



## Cities where suburban poverty is skyrocketing

The number of poor people in U.S. suburbs rose by 63.6% between 2000 and 2011, from 10 million to well over 16 million people. For the first time, there are now more people living in poverty in the suburbs than in cities.

In some metro areas, the number of poor people living outside the city proper has jumped even more rapidly. In the Atlanta, Ga., suburbs there are roughly 480,000 more people living below the poverty line than there were in 2000, an extraordinary 158% increase in the number of the suburban poor. Based on data collected by the [Brookings Institution](#) as part of a comprehensive study on suburban poverty, 24/7 Wall St. reviewed the 10 cities with the biggest increases in suburban poverty between 2000 and 2011.

Most of the metropolitan areas where suburban poverty has grown the most in the past decade also have had the largest overall increases in population. The U.S. population grew by 9.7% between 2000 and 2010. The population of eight of these 10 metro areas grew by at least 15%, and the population of six of the 10 grew by more than 25%. The population of Las Vegas increased by 41.8%, more than any metro area in the country.

Substantial job opportunities in these areas can explain the sizable increase in the populations of these places, according to Brookings Institution fellow and study author Elizabeth Kneebone. Several of these cities, including Las Vegas and Phoenix, have increased employment by more than 10% between 2000 and 2011. Austin increased the number of people with jobs by 23.4% during that time.

The rising population and increased job opportunities both led to a major increase in home prices. This pushed poorer residents living in the city — as well as low-income new residents moving to the metro area from another city — to the city's outskirts. Kneebone said, "as some of these really rapidly developing places have grown, families will drive until they qualify, they'll move outwards until they can find a home they can afford."

While the increase in population and rising home prices have clearly been a factor in the rising numbers of poor people outside of cities, Kneebone cautioned that this is not the only factor affecting suburban poverty. "It is also," she noted, "long-term residents that have been hit hard by the economy in the last decade. The recession clearly has a role in this trend."

While the recession had an impact by increasing suburban poverty even in the healthiest economies, it was especially the case in cities like Detroit and Minneapolis. These are cities where the population has either not kept pace with national growth or declined, and where new jobs have not been added. In these areas, the suburban poverty problem is increasingly due to declining the manufacturing and construction sectors — problems only worsened by the recession.

It should be noted that while these cities have rapid rises in the number of poor people living in the suburbs, in several cases these metro areas remain below the U.S. average for suburban poverty. If rates continue to go up at this astronomical rate over the next 10 years, however, that may soon change.

To determine the cities where poverty increased the most between 2000 and 2011, 24/7 Wall St. reviewed figures published by the Brookings Institution's report, "[Confronting Suburban Poverty in America.](#)" Brookings also provided information on poverty rates and the number of impoverished residents at both the suburban and city levels for 95 of the nation's 100 largest metro areas. Five were not considered in the report because they did not have complete data available. Additionally, 24/7 Wall St. considered figures on population growth between 2000 and 2010 published by the U.S. Census Bureau's 2012 Statistical Abstract. Information on five-year change in home prices, through the first quarter of 2013, are from the Federal Housing Finance Agency's Home Price Index. Unemployment rates are from the Bureau of Labor Statistics.

These are the cities where suburban poverty increased the most between 2000 and 2011.

#### **10. Detroit-Warren-Livonia, Mich.**

- > **Pct. growth, suburban poor population:** 114.7%
- > **Suburban poverty rate:** 13.3% (35th highest)
- > **Suburban share of metro poor population:** 59.4% (41st highest)
- > **10-yr. population change:** -3.5% (3rd lowest)

Between 2000 and 2011, the number of people living in poverty in the suburbs of the Detroit metro area more than doubled, from roughly 211,000 to nearly 454,000. At 13.3%, the area had a higher suburban poverty rate than the majority of the nation's large metro areas. Detroit's poor population grew even as the metro area's population itself declined by 3.5% in the past decade. Further, the population within city limits of Detroit fell by a stunning 21% in that time, according to Brookings. The economy of Detroit has suffered as well. Between 2000 to 2011, the area lost more than 19% of its jobs. The Detroit metro area also had among the worst five-year wage growth and the lowest five-year increase in high-tech output, according to the Milken Institute.

#### **9. Minneapolis-St. Paul-Bloomington, Minn.-Wis.**

- > **Pct. growth, suburban poor population:** 127.9%
- > **Suburban poverty rate:** 7.8% (8th lowest)

- > **Suburban share of metro poor population:** 56.8% (44th highest)
- > **10-yr. population change:** 10.5% (91st lowest)

Minneapolis had a suburban poverty rate of less than 8% in 2011, one of the lowest among large metro area in the United States that year. However, the number of poor residents in the Twin Cities' suburbs has exploded in recent years, rising from less than 90,000 to more than 200,000 between 2000 and 2011. The rise in poverty rates in some of these suburbs followed rapid construction during the prerecession [housing](#) boom, according to the Star Tribune. In the past five years through the first quarter of 2013, home prices throughout the metro area fell by nearly 20%, according to the FHFA.

### **8. Provo-Orem, Utah**

- > **Pct. growth, suburban poor population:** 128.6%
- > **Suburban poverty rate:** 9.4% (20th lowest)
- > **Suburban share of metro poor population:** 53.1% (43rd lowest)
- > **10 yr. population change:** 39.8% (4th highest)

The number of poor suburban residents living in the Provo area rose from 17,403 in 2000 to 39,784 in 2011. Although the area struggled with large declines in home prices, which fell by 20% over five years through the first quarter of 2013, the economy has otherwise boomed. The Provo area has had relatively low [unemployment](#) rates in 2011, when just 6.7% of workers were unemployed, versus 8.9% nationwide. Also, between 2000 and 2011, employment in the Provo area increased by 17.5%. Among the reasons for this growth, the area's population rose by 40% between 2000 and 2010.

### **7. Boise City-Nampa, Idaho**

- > **Pct. growth, suburban poor population:** 129.7%
- > **Suburban poverty rate:** 15.3% (16th highest)
- > **Suburban share of metro poor population:** 62.8% (34th highest)
- > **10-yr. population change:** 32.6% (11th highest)

While the city of Boise had a 17.9% city poverty rate, well below the 21.7% overall rate for cities in the United States, its suburbs had one of the nation's higher poverty rates of any large metro area. While the city population rose by just 5.5% between 2000 and 2010, the population of the suburbs rose by more than 50%. Boise was hit especially hard during the housing crisis. Even in early 2013, home prices were down more than 28% from five years before. The [economic](#) crisis cost many residents their jobs. After bottoming at 2.6% for 2006, the annual unemployment rate in Boise eventually rose to as high as 9.0% in 2010.

### **6. Phoenix-Mesa-Glendale, Ariz.**

- > **Pct. growth, suburban poor population:** 134.2%
- > **Suburban poverty rate:** 13.3% (34th highest)
- > **Suburban share of metro poor population:** 37.9% (18th lowest)
- > **10-yr. population change:** 28.9% (18th highest)

From 2000 to 2010, the [Phoenix](#) area population grew by nearly 29%, among the highest rates of growth of all metro areas. Much of that growth took place in the suburbs — the 59.2% growth in the suburban population was the highest of all metro areas. Poverty likely grew as a result of the most recent recession, as the Phoenix housing market was hit harder than most. As a result, the annual average unemployment rate reached a recent high of 9.7% in 2010. Fortunately, things are turning around in the Phoenix area. The housing market is currently performing better than any other, according to the FHFA's most recent Home Price Index release. In the first quarter of 2013, home prices were up 15.3% from the year before — the largest increase in the [country](#).

#### **5. Denver-Aurora-Broomfield, Colo.**

- > Pct. growth, suburban poor population: 138.2%
- > Suburban poverty rate: 10.0% (26th lowest)
- > Suburban share of metro poor population: 49.8% (35th lowest)
- > 10-yr. population change: 16.7% (53rd highest)

The number of suburban residents in the Denver metropolitan area living in poverty grew by more than 138% between 2000 and 2011. Meanwhile, the number of people who are considered poor in the city grew by more than 61%. Between 2000 and 2010, the population of the Denver metropolitan area grew by 16.7%, higher than most metro areas. But unlike other parts of the country in which suburban poverty has skyrocketed, the growth of Denver's population was somewhat more evenly distributed between the city and its suburbs. Despite the growth in residents living below the poverty line, the suburban poverty rate of just 10% was among the lower rates of all metro areas.

#### **4. Las Vegas-Paradise, Nev.**

- > Pct. growth, suburban poor population: 139.3%
- > Suburban poverty rate: 15.8% (13th highest)
- > Suburban share of metro poor population: 65.5% (31st highest)
- > 10-yr. population change: 41.8% (the highest)

Between 2000 and 2010, the Las Vegas area's population rose by 41.8%. This made the area for the nation's fastest growing metro area of the past decade. The increases in the area's population also have contributed to a jump in the number of people living in poverty in the Las Vegas suburbs. Between 2000 and 2011, the number of suburban residents living below the poverty line jumped by nearly 140%. However, not all of this may be due to population growth. During the recession, the area's unemployment rate skyrocketed and was among the worst in the nation in 2011 — at 13.5% of all workers. This was largely due to the collapse in the area's home prices, which as of the first quarter of 2013 were still worth about half what they were five years earlier. This was the largest decline in the nation over that time, according to the FHFA.

### **3. Salt Lake City, Utah**

- > Pct. growth, suburban poor population: 141.7%
- > Suburban poverty rate: 12.2% (43rd highest)
- > Suburban share of metro poor population: 73.1% (17th highest)
- > 10-yr. population change: 16.0% (58th highest)

More than 157,000 people in the Salt Lake City metropolitan area lived below the poverty line as of 2011. Of these, more than 115,000 people, or more than 73%, lived in the suburbs. The number of poor in the suburbs has increased by more than 140% from the year 2000. In addition to this increase in suburban poverty, the number of city residents living below the poverty line rose 55% from 2000 to 2011 — well in excess of the 28.7% increase in cities nationwide. Between 2000 and 2010, the area's population rose from less than 970,000 people to more than 1.1 million, an increase of 16%. However, the population of the Salt Lake City suburbs likely accounted for most of this increase, rising 19.1% in that time, while the city's population rose 3%

### **2. Austin-Round Rock-San Marcos, Tex.**

- > Pct. growth, suburban poor population: 142.5%
- > Suburban poverty rate: 10.9% (35th lowest)
- > Suburban share of metro poor population: 38.9% (19th lowest)
- > 10-yr. population change: 37.3% (6th highest)

More than 100,000 Austin area residents lived below the poverty line as of 2011. As with many cities where the number of suburban poor is exploding, the Austin area's population has grown rapidly in recent years. Between 2000 and 2010, the number of Austin residents rose by 37%, from roughly 1,250,000 to over 1,716,000. This was among the country's most rapid expansions. The area's strong economy has lured in many new residents in recent years, likely contributing substantially to the rising population — and the rising number of impoverished residents — in the Austin suburbs. According to the Milken Institute, the area has had some of the nation's strongest job growth, wage growth and high-tech output growth in recent years.

### **1. Atlanta-Sandy Springs-Marietta, Ga.**

- > Pct. growth, suburban poor population: 158.9%
- > Suburban poverty rate: 16.0% (12th highest)
- > Suburban share of metro poor population: 88% (the highest)
- > 10-yr. population change: 24.0% (26th highest)

More than 780,000 people lived below the poverty line in the Atlanta suburbs in 2011 — a nearly 159% increase from the year 2000. The Atlanta area has been one of the fastest-growing in the nation, with the metro population rising 24% between 2000 and 2010. This was concentrated almost entirely in the suburbs, where the population grew by 26%, versus just 0.2% for the city itself. At the end of 2011, 88% of all the area's residents living below the poverty lived in the suburbs — the largest proportion of any large metro area in the nation. According to the Brookings Institution's Kneebone, "as people came to the region, the region continued to grow, and then the housing market collapsed." As a result many people now living in the suburbs were hit particularly hard by the housing crisis. As of the first quarter of 2013, home prices in Atlanta were down by more than 23% from five years before.