

Habitats of Vulnerability?

How housing concentrates poverty

Rolf Pendall, Brett Theodos, Rebecca Grace

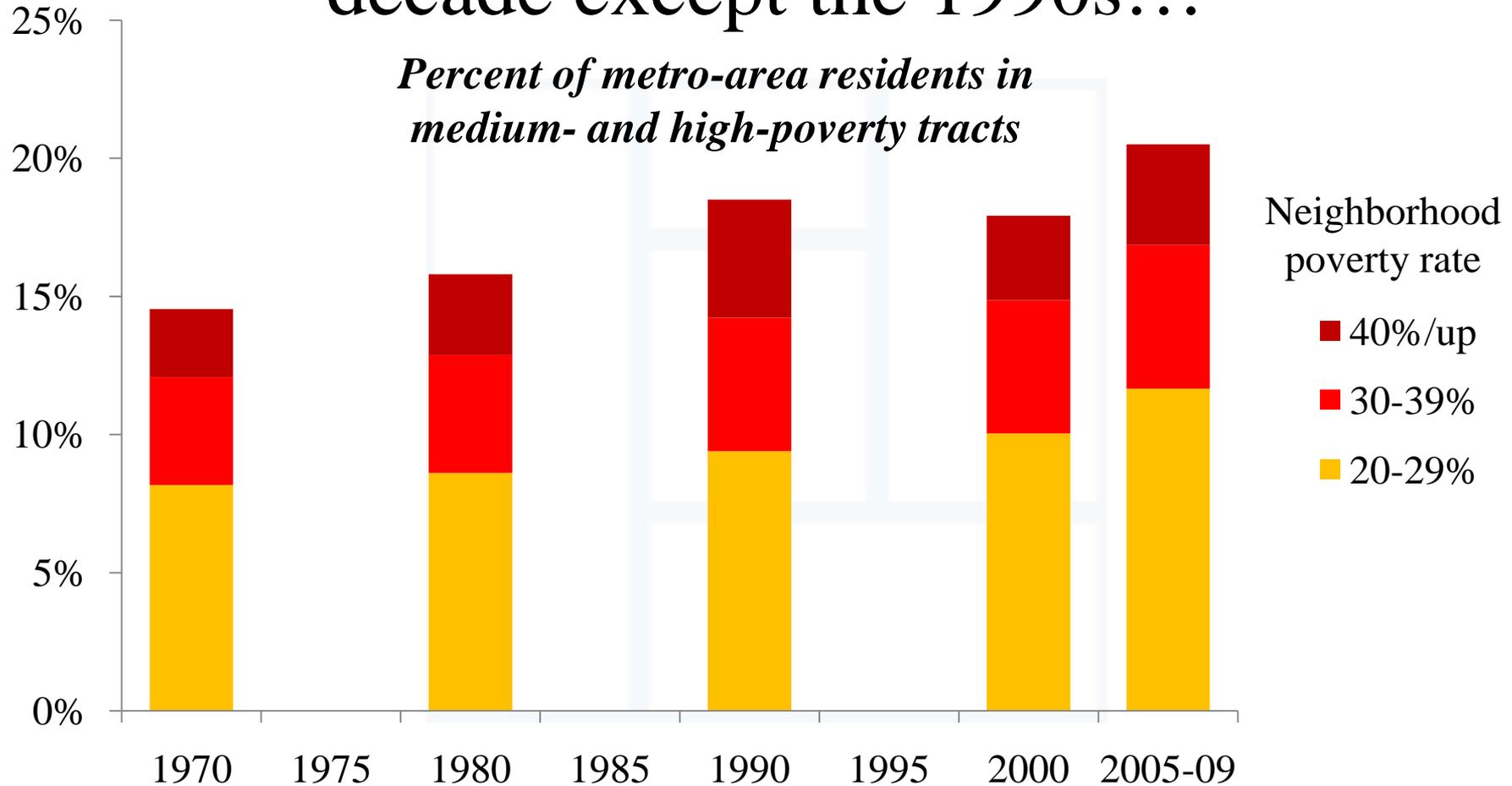
The Urban Institute

April 11, 2013

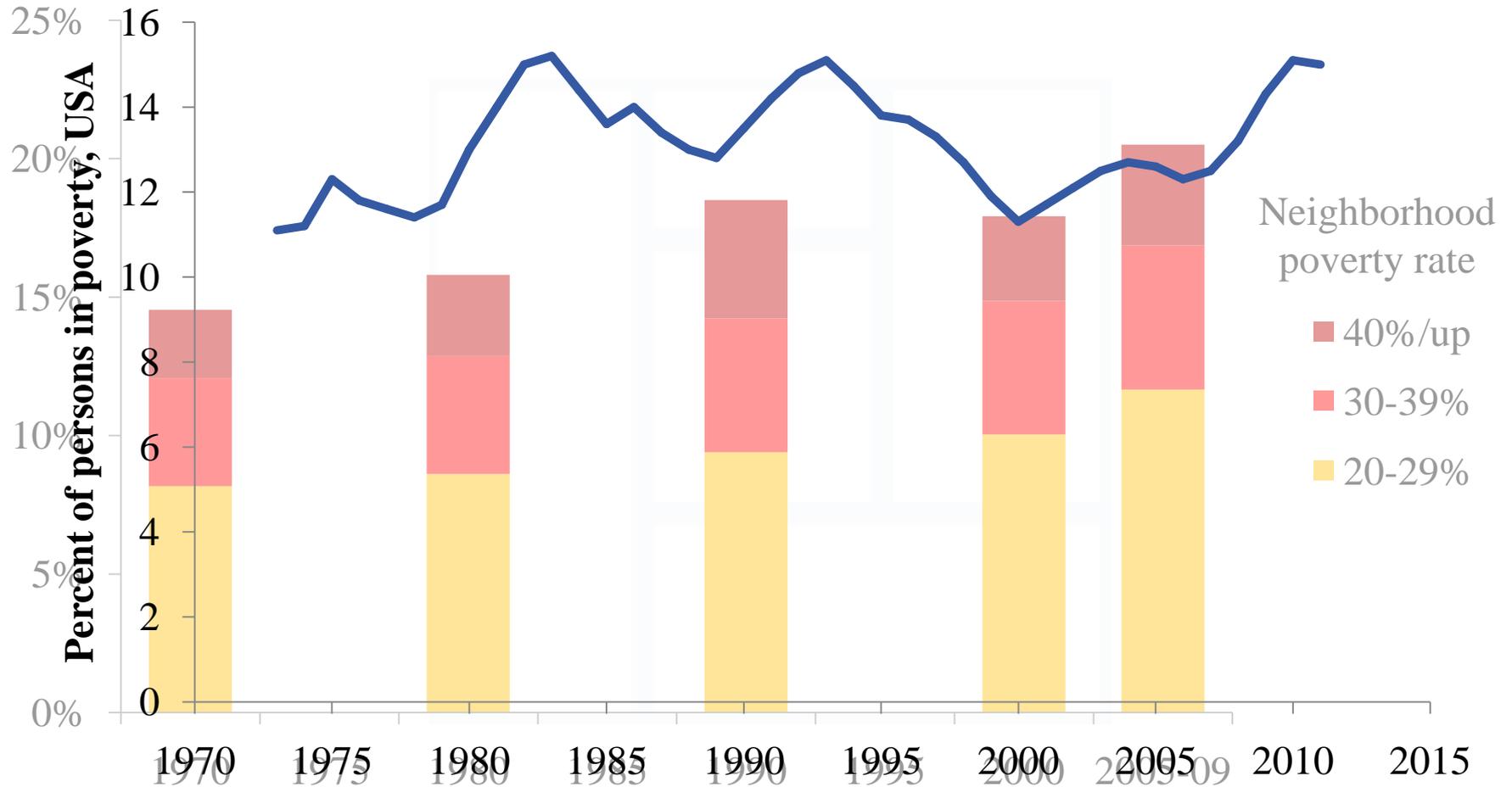


Concentrated poverty has risen each decade except the 1990s...

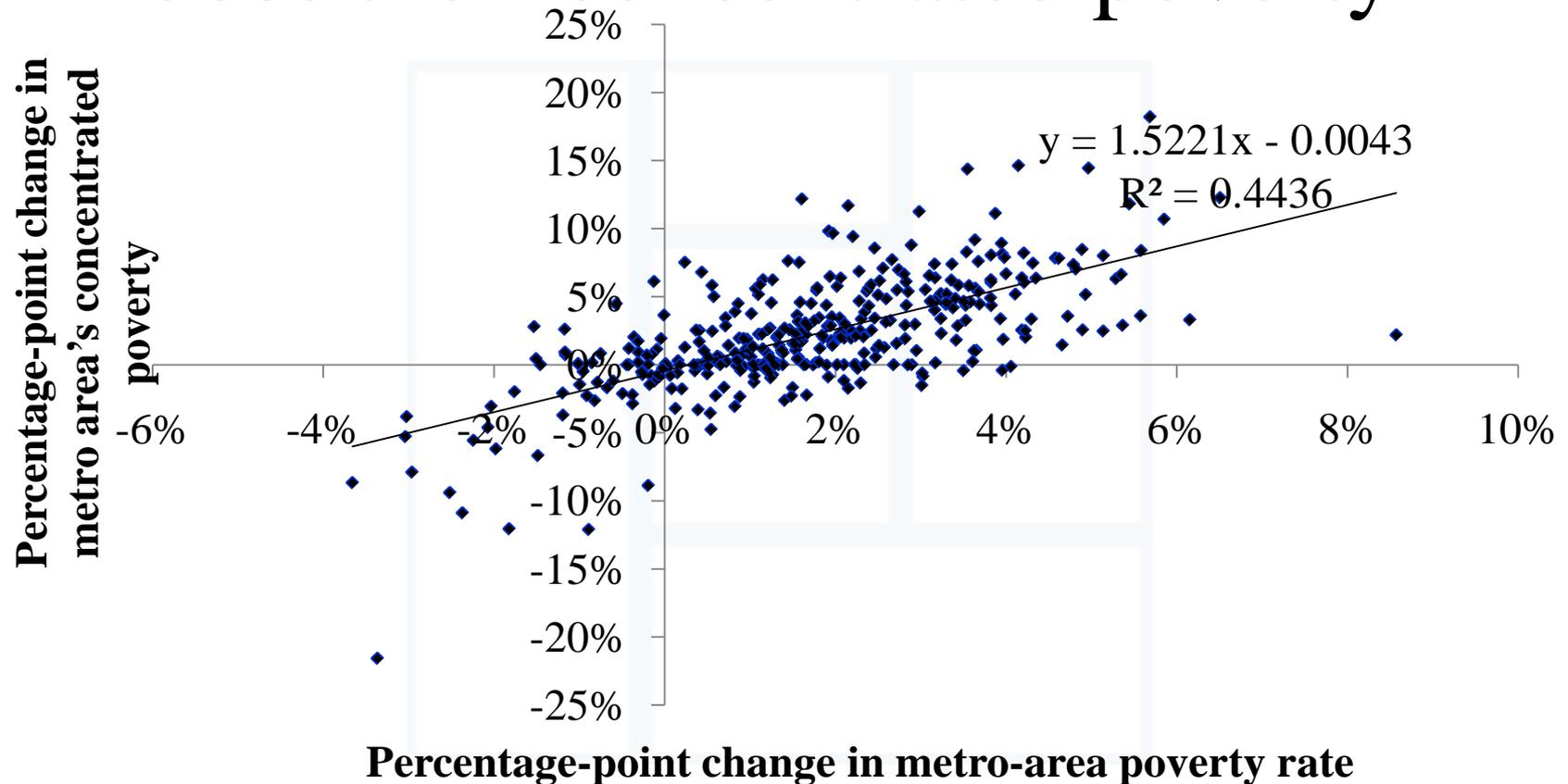
Percent of metro-area residents in medium- and high-poverty tracts



...echoing the national poverty rate.



When metro poverty rates rise or fall, so does their concentrated poverty

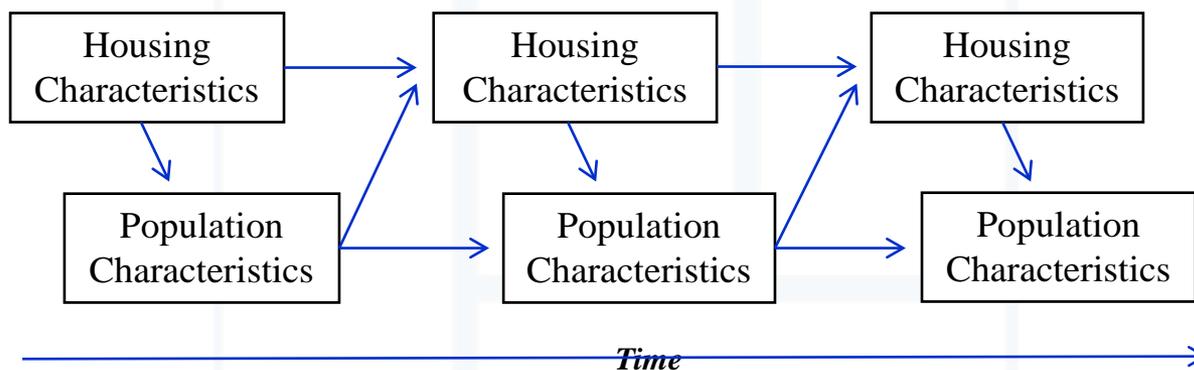


Source: U.S. Census, 2000 SF3; American Community Survey 2005-09. Authors' computations.



Why concentrated poverty persists

- Built environment and population characteristics:
Path-dependent & recursive



Conceptual diagram: Neighborhood built environment & population over time

- Question: Do precarious dwelling units exacerbate increases in concentrated poverty?

Data & Methods

- “Neighborhoods” = tracts (2000 boundaries) in 100 most populous metro areas
- Percent of residents in poverty, 2000 (Census) and 2005-09 (ACS)
- Precarious housing, 2000 (Census):
 - Old housing (> 30 years)
 - Dwellings in structures of 5 or more units
 - Rental housing
 - Overpayment
- Transformed logit regressions, run separately for each metro and then for clusters of metros based on parameter estimates
 - $\text{Log} [(\% \text{ poverty } 2005-09) / (1 - \% \text{ poverty } 2005-09)] = \% \text{ poverty } 2000 + \text{precarious housing factors } 2000 + \text{racial composition } 2000 + \varepsilon$



Key findings

- National level: All precarious housing conditions boost concentrated poverty
 - High concentrations of multifamily and rental housing have the greatest impact
 - Tracts with old housing also susceptible to fast-rising poverty
- Impacts of precarious conditions vary among metros and groups of metros
 - *Falling poverty in some metros complicates analysis*

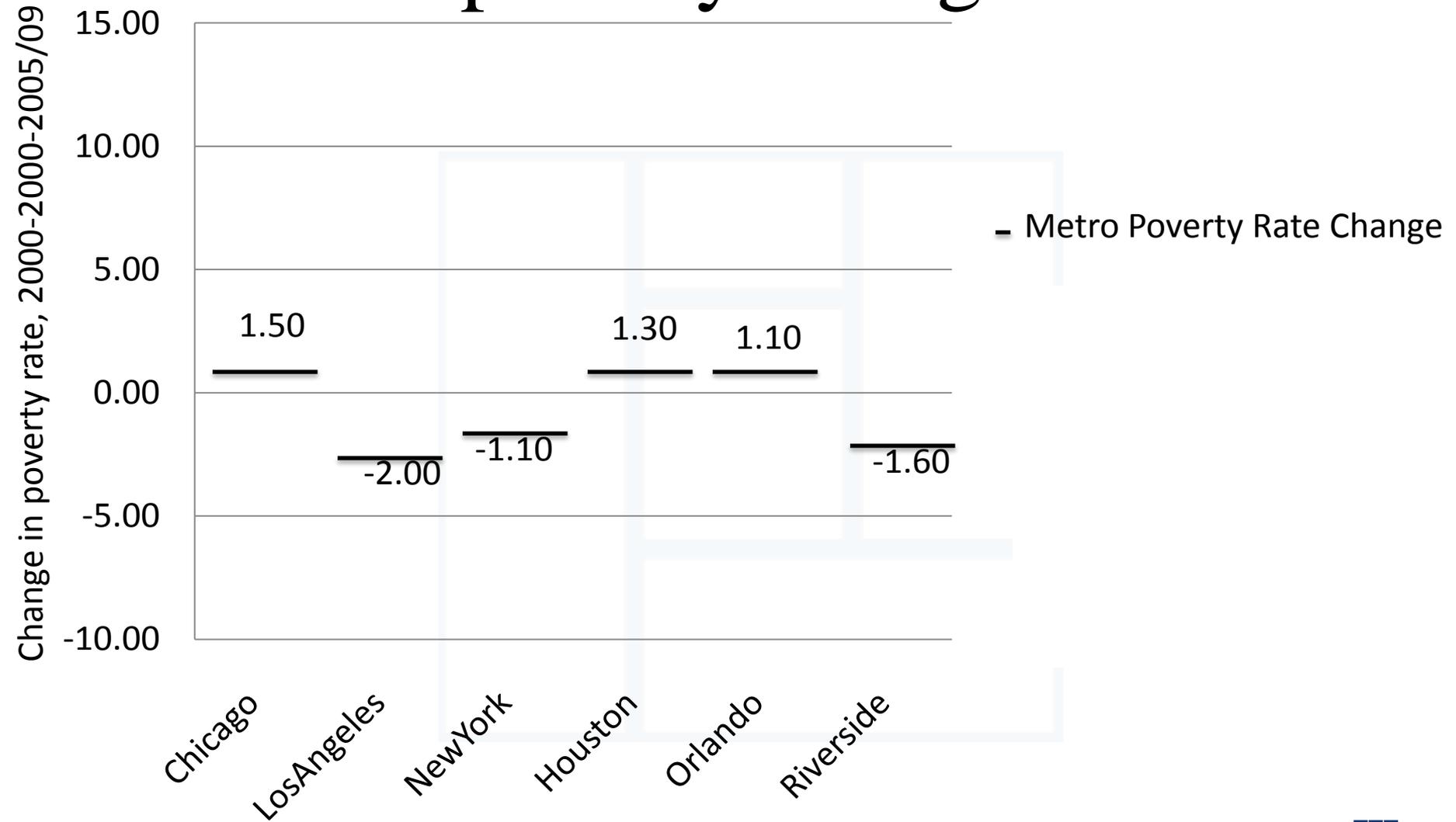


Housing concentrates poverty in different ways among major metro areas

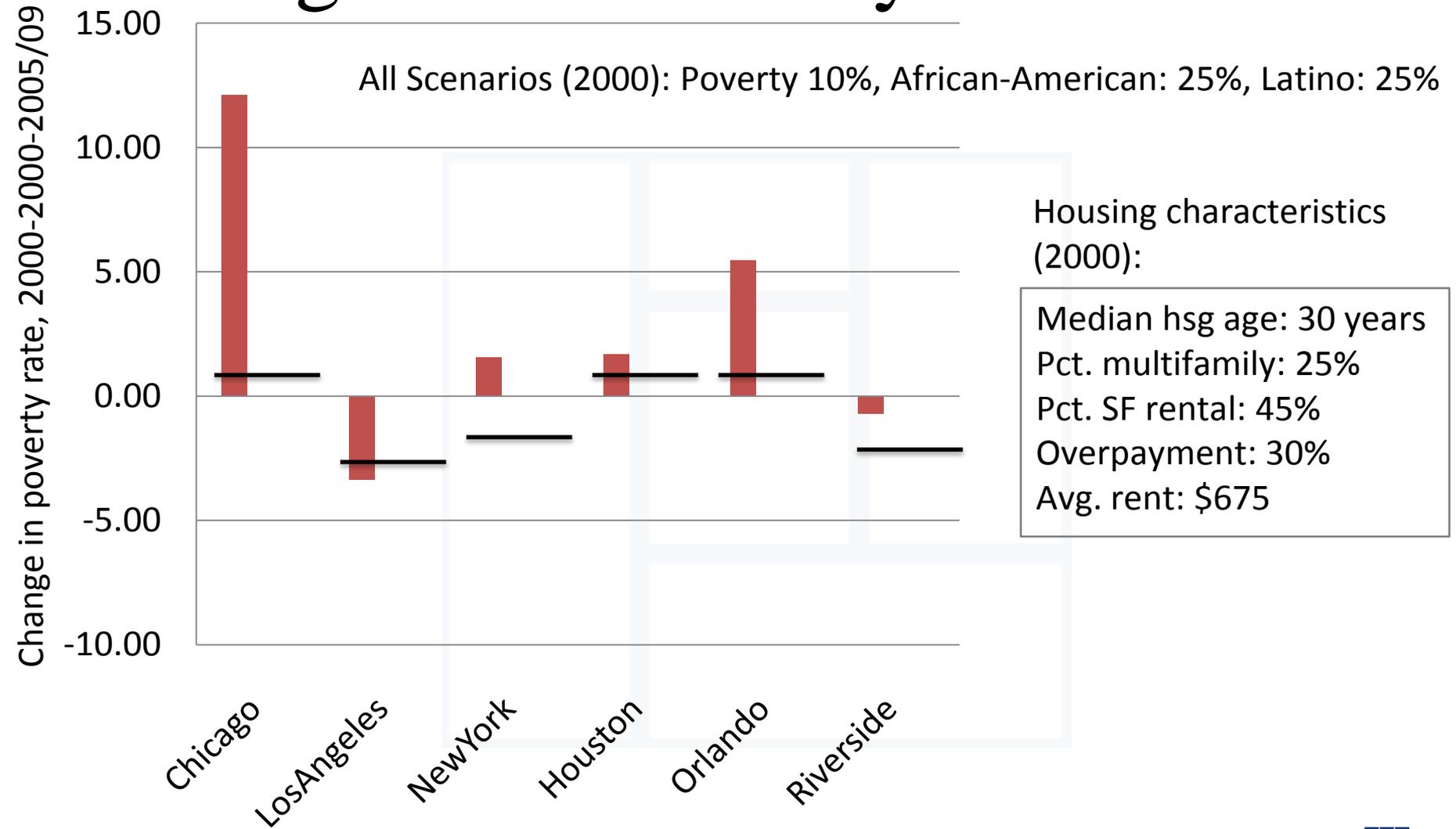
PRECARIOUS SCENARIOS



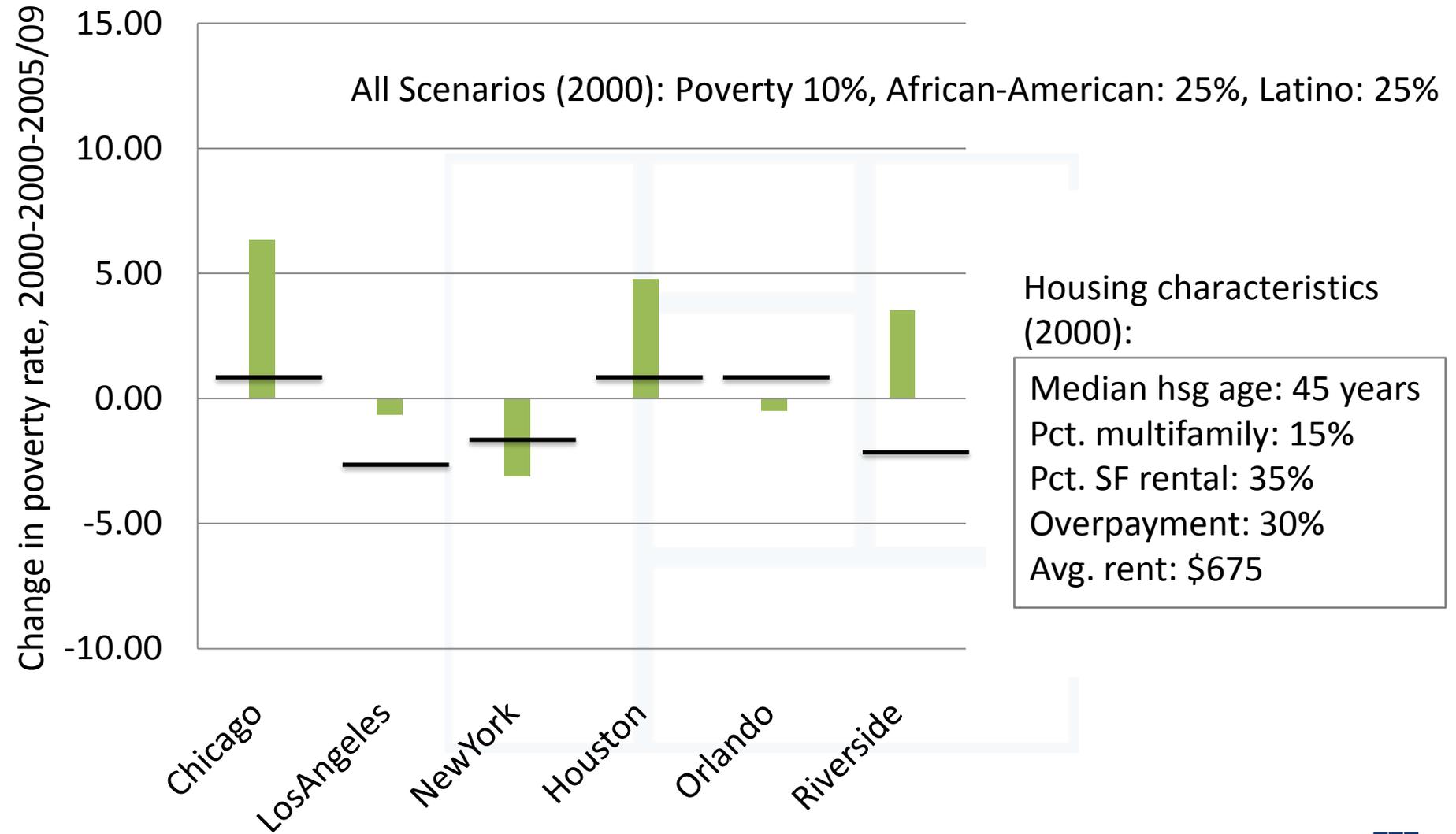
Metro poverty changes differ



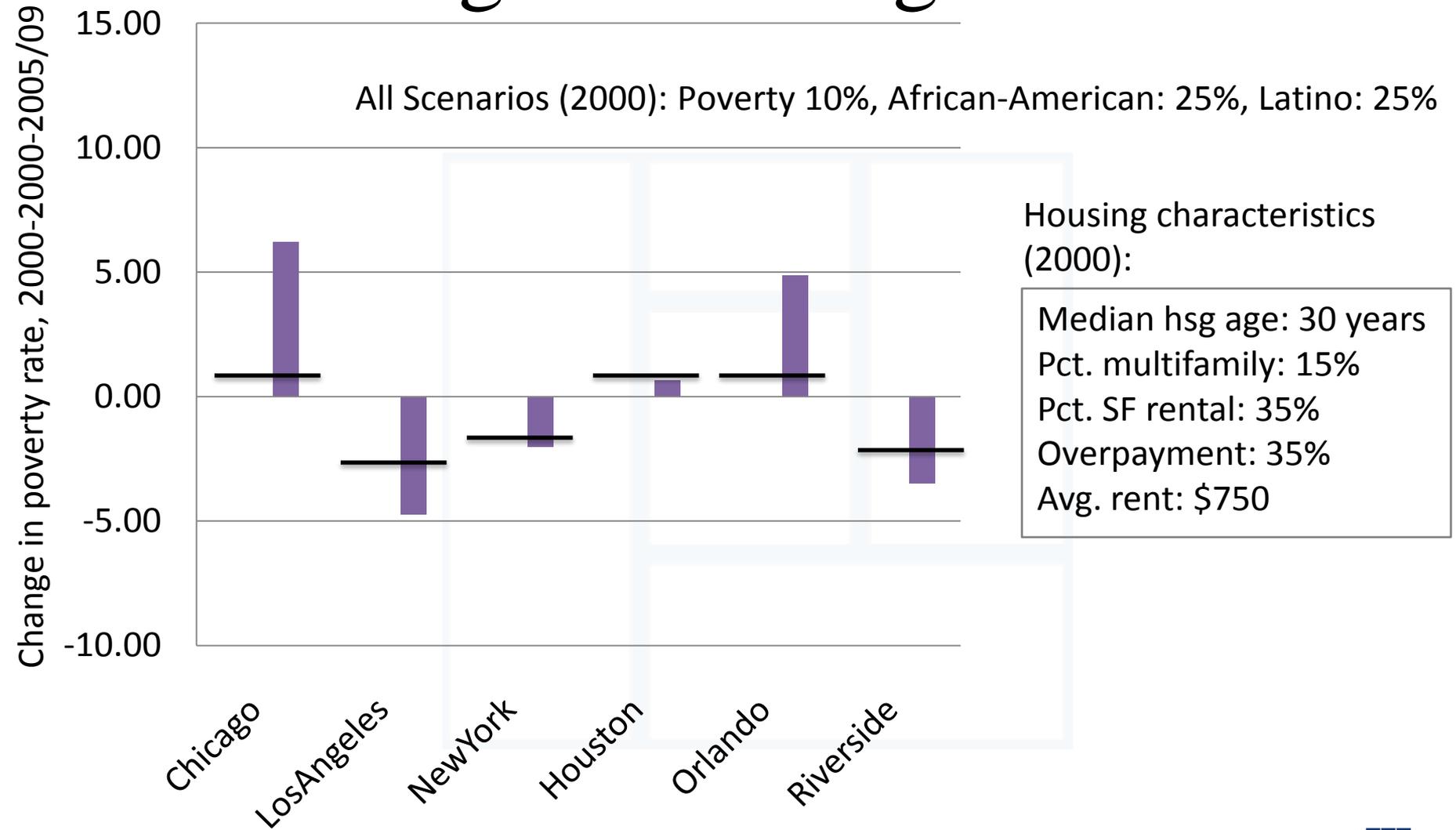
Higher multifamily and rental



Older homes



Higher housing costs

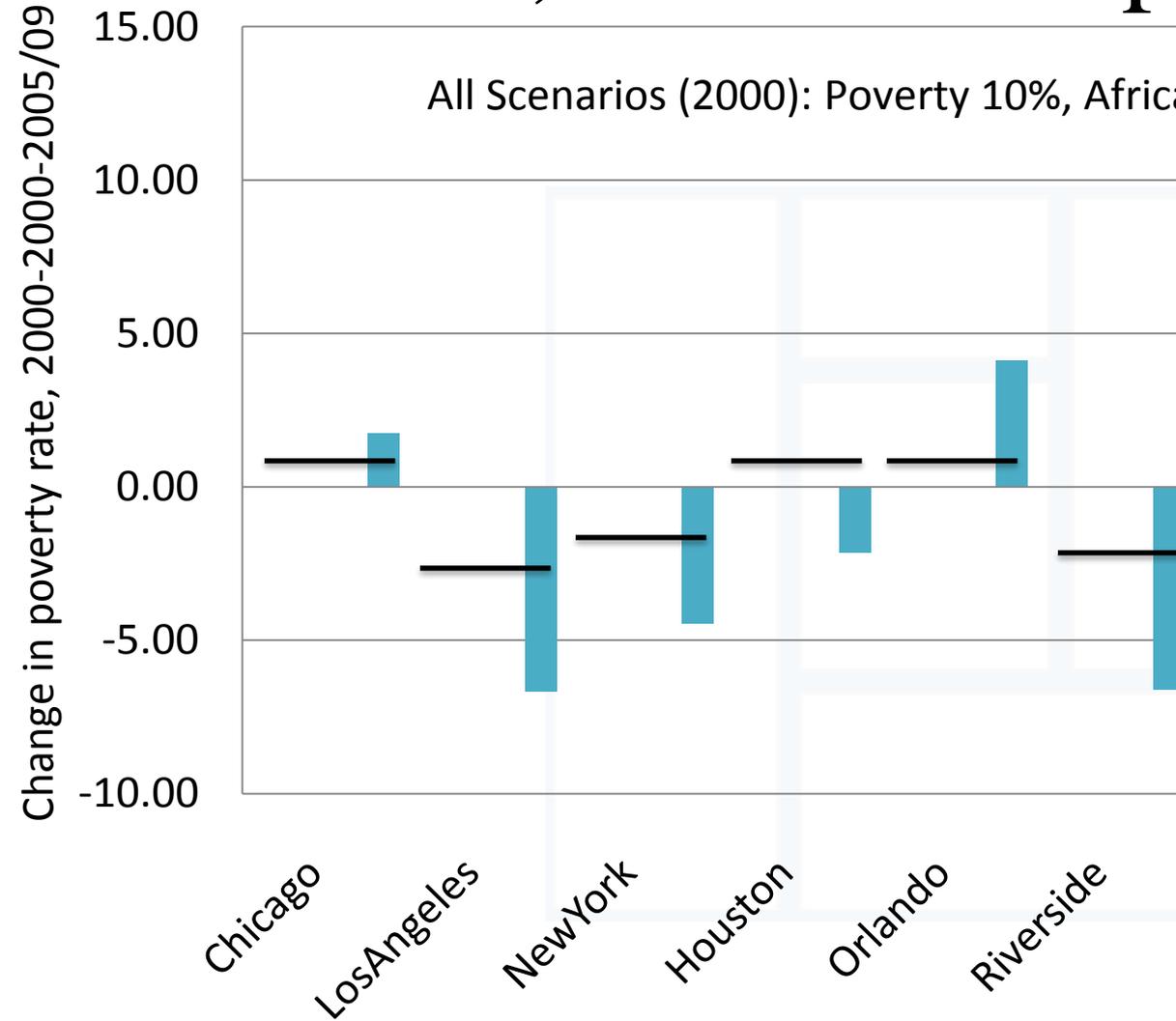


Newer, owner-occupied homes

All Scenarios (2000): Poverty 10%, African-American: 25%, Latino: 25%

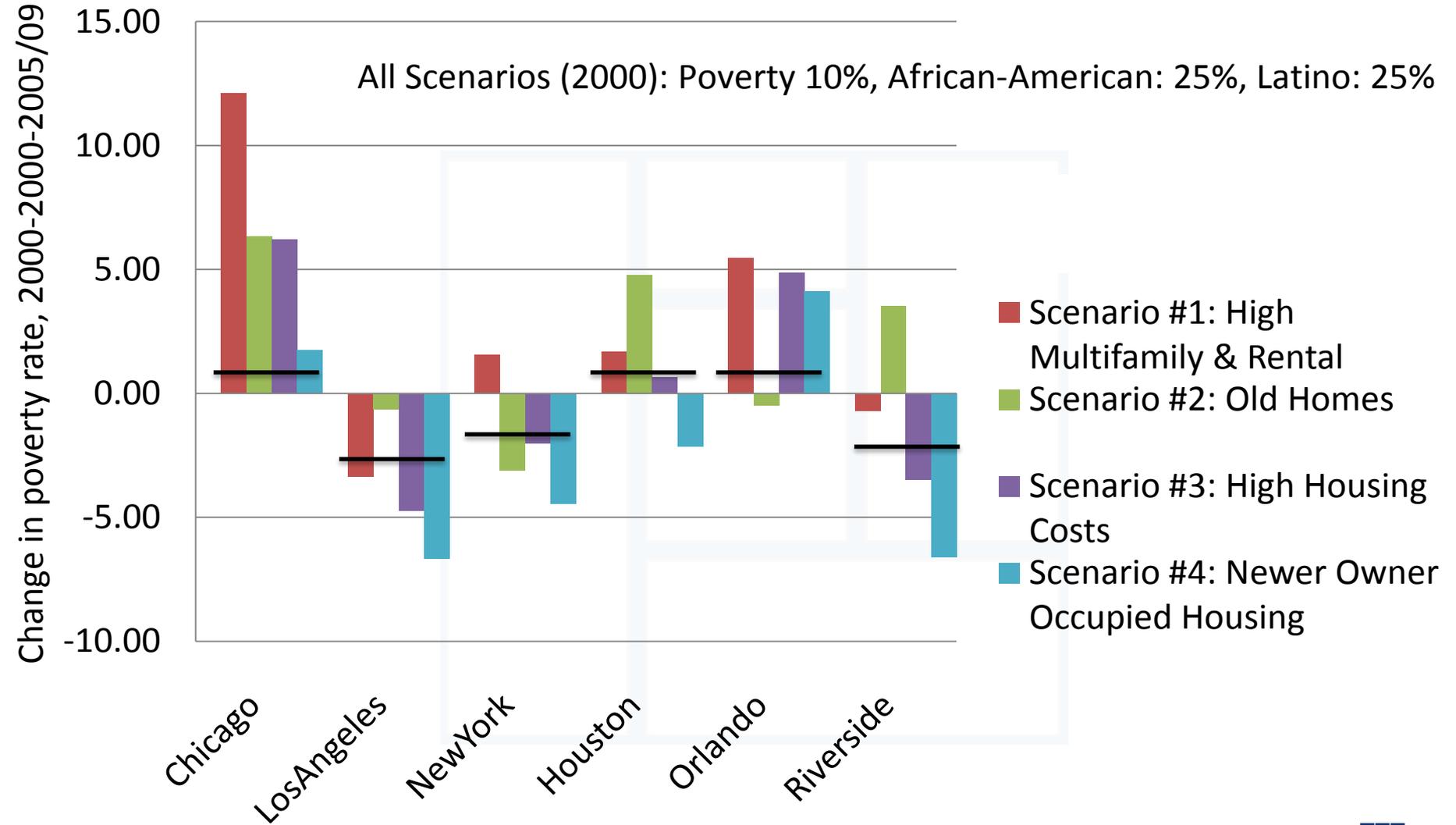
Housing characteristics
(2000):

Median hsg age: 25 years
Pct. multifamily: 15%
Pct. SF rental: 20%
Overpayment: 30%
Avg. rent: \$675



All scenarios

All Scenarios (2000): Poverty 10%, African-American: 25%, Latino: 25%



Addressing concentrated poverty: Resilience and resistance

- Resilience: Institutions and practices are prepared for crises and respond effectively
 - Concentrated poverty: Use what we know about susceptibility to increase and target services accordingly
- Resistance: “Crisis-proofing”
 - Concentrated poverty: Build mixed-tenure, mixed-structure, mixed-income neighborhoods and districts (over a long time period if feasible)

