Where We Stand (WWS): Review of Data

Purpose: This is a part of a series of working papers that provides documentation on data points used to measure regional success. The papers highlight methodological issues and nuances that affect how the data should be interpreted and used. They are living documents that will build on previous work and provide one location to reference key information about these topics.

Have something to add to the discussion on data for this topic? Please email us at wws@ewgateway.org

Topic: Poverty & Concentrated Poverty

Version: Revised November 2024
* This is a living document that will be updated periodically. Check for updates at www.ewgateway.org/wws

Data Details

This section provides information about the source, definition, and notes about the source or the specific data that are important to keep in mind when working with this data.

Source Detail

Source: U.S. Census Bureau, American Community Survey (B17001). Five-year estimates are used for county-level analysis for the EWG region. One-year estimates are used for inter-regional comparisons.

- ACS poverty estimates are based on the official poverty measure
- Five-year estimates are typically updated in December of each year; one-year estimates are usually released in September.
- Five-year estimates are averages of survey responses over a rolling five-year period
- Includes eight types of income: wage/salary, self-employment, interest/dividends/ net rental income/ royalty income/ estate/ trust, Social Security, SSI, public assistance (including TANF), retirement/survivor/disability, all other income (unemployment, VA, child support).[1]
- Does not include food stamps, tax credits, or non- cash aid.

Data Note, during the COVID-19 pandemic, the U.S. Census Bureau found that aid from pandemic-related aid (tax credits, food stamps, and stimulus payments) decreased childhood poverty.[2] ACS survey respondents were instructed to not include income from these programs in their reported income. However, the Census Bureau recommends caution be used when reporting the 2021 ACS data because there is evidence that some survey respondents included the stimulus payments and child tax credits in their income for 2021.[3]

Alternate Source: In 2011, the Census Bureau and the Bureau of Labor Statistics (BLS) collaborated on the supplemental poverty measure (SPM). The measure differs from the official poverty measures because it includes income received from some government programs,

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[1] ACS Definitions Document https://www2.census.gov/programs-surveys/acs/tech_docs/subject_definitions/2022_ACSSubjectDefinitions.pdf
2 U.S. Census Bureau. Poverty in the United States: 2021. U.S. Government Publishing Office, Sept. 2022. https://www.census.gov/content/dam/Census/library/publications/2022/demo/p60-277.pdf.
[3] U.S. Census Bureau. "User Note: Release of 1-Year and 5-Year ACS Estimates." *American Community Survey*, Nov. 2022. https://www.census.gov/programs-surveys/acs/technical-documentation/user-notes/2022-11.html.

geographic variation in housing expenses, and includes federal and state taxes, work expenses, and medical expenses.[4]

What is being measured?

Poverty status is determined by comparing household income to income thresholds based on household size.[5]

The definition of concentrated poverty is a poverty rate of 40%, measured at the census tract level. Poverty researchers have used this threshold since at least the 1980s and have found it to be a good indicator of communities with a distinct set of challenges.[6]

Measure of Vitality

This section discusses to what degree the variable is a good indicator of regional success.

What makes these good measures of success?

The poverty rate is the most commonly used measure of economic deprivation. The poverty rate generally indicates the number of people in a region that lack sufficient income to meet a very basic level of need.

Economic segregation, measured by concentrated poverty, is associated with increased crime, reduced opportunities for wealth building, and poorer financial well-being as well as relatively poor access to amenities, jobs, goods, and services compared to other communities in the region.

Further, poverty and concentrated poverty may increase costs to local governments.

What is problematic about these measures or why is it not necessarily a good predictor of success?

Poverty levels do not include all of the population that does not have enough income to meet basic needs because thresholds do not capture current living expenses and are not sensitive to geographic cost differences. The poverty threshold was developed in the 1960s and the method has long been recognized as outdated and leading to a serious understatement of income sufficient for basic needs. The threshold in 2023 for a family of four for anywhere in the country was $30,900. A 1998 study found that a family of four with two children needs anywhere from 150% to 350% of the official poverty threshold to meet basic needs, depending on location.[7]

The poverty threshold was based a 1955 food consumption survey. The survey was used to estimate a food budget that would be sufficient to meet minimal needs. Because food constituted approximately one-third of consumer expenditures in 1963, the poverty line is set at three times the cost of a minimal food budget. However, food now constitutes less than a third of expenditures, and other goods and services such as housing, clothing, transportation, and medical care make up a larger proportion of expenditures. The "basket" of goods on which the

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4 U.S. Census Bureau. Income in the United States: 2023. U.S. Government Publishing Office, Sept. 2024. https://www.census.gov/library/publications/2024/demo/p60-283.html.

[5] ACS Definitions Document https://www2.census.gov/programs-surveys/acs/tech_docs/subject_definitions/2022_ACSSubjectDefinitions.pdf

[6] Jargowsky, Paul and Mary Jo Bane. 1990. "Ghetto Poverty: Basic Question", in *Inner-City Poverty in the United States*, edited by Laurence E. Lynn and Michael G.H. Committee on Urban Policy, National Research Council; McGeary; Wilson, William Julius. 1987. *The Truly Disadvantaged: The Inner-City, the Underclass, and Public Policy*. University of Chicago Press.

[7] Constance Citro and Robert Michael. Measuring Poverty: A New Approach. National Academy Press, Washington, D.C., 1995.

poverty threshold is based is out of date, and therefore the official poverty line understates the minimum income needed to meet basic needs. As economist Rebecca Blank noted in 2008, "there is no other economic statistic in use today that relies on 1955 data and methods developed in the early 1960s."[8]

Peer Region Analysis

Summary

St. Louis has lower poverty and concentrated poverty rates than the country as a whole and ranks about average among the peer regions. Generally, this indicates that most households have sufficient income to meet at least a very basic level of needs. However, in St. Louis and across the country there are still many people living with very low income, and there are large racial and ethnic disparities.

Both the poverty and concentrated poverty metrics are associated with other vitality measures that are important for quality of life, including infant mortality and homicides. Additionally, lower poverty rates in the peer region regions are associated with a smaller proportion of low-wage jobs and populations with higher levels of education attainment. Concentrated poverty rates tend to also be lower in regions with lower housing costs and smaller racial and disability-based disparities.

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[8] Rebecca Blank, Testimony before the Subcommittee on Income Security and Family Support of the Ways and Means Committee, U.S. House of Representatives. July 17, 2008.

Ranking Analysis

Poverty and Concentrated Poverty

The regional ranks on these two metrics are closely related, with communities tending to be favorable or unfavorable on both. Regional performance on these metrics is also associated with rankings on other vitality metrics, including measures of income and well-being. The national rates on both metrics have improved in recent years with the **St. Louis** MSA following this trend. Within the **St. Louis** region there are familiar patterns of higher rates in the core of the region.

Regions that are favorable on these metrics have some common characteristics:

The 10 regions with the lowest rates also tend to rank among the most favorable on concentrated poverty, bachelor's degrees, income disparity, all four measure of income, homicides, vacancy rate, and the well-being score.

West and Northwest peer regions generally rank among the most favorable of the peer regions on both metrics. However, these regions also tend to have higher costs of living, which raises the possibility that this measure underestimates the amount of economic hardship in these regions.

Regions with high median household incomes tend to have lower rates of poverty and concentrated poverty, including **Salt Lake City**; **Denver**; **San Jose**; **Seattle**; **Washington, D.C.**; and **Raleigh**.

Regions with the highest poverty rates tend to also be the least diverse (based on the diffusion score), have relatively low median incomes, have high rates of concentrated poverty, and low well-being scores.

Poverty Rate

Individuals living in poverty as a percent of total population, 2022

1	New Orleans	15.7
2	Memphis	15.7
3	Oklahoma City	14.4
4	Houston	14.3
5	San Antonio	14.2
6	Birmingham	13.9
7	Detroit	13.8
8	Cleveland	13.7
9	Buffalo	13.5
10	Miami	13.2
11	Las Vegas	13.1
12	Los Angeles	12.9
13	New York	12.8
	United States	**12.6**
14	Columbus	12.4
15	Milwaukee	12.4
16	Tampa	12.3
17	Louisville	12.1
18	Orlando	12.0
19	Riverside	12.0
20	Virginia Beach	11.8
21	Cincinnati	11.8
22	Philadelphia	11.4
23	Pittsburgh	11.2
24	Chicago	11.2
25	Sacramento	11.2
26	Providence	11.0
27	Jacksonville	11.0
28	**St. Louis**	**11.0**
29	Indianapolis	10.8
30	Phoenix	10.8
31	Richmond	10.7
32	Kansas City	10.7
33	San Diego	10.6
34	Dallas	10.3
35	Baltimore	10.1
36	Hartford	10.1
37	Atlanta	10.0
38	Nashville	9.8
39	Charlotte	9.8
40	Portland	9.5
41	Austin	9.4
42	San Francisco	9.2
43	Boston	9.2
44	Minneapolis	8.8
45	Seattle	8.6
46	Denver	8.3
47	Washington, D.C.	7.9
48	Raleigh	7.9
49	Salt Lake City	7.4
50	San Jose	7.3

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates (B17001)
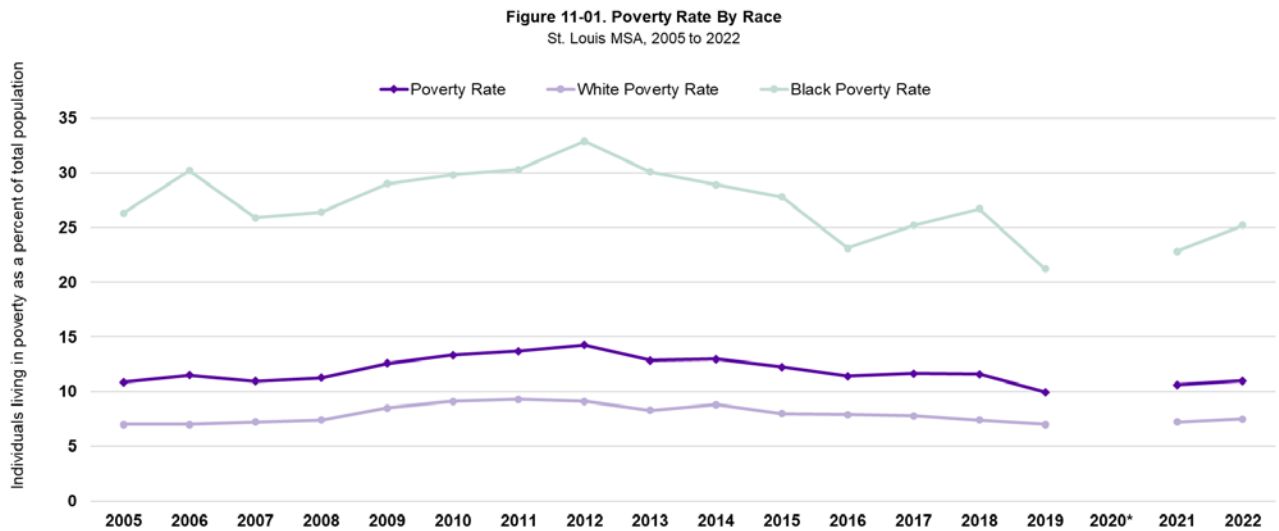
Concentrated Poverty

Percent of poor residents living in census tracts with a poverty rate of 40% or more, 2018-2022

1	Memphis	23.2
2	Milwaukee	20.9
3	Detroit	20.3
4	Cleveland	20.2
5	Buffalo	18.8
6	Cincinnati	17.9
7	New Orleans	17.1
8	Philadelphia	14.8
9	Birmingham	13.7
10	Louisville	13.5
11	New York	13.2
12	Columbus	13.2
13	Houston	10.9
14	Baltimore	9.1
	United States	**9.0**
15	Hartford	8.9
16	Chicago	8.6
17	Indianapolis	8.5
18	Richmond	8.3
19	Jacksonville	8.2
20	**St. Louis**	**8.2**
21	Oklahoma City	8.1
22	Austin	7.5
23	Pittsburgh	7.1
24	Dallas	6.9
25	Minneapolis	6.9
26	San Antonio	6.2
27	Atlanta	5.7
28	Virginia Beach	5.6
29	Miami	5.3
30	Kansas City	4.6
31	Sacramento	4.5
32	Charlotte	4.1
33	Las Vegas	4.0
34	Nashville	3.9
35	Phoenix	3.9
36	Tampa	3.8
37	Los Angeles	3.4
38	Boston	3.4
39	San Diego	3.3
40	San Francisco	3.3
41	Orlando	3.2
42	Raleigh	2.8
43	Providence	2.5
44	Washington, D.C.	1.8
45	Seattle	1.7
46	Portland	1.2
47	Riverside	1.0
48	San Jose	0.6
49	Denver	0.3
50	Salt Lake City	0.2

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (B17001)

Further, poverty and concentrated poverty have moderately strong to strong relationships with poor life outcomes, including rates of heart disease, homicides, and HIV. In general, Southern and Midwest peer regions such as **New Orleans**, **Memphis**, **Detroit**, and **Cleveland rank less favorably**. **St. Louis** ranks better than most of the Midwest peer regions.

Poverty and concentrated poverty rates in the **St. Louis** MSA have been improving and generally follow national trends. However, more than one in 10 residents of the region are in poverty, and there are large differences between Black and White residents.

Figure 11-01 shows the poverty rate by year and race for the **St. Louis** MSA. The poverty rate rose for the region as a whole from 11% in 2007 to 14.3% in 2012, following the Great Recession. It fell to a low of 9.9% in 2019. Since then, it has increased to 10.4% (in 2023), following the COVID-19 pandemic.[9] Nationally, the poverty rate has been higher over the same period but followed the same trend. Federal

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[9] The regional poverty rate in 2020 is not known because the Census Bureau was not able to conduct the American Community Survey that year because of the pandemic.

stimulus payments during the pandemic assisted families, but these payments are not factored into the official poverty measure. However, the Census Bureau recommends caution be used when reporting the 2021 ACS data because there is evidence that some survey respondents included the stimulus payments and child tax credits in their income for 2021.[10]
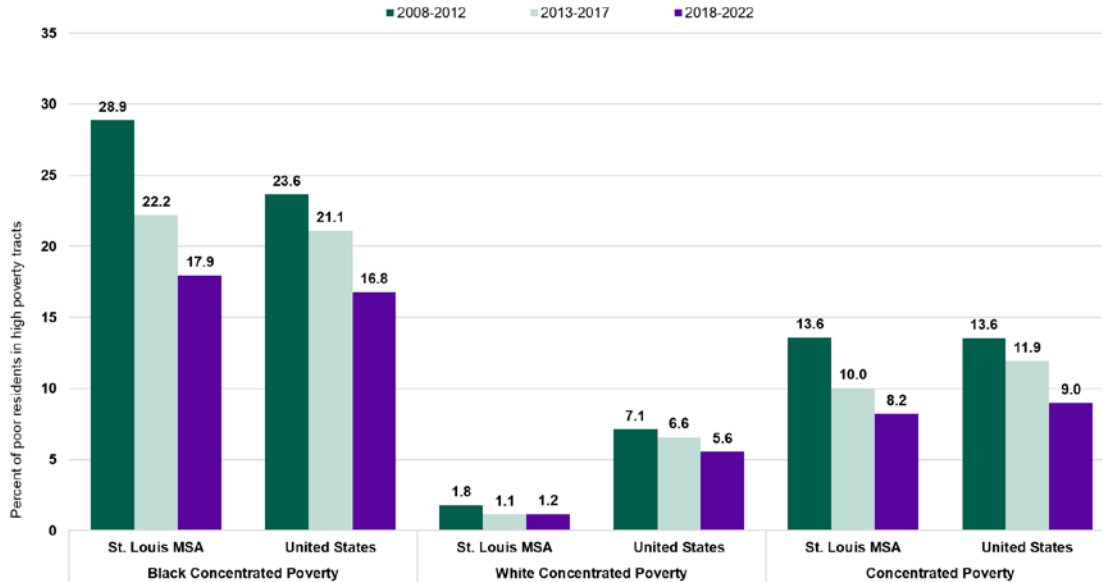
Regionally and nationally, concentrated poverty has decreased. This is largely due to decreases in concentrated poverty among the Black population with a 5.4 percentage point decrease in the St. Louis MSA and an 11-point decrease for the country from 2008-2012 to 2018-2022. See Figure 11-02. These decreases may represent improvements in financial well-being but may also be the result of domestic migration, changes in the way people self-identify, and reporting errors.

Figure 11-01. Poverty Rate By Race
St. Louis MSA, 2005 to 2022

Note: American Community Survey 1-year estimates were not released for 2020 due to concerns over data quality resulting from the COVID-19 pandemic.
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates (S0201)

[10] U.S. Census Bureau. "User Note: Release of 1-Year and 5-Year ACS Estimates." *American Community Survey*, Nov. 2022. https://www.census.gov/programs-surveys/acs/technical-documentation/user-notes/2022-11.html.

Figure 11-02. Concentrated Poverty by Race
Percent of poor residents living in census tracts with a poverty rate of 40% or more
St. Louis MSA and United States, 2008-2012, 2013-2017, and 2018-2022

■ 2008-2012   ■ 2013-2017   ■ 2018-2022

Y-axis: Percent of poor residents in high poverty tracts

Black Concentrated Poverty:
- St. Louis MSA: 28.9, 22.2, 17.9
- United States: 23.6, 21.1, 16.8

White Concentrated Poverty:
- St. Louis MSA: 1.8, 1.1, 1.2
- United States: 7.1, 6.6, 5.6

Concentrated Poverty:
- St. Louis MSA: 13.6, 10.0, 8.2
- United States: 13.6, 11.9, 9.0

Source: U.S. Census Bureau, American Community Survey, 5-year Estimates (B17001, B17001B, B17001H)

Correlation Analysis

Poverty

Poverty rates are highly correlated with variables that indicate higher income or greater resources, including low-income population (rho = +0.93) and low wage jobs (rho = +0.71). There is also a strong correlation with variables that may be less expected, including rates of heart disease (rho = +0.7). There is also a moderate association with types of commute modes, with a positive correlation with driving alone to work (rho = +0.61) and a negative correlation to non-single occupancy vehicle travel (rho = -0.65).

Concentrated Poverty

Concentrated poverty ranks are highly correlated with ranks on other measures of poverty and concentrated poverty in addition to indicators of physical and financial well-being. Using the Spearman method, the three strongest correlations with concentrated poverty ranks are ranks in Black concentrated poverty (rho = +0.95), the percentage point difference in concentrated poverty between Black and white residents (rho= -0.86), and white concentrated poverty (rho= +0.74). Ranks on concentrated poverty are also moderately or strongly correlated to indirect indicators such as housing costs and physical well-being. The strongest correlation among measures of housing costs is with median monthly rent (rho = -0.72). This negative relationship indicates that ranking higher for housing costs, which is more common in high income and growing regions, is associated with a lower rank (i.e., less) concentrated poverty. Among physical well-being, ranks for concentrated poverty have the strongest association with higher ranks in homicide rates (rho = +0.68) as well as with ranks in infant mortality rate (rho = +0.63), heart disease rate (rho = +0.63), and cancer rate (rho = +0.61).

East-West Gateway (EWG) Region Analysis

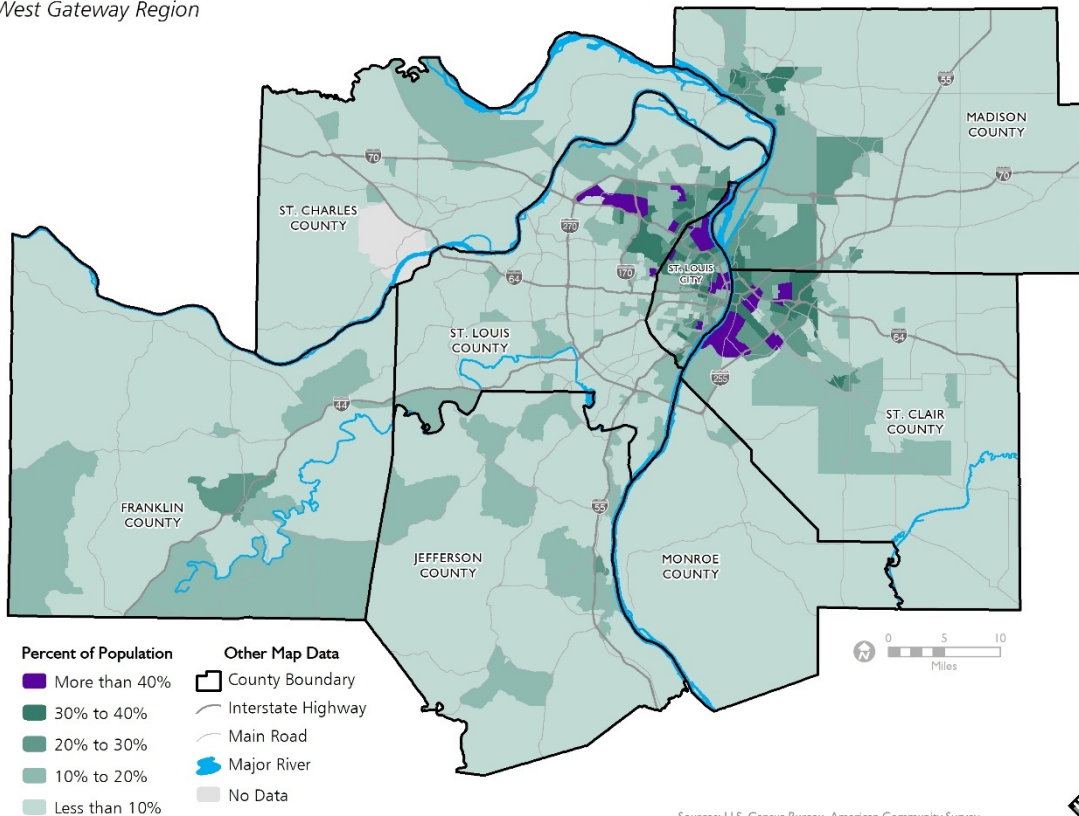### Poverty and Concentrated Poverty

Map 11-01 shows poverty rates in the EWG region, with significant concentrations in the northern parts of the city of St. Louis and St. Louis County and in the western portion of St. Clair County.

Poverty is not limited to the urban core with some people living in poverty in each county of the region. The communities with the most significant poverty rates are concentrated in the urban core but there are also tracts with rates greater than 20% in Franklin and Madison counties.

Map 11-01

Poverty and Concentrated Poverty, 2018-2022
East-West Gateway Region

Sources: U.S. Census Bureau, American Community Survey
5-Year Estimates (B17021), 2018-2022;
East-West Gateway Council of Governments

Ideas for Exploration/Next Steps

Case Studies

The following regions are interesting on this variable. They are regions that do not fit the mold or have something else of interest in regard to this variable.

Orlando, Portland, Providence, and Riverside all have concentrated poverty rates of less than 3.2% (among 10 most favorable) and have poverty rates that rank between 40th (Portland) and 19th (Riverside). Riverside has a poverty rate of 12% and a concentrated poverty rate of only 1%.

Research Questions

The following are ideas for further exploration. If you have researched these or other relevant topics or are interested in doing so, please share with us at wws@ewgateay.org.

- What is impetus for the decrease in the concentrated poverty rate?