C., July 16-17.
- Madden, J. 1996. "Changes in the Distribution of Poverty Across and Within the U.S. Metropolitan Areas, 1979-1989". *Urban Studies* 33,9:1581-1600.
- Massey, D. and Eggers, M. 1990. "The Ecology of Inequality: Minorities and the Concentration of Poverty, 1970-1980". *American Journal of Sociology* 95(5):1153-1188.

- Mincy, R., Sawhill, I., and D. Wolf. 1990. "The Underclass: Definition and Measurement". *Science* 248, 450-453.
- Mulherin, S. 2000. "Affordable Housing and White Poverty Concentration". *Journal of Urban Affairs* 22,2:139-156.
- Murray, C. 1990. "The British Underclass". *The Public Interest* 99: 4-28.
- Myers, D. 2002. "Demographic Dynamism in Los Angeles, Chicago, New York, and Washington D.C." in Dear, M. (ed.). From Chicago to L.A.: Making Sense of Urban Theory. Sage: Thousand Oaks.
- Myrdal, G. 1944. *An American Dilemma: The Negro Problem and Modern Democracy*. Harper & Brothers: New York.
- Nathan, R. 1987. "Will the Underclass Always Be with Us?" *Society* (March-April): 57- 62.
- Orfield, M. 1997. *Metropolitics: A Regional Agenda for Community and Stability*. Washington D.C.: Brookings Institution Press.
- Pastor, M. Jr., and E. Marcelli, 2000, Men N the Hood: Skill, Spatial, and Social Mismatch among Male Workers in Los Angeles County. *Urban Geography*, Vol. 21, 474-496.
- Ricketts, E. and I. Sawhill. 1988. "Defining and Measuring the Underclass". *Journal of Policy Analysis and Management* 7:316-325.
- Ricketts, E., and R. Mincy. 1990. "Growth of the Underclass: 1970-1980". *The Journal of Human Resources* 25(1): 137-145.

- Sanchez-Jankowski, M. 1999. "The Concentration of African-American Poverty and the Dispersal of the Working Class: An Ethnographic Study of Three Inner-City Areas". *The International Journal of Urban and Regional Research* 23(4): 619-638.
- Sassen, S. 2001. *The Global City: New York, London, Tokyo*. Princeton University Press: Princeton.
- Sassen, S. (ed.) 2002. *Global Networks, Linked Cities*. Routledge: New York.
- Sawhill, I. 1987. Anti-poverty Strategies for the 1980s. In *Work and Welfare: the Case for New Directions in National Policy*, Center for National Policy, Alternatives for the 1980s, No. 22. Washington D.C.: Center for National Policy.
- Scott A., and E. Soja, editors, 1996, *The City: Los Angeles and Urban Theory at the End of the Twentieth Century*. Berkeley, CA: University of California Press.
- Van Haitsma, M. 1989. "A Contextual Definition of the Underclass". *Focus* 12(1): 27-31.
- Wilson, W. 1987: *The Truly Disadvantaged: The Inner City, The Underclass, and Public Policy*. University of Chicago Press: Chicago.
- Wolch, J., Pastor, M., Joassart-Marcelli, P., and Dreier, P., in press, Region by Design: Public Policy and the Making of Southern California. In J. Pack, editor, *Forging Metropolitan Solutions*. Washington, DC: Brookings Institution Press.