US More Segregated in Rich and Poor Neighborhoods

By Barry Grey
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A new study released Wednesday on the relationship between family income and housing patterns in the US provides a stark picture of a society in which economic disparities are increasingly reflected in the physical separation of different income groups. It underscores the degree to which social inequality pervades every aspect of life in America.

The study, authored by Stanford University researchers and published jointly by the Russell Sage Foundation and Brown University, concludes that the proportion of American families living in middle-income neighborhoods has declined sharply over the past four decades, while the share of families living in either poor or affluent neighborhoods has dramatically increased.

The report, entitled "More Unequal and More Separate: Growth in the Residential Segregation of Families by Income, 1970-2009," notes that the trend has accelerated this decade.

The study's abstract begins: "As overall income inequality grew in the last four decades, high- and low-income families have become increasingly less likely to live near one another. Mixed income neighborhoods have grown rarer, while affluent and poor neighborhoods have grown much more common.

"In fact, the share of the population in large and moderate-sized metropolitan areas who live in the poorest and most affluent neighborhoods has more than doubled since 1970, while the share of families living in middle-income neighborhoods dropped from 65 percent to 44 percent."

The authors stress that affluent families have grown far more "residentially isolated" than poor families over this period.

The study is based on an analysis of Census and other data for large and moderate-sized metropolitan areas in the US, defined as those having populations of at least 500,000 in 2007, a total of 117 metro regions that account for roughly two-thirds of the US population. The authors found that neighborhoods have grown more segregated in terms of family income in 89 percent of these areas.

The report states: "In 1970, only 15 percent of families were in neighborhoods that we classify as either affluent (neighborhoods where median incomes were greater than 150 percent of median income in their metropolitan areas) or poor (neighborhoods where median incomes were less than 67 percent of metropolitan median income). By 2007, 31 percent of families lived in such neighborhoods." [Emphasis in the original]

The proportion of families living in affluent neighborhoods doubled from 7 percent to 14 percent from 1970 to 2007, while the proportion of families in poor neighborhoods rose from 8 percent to 17 percent. Over the same period, the proportion of families living in middle-income neighborhoods fell by 21 percentage points.

According to the study, a typical metropolitan area in 2007 had a median family income of roughly $75,000. In such an area, what it defined as a poor neighborhood would be one where more than half the families had incomes below $50,000. An affluent neighborhood would be one in which more than half the families had incomes above $112,500.

The authors note that family income segregation grew in every decade from 1970 to 2007, but the rate of growth since 2000 is faster than in the 1980s and 1990s. In fact, the report underestimates the current scope of the polarization of neighborhoods on the basis of income, since, as the authors explain, the patterns it describes largely reflect trends prior to the collapse in the housing market and the economic slump that began in 2008.

That means it does not take into account the impact of mass unemployment, the millions of home foreclosures, the decline in incomes and social benefits, and the growth of poverty in the intervening years, or the further increase in the share of the national wealth going to the rich and the super-rich.

Among the ten most segregated metropolitan areas are New York, Philadelphia, Dallas, Detroit, Houston and Los Angeles. In metro Detroit, the proportion of families living in poor or affluent neighborhoods more than tripled from 1970 to 2007, rising from 13 percent to 45 percent.

The report indirectly points to economic divisions, rather than race or ethnicity, as the decisive factor in US society. It notes that the growth of social inequality has been even more pronounced among blacks and Hispanics than among whites or within the population as a whole, resulting in even greater housing segregation on the basis of income within these minority populations.

“Income segregation among black and Hispanic families increased much more than did income segregation among white families from 1970 to 2007,” the report states. “Notably, income segregation among black and Hispanic families grew very sharply from 2000 to 2007. Income segregation among black and Hispanic families is now much higher than among white families.”

It adds: “When we describe income segregation within a given racial group, we are referring to the extent to which high- and low-income members of a given racial group tend to live in different neighborhoods.”

The overall growth of housing segregation on the basis of income, which has developed particularly over the past thirty years, is the result of definite policies pursued by the American ruling class and implemented by Democratic as well as Republican presidents and Congresses. The embrace of so-called “free market” policies, in the form of tax cuts for corporations and the rich and the deregulation of business, combined with the dismantling of large sections of industry and proliferation of financial speculation, mass layoffs, wage-cutting, and ever more brutal cuts in social programs, was calculated to redistribute the wealth from the working class to the ruling elite.

At the same time, the ruling class made a conscious decision to foster the growth of a thin layer of privileged and wealthy blacks and other minorities by means of affirmative action and similar programs, and encourage identity politics to obscure the class divisions in society. This social layer forms the basis for the black and Hispanic politicians, academics, administrators and union officials who help administer and defend the capitalist system and impose ever deeper poverty on the broad mass of workers, black and white.

This report is the latest in a string of recent studies documenting the staggering and accelerating growth of poverty and inequality in the US. Last week, the US Census Bureau released a new measurement of poverty that raised its estimates of both the total number of poor Americans—49 million—and the percentage of the population that is poor—16 percent—from the figures contained in the already disastrous report it had released in September.

The previous week, the Brookings Institution, a liberal Washington, DC think tank, reported that the number of Americans living in extreme poverty neighborhoods rose by one-third from 2000 to 2005-2009.

In October, a series of reports showed a record decline in geographical mobility in the US (reflecting the collapse of house prices and the general growth of social distress), a more than doubling of the share of national income going to the richest 1 percent between 1979 and 2007, and a ten percent drop in median household income since the official start of the recession in December 2007, with incomes falling twice as rapidly during the Obama "recovery" that supposedly began in June 2009.

This is the context in which Obama is demanding that the congressional deficit-reduction committee make "tough choices" and agree to hundreds of billions of dollars in cuts in vital social programs such as food stamps, home heating assistance, Medicare, Medicaid and Social Security.

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For media inquiries: publications@globalresearch.ca