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Governance and the Geography of Poverty: Why Does Suburbanization Matter?

Rolf Pendall
Urban Institute

Margaret Weir
University of California, Berkeley

Chris Narducci
Urban Institute

MacArthur Foundation Network on Building Resilient Regions
University of California, Berkeley
http://brr.berkeley.edu

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Introduction

The resurgence of interest in regionalism in the 1990s emphasized governance and collaboration. Abandoning earlier efforts to achieve governmental consolidation, the new regionalists focused on the boundary-spanning capabilities of nongovernmental actors and the creation of new venues where voluntary collaboration among governments could occur. In this paper we compare efforts to address suburban poverty in Chicago and Denver, two regions that are among the most successful in creating such collaborations. We argue that the attention to governance has led analysts to underplay the importance of capable local governments in building regional approaches to poverty. Likewise, we show that the regionalist literature underestimated the need for material incentives to promote collaboration among weak local governments. We highlight the ways that relatively large and capable suburban governments in the Denver region have built regional approaches to poverty into a diverse set of policies, while the Chicago region struggles to find effective governmental collaborations through which to address problems confronted by the poor.

Background: What we know about suburban poverty growth

Until 2000, concern about the location of poverty in metropolitan America centered on the increasing number of high- and extreme-poverty neighborhoods in central cities (Jargowsky 1996). The 2000 Census revealed, however, that income grew enough during the 1990s to reverse that trend in most of the nation (Jargowsky 2003). The 2000 Census also showed an emerging trend: rates of poverty were increasing faster in suburbs than in central cities (Berube and Frey 2002). Among high poverty census tracts, the share that was suburban grew by four percentage points (Kingsley and Pettit 2003).

Suburban poverty continued to increase in the early 2000s, growing five times faster than poverty in principal cities (Berube and Kneebone 2006, 2011; Kneebone and Garr 2010). By 2008, the suburban population in poverty outnumbered the corresponding central-city population by 1.5 million (Kneebone and Garr 2010). Between 2000 and 2010, the suburbs of the 100 largest metropolitan areas experienced a 53 percent increase in their poor population, compared to a 23 percent increase in cities (Berube and Kneebone 2011). Poverty rates increased especially quickly in inner suburbs (Puentes and Orfield 2002). Press reports heightened awareness of the trend (McGirr 2012; Tavernise 2011; Patton 2012).

Many factors have led to suburban poverty growth. Perhaps the best-known theory is that poor households have been leaving inner-cities for the suburbs while non-poor households have been moving to urban core areas. Reports of increasing central-city population (Frey 2012) and gentrification (Ellen, Horn, and O’Regan 2012) have proliferated. In the process, low-income people have been displaced from revitalized or gentrified central-city neighborhoods undergoing a “new urban renewal” (Hyra 2008). New efforts to enhance transportation access to central-city neighborhoods, especially through construction of new fixed-rail transit stations, have reinforced these tendencies in some cities. Some cities have responded by redoubling their affordable housing efforts, but they cannot completely counteract the impacts of upgrading (Soursourian 2012). This dispersal trend plays out racially as well; Atlanta, for example, witnessed an out-migration of lower-income blacks from the central city and an in-migration of higher-income whites during the 1990s (Lee 2011). In some cities, federal housing policy has contributed to the gentrification process through programs such as HOPE VI and housing choice vouchers, both of which have been embraced for their potential to reduce concentrated poverty in central cities (Goetz 2013, Imbroscio 2008).

Little direct evidence supports the notion that suburban poverty growth comes from the movement of low-income people from cities to the suburbs, however. Research using data from the Panel Study of Income Dynamics (PSID), a national dataset that tracks households over time, indicates that residential mobility of the poor contributed very little to poverty changes in central cities or suburbs, at least between 1989 and 2005 (Cooke 2010). Instead, suburban and central city poverty rates grow or fall together, in parallel with broader regional poverty-rate changes (Pendall et al. 2011). As poverty increased nationally starting in 2000—when its 11.3 percent rate was lower than since the mid-1970s—so too did suburban poverty. By 2010, the poverty rate had climbed to 15.1 percent and the number of people in poverty had risen to 46.2 million (DeNavas-Walt, Proctor, and Smith 2011). The rate of increase was especially acute after the housing/economic crisis beginning in 2008. Metropolitan areas added 1.2 million poor people together accounting for close to two-thirds of the increase nationally between 2008 and 2009 (Kneebone 2010). Overall, metro areas that experienced changes in the poverty rate in both the city and the suburbs changed in the same direction, indicating that poverty increases are not a neighborhood-specific phenomenon but rather are determined by larger metropolitan labor markets (Kneebone 2010).

The severity of poverty increase varied across major U.S. metro areas, however. Among larger metros, for example, Atlanta and Detroit both experienced increases in poverty of 7.2 percentage points between 1999 and 2011 (U.S. Census SF3, 2000, and ACS, 2011). In Washington, DC, Los Angeles, New York, and San Antonio, by contrast, the rates rose by less than 1.5 percentage points. Even such a small rise in the rates of poverty in Los Angeles and New York, however, produced a prodigious growth in the total number of people in poverty. Between 2005 and 2011 alone, the New York metro area added almost 380,000 poor persons. The population in poverty in Los Angeles and Atlanta both grew by about 335,000. In both Chicago and Denver, the two metro areas for which we provide case study analyses later, metro poverty rates rose 4.2 percentage points; Chicago’s poor population grew by almost 290,000 between 2005 and 2011, and Denver's by nearly 100,000. Since most people in these metro areas live outside central cities, suburbs naturally bear some of the burden of growing poverty.

Metropolitan areas also differ in the degree to which their suburbs have been vulnerable to poverty growth, and which suburbs—if any—have experienced increase. (These trends have not yet been explored in much depth, a gap we address in a later section.) Past research has provided an array of typologies underscoring the great diversity among suburbs and suggesting diversity in poverty growth. Orfield (2002), for example, used cluster analysis to identify six types of suburban communities: three types of "at-risk" suburbs (segregated, older, and low-density) and three low-stress or affluent suburbs (bedroom developing, affluent job center, and very affluent job center). "At-risk" suburbs have low fiscal capacity and high levels of distress. In a different typology of suburbs, Mikelbank (2004) identifies over 1000 incorporated "manufacturing" suburbs.

Decline and distress have been especially pronounced in inner suburbs (also called inner-ring suburbs), those closest to the central city and therefore generally having the oldest suburban housing stock and easiest access to low-wage jobs in the central business district (Lucy and Phillips 2003, Hanlon 2010). Murphy (2010), in a qualitative study of eight suburbs in Philadelphia and Pittsburgh, divided those jurisdictions into inner suburbs with obvious distress ("symbiotic suburbs"), older industrial cities—often fairly far from the central city—whose main manufacturing plants have closed down ("skeletal suburbs"), and single neighborhoods as small as a census block group within middle- or upper-middle-class suburbs ("overshadowed suburbs"). Holliday and Dwyer (2009) contrast residents of inner suburbs with those of "newer" suburban neighborhoods as of 2000, finding that inner-ring poor suburbs have more residential overcrowding, fewer college graduates, more female-headed households, and a higher percentage of Hispanics than other suburbs, in part because of the proximity to the central city. Just looking at inner-ring suburbs, Hanlon (2009) identifies five different types: "vulnerable," "ethnic," "lower income and mixed," "old," and "middle class."

If suburban poverty growth is increasing most in suburbs where the quality of life is better than that of corresponding central cities, then some observers would be inclined to celebrate rather than worry. On average, compared with cities, suburbs offer higher employment growth, higher performing schools, and greater levels of safety from violence. Suburbs may also offer higher-quality and lower-cost access to goods than cities, though major retailers and grocers are busily expanding their urban stores (Dreier, Mollenkopf, and Swanstrom 2001). For these reasons, policy makers advocating for geographic equity have worked for decades against segregated housing and community development policies with the goal of opening the suburbs to low income households (Kerner Commission Summary Report). These efforts have produced a host of programs and policies to make suburban neighborhoods more attainable to this population, including the Fair Housing Act of 1968, which banned discrimination against people based on race and (later) family status and requires local governments to promote integration; tenant-based housing vouchers, introduced in 1974; the Low Income Housing Tax Credit (LIHTC) program, which has enabled private-sector developers to build over 2 million affordable housing in growing suburbs throughout the country since the late 1980s; and countless state and local programs to make housing affordable across major metropolitan areas (Pendall 2008).

The benefits of living in suburbs instead of central cities only accrue, of course, if low-income families are indeed moving to suburbs that are not struggling. Like cities, suburbs can have dwindling tax revenue, low opportunity levels, and risks of social and economic isolation, meaning that suburbs may be offer a quality of life no better than that of cities.

Under some circumstances, suburbs may even be worse than central cities for low-income people. Central cities have greater concentrations of employment and social services than suburbs do. Notwithstanding "job sprawl" (Raphael and Schill 2010), central cities still offer advantages in access to employment opportunities, especially when considering the location of monthly job openings (which remain highly centralized in U.S. central cities) as opposed to the location of job growth (which has generally been faster in the suburbs (Shen 2001).

Cities also have much stronger networks of social service providers and philanthropic foundations than suburbs (Kneebone 2010; Reckhow and Weir 2011; Allard and Roth 2010). Community foundations serving suburbs are newer, smaller, and have fewer assets than those serving central cities. Even as some foundations have begun to take a regional approach, cross-jurisdictional funding has proven difficult (Reckhow and Weir 2011). Allard and Roth (2010) find that three in four surveyed suburban nonprofit providers are seeing more clients—often those who were not previously receiving social assistance—with the greatest needs identified for food and utility assistance. Almost a third of these organizations indicated that the increased demand was not due to recent unemployment or layoffs, but rather, because of cutbacks in services elsewhere in the community, a trend that underscores the strain that the recession and growing poverty is having on suburban governments and service providers.

The location of services does, indeed, matter to low-income people, leading to realistic concerns that suburban poverty growth may reduce the use of important services by low-income households. Allard, Tolman and Rosen (2003), for example, find that Detroit metro-area welfare recipients were significantly and substantially more likely to use mental health services if they could find a provider within 3 miles of their homes and significantly but somewhat less strongly likely to use mental health providers if at least one were located within 1.5 miles of their home. For low-income women with substance abuse problems, who are disproportionately represented in the ranks of poor households and also are often subject to other mental health challenges, living in the suburbs can be crushingly difficult because services are so dispersed (Boeri, Tyndall, and Woodall 2011).

The convenience of cities' provision of dense concentrations of jobs and services is paralleled by their higher levels of accessibility by public transportation, which is more developed and far more time and cost efficient in cities than in areas designed for the convenience of private vehicle owners. The dearth of efficient public transit in suburbs can effectively isolate low income families who may not have access to a car (Dreier, Mollenkopf, and Swanstrom 2001). Besides making work commutes difficult or impossible, this poses a barrier to reaching a range of services and amenities, including healthcare, child care, schools, and shopping (Felland, Lauer, and Cunningham 2009). While some studies suggest that the suburban poor do, in fact, have access to public transit and private vehicles (Puentes and Tomer 2011), another recent study from the Bay Area suggested that access to public transportation was decreasing for poor people in some city locations as transit-oriented development projects increased housing costs near the most convenient transportation hubs (Soursourian 2012).

A related concern about suburban poverty growth has to do with feedback loops in struggling suburbs where poverty growth is most likely to occur. As already noted, most recent poverty growth has resulted not because of movement of low-income people from central cities to suburbs but rather from general suburban population growth and reductions in incomes among formerly near-poor households already living in suburbs. It is likely that those near-poor residents concentrate in a limited number of suburban locations, and that the weak and turbulent economy of the last 12 years has resulted in disproportionate levels of job loss and income reduction for these people. Reductions in their incomes are likely to be paralleled by reductions in sales taxes, property values, and other sources of local fiscal health. Small suburbs whose residents are disproportionately low-income people may be especially susceptible to rapid tipping into high poverty rates as better-off families desert these struggling places, leaving more vulnerable people behind and make the jurisdiction even less desirable (Cooke 2010).

The increased demand for services and reduced capacity to pay for them, particularly in smaller municipalities, makes a case for regionalized service coordination and capacity building (Orfield 1997). In many areas, regional service provision is already the rule, especially since county government is often responsible for services assisting low-income people. Usually, workforce training, child welfare, and courts are county functions; often, housing and community development programs are administered either through county government or by consortia encouraged by a variety of programs of the U.S. Department of Housing and Urban Development. Almost a third of nonprofits serving poor households report working in more than one suburban county and almost two-thirds in more than one suburban municipality (Allard and Roth 2010). Even so, such cross-jurisdictional efforts require the investment of time and expertise to achieve coordination even absent fiscal strain. Indeed, Andrulis (2007) found that efforts to improve health care services for low income people in suburban areas have been hindered in part by problems funding services across jurisdictions.

Despite substantial reporting on suburban poverty growth, then, a few basic questions remain that occupy the remainder of this article.

- How closely have recent changes in suburban poverty tracked changes in national and metropolitan poverty?
- What kinds and sizes of jurisdictions accounted for most poverty growth between 2000 and 2005/09?
- Do local governments lack capacity to respond to suburban poverty growth?
- Have cross-jurisdictional arrangements and institutions emerged that might make up for gaps in suburban local government capacity?
- What implications does suburban poverty growth have for federal efforts to help cities and states respond more effectively to times of hardship?

Data and methods

Our focus on local government steers us toward a definition of "suburbs" based on local-government boundaries. In our national quantitative analysis, we therefore seek to understand the distribution of population growth across cities by size and type and between incorporated and unincorporated areas. A more complete analysis of New England, New York, New Jersey, Pennsylvania, Ohio, Michigan, and Wisconsin would also require investigation of trends at the township level, but the complexity of local government in many of these states led us to reserve the research on these areas for a future date .

We began our data collection by extracting sample data on poverty (persons below poverty and population for whom poverty status is determined) from the 2000 U.S. Census Long Form (Summary File 3) and the 2007-11 American Community Survey , and population data from the 2000 and 2010 U.S. Census (Summary File 1). We collected data at the county and place level for all the data sets and matched counties and places to create a two-year observation period. We matched all the counties and places to one another to create a time series and to 2008 metropolitan area boundaries, assigning size categories for places and for CBSAs based on their 2010 populations.[1] Places were also classified according to whether they were incorporated or Census Designated Places (CDPs). Using county totals and incorporated-place totals, we also computed unincorporated remainders for each metropolitan area.

The American Community Survey's estimates of poverty are quite imprecise. We used the five-year place-level estimates for 2007 to 2011 because sample-size constraints lead to suppression of data on small places in the one- and three-year ACS results. The period between 2007 and 2011 was among the most volatile the U.S. has experienced, making it difficult to grasp fully the

[1] When a place spanned CBSAs, we assigned it to the CBSA in which the largest percentage of its population lived.

meaning of an average estimate from that period. Furthermore, the poverty estimates are subject to wider margins of error than other estimates because they are computed from several other data that are also subject to sampling error (e.g., family size) as well as individual income reporting that is onerous and subject to nonresponse or respondent errors or omissions. All these estimates must therefore be treated as general and impressionistic rather than precise.

We chose Chicago and Denver for in-depth case studies because they have interesting parallels but also some important differences. First, both metro areas had poverty increases of around 4.2 percent between 1999 and 2011. Both have also been noted for very significant changes in the poor populations of their central cities. The city of Chicago underwent a very large change in its urban fabric with the demolition of over 20,000 assisted housing units under the Plan for Transformation of the Chicago Housing Authority. It also became more attractive for young and affluent households as new amenities were completed in the Loop. Denver, for its part, has been renovating its public housing projects and its downtown, adding large amounts of new housing near an expanding rail transit system (Pendall et al., 2012). At the same time, Denver and especially Chicago have garnered national attention for their growth in suburban poverty (U.S. Department of Housing and Urban Development Office of Policy Development and Research 2012, Wilson 2012, Moser 2012).

Both metro areas are also recognized for civic efforts to promote regional collaboration on a variety of issues including transportation, housing, and open space. Chicago and Denver both have voluntary metropolitan mayors' caucuses and both metro areas have strong regional action by business organizations (Chamber of Commerce in Denver, Metropolitan Planning Council in Chicago). A key difference between these two metro areas, however, is the capacity and consolidation of local government, both of which are higher in Denver than in Chicago. This key dimension of difference motivates our exploration here.

We collected quantitative and qualitative data from Chicago and Denver from a broad range of sources. Statistical sources included the 2006 and 2011 reports from the U.S. Census of Governments; the 2000 Census of Population and Housing; and the American Community Survey. Archival resources included budgets, plans, and meeting agendas from local governments and regional agencies. We also rely on notes and verbatim transcripts from about 30 in-person interviews conducted by the authors between 2009 and 2012. Interviewees included a wide range of state and local government elected and appointed officials; staff at local nonprofits, regional advocacy and development organizations, and transit providers; business leaders; and academics. The interview formats ranged from directed and specific about challenges of population and poverty growth to broad and open-ended conversations about how leaders in these areas are responding to and preparing for current and future challenges.

The national picture: Suburban poverty changes, 2000-2007/11

In 2000, the metropolitan areas we analyzed had about 262 million residents, 12.1 percent of whom lived in poverty. In 2007-11,[2] about 280 million people lived in these metro areas, and 14.1 percent were living in poverty.[3] Rising poverty rates between 2007 and 2011 at the national level suggest that current metro-area rates are higher than 14.1 percent. Out of the 940 CBSAs, 824 had increasing poverty rates between 2000 and 2007/11. Among the 14 CBSAs with over 4 million residents in 2010, twelve had rising poverty, with the largest increases in Detroit (up 4.9 percentage points to 15.5 percent in 2007-11) and Atlanta (up 4.0 percentage points to 13.5 percent). New York and Los Angeles were the exceptions, but in seven other large CBSAs, poverty increased by less than two percentage points—the level of poverty increase across all CBSAs. As a consequence, the largest CBSAs captured an estimated 31.7 percent of the population growth but only accommodated 23.4 percent of the poverty growth between 2000 and 2007-11 (Table 1).

Meanwhile, CBSAs under 1 million accommodated disproportionately large shares of national poverty growth. An exclusive focus on suburbanizing poverty in the largest metropolitan areas therefore may be missing a bigger story about the increasing divide between trends in the most-studied metro areas and those elsewhere in the nation. Adding about 10 million new residents over the decade, or 40 percent of CBSA growth, these 889 CBSAs experienced an increased of nearly 4.3 million people in poverty—just over half the national poverty growth.

The ratio between population growth and poverty growth declines with each step up the ranking of CBSAs by size categories. The 552 CBSAs with populations below 100,000 accounted for only 4.7 percent of the population growth but for 9.9 percent of the growth in poverty, leading the weighted-average poverty rate in the smallest CBSAs to increase from 13.4 percent to 17.0 percent between 2000 and 2007-11. CBSAs between 100,000 and 250,000 residents were responsible for 10.4 percent of population growth and 12.7 percent of poverty growth; those between 250,000 to 500,000 residents accounted for 10.7 percent of population growth and another 12.7 percent of poverty growth; and those between 500,000 and 1 million residents added 14.8 percent of the new population and 15.0 percent of the growth in poverty. The 37 CBSAs with between 1 million and 4 million residents were closer to accommodating their share of poverty growth; they captured 27.7 percent of the metropolitan population growth and accommodated 26.3 percent of poverty growth, increasing their poverty rate from 10.4 percent to 12.7 percent in the process.

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[2] This is the sum of the five-year average data from the American Community Survey's 2007-11 report, which we use and report for comparability with our analysis of poverty change in places.

[3] Unaccompanied minors and persons in group quarters (e.g., college dorms, prisons, and jails) are not included in the determination of poverty rates.

Table 1. Population and Poverty, CBSAs by size, 2000 and 2007-11

CBSA Population, 2010	2000		2007-2011		Poverty rate	
	Population	Poverty	Population	Poverty	2000	2007-2011
<100K	25,598,215	3,528,602	26,764,820	4,368,452	14.3%	17.0%
100-250K	28,055,841	3,569,763	30,645,385	4,650,566	13.2%	15.7%
250-500K	25,866,059	3,149,894	28,517,713	4,232,262	12.6%	15.3%
500K-1M	31,698,343	3,747,193	35,374,962	5,025,206	12.2%	14.6%
1M-4M	62,134,371	6,340,944	69,010,609	8,573,938	10.4%	12.7%
>4M	88,877,109	10,626,700	96,763,614	12,611,568	12.2%	13.3%
Total	262,229,938	30,963,096	287,077,103	39,461,992	12.1%	14.1%
	Distribution, 2000		Distribution, 2007-11			
CBSA Population	Population	Poverty	Population	Poverty		
<100K	9.8%	11.4%	9.3%	11.1%		
100-250K	10.7%	11.5%	10.7%	11.8%		
250-500K	9.9%	10.2%	9.9%	10.7%		
500K-1M	12.1%	12.1%	12.3%	12.7%		
1M-4M	23.7%	20.5%	24.0%	21.7%		
>4M	33.9%	34.3%	33.7%	32.0%		
Total	100.0%	100.0%	100.0%	100.0%		
	Change		Distribution of change			
CBSA Population	Population	Poverty	Population	Poverty	Ratio	
<100K	1,166,605	839,850	4.7%	9.9%	2.10	
100-250K	2,589,544	1,080,803	10.4%	12.7%	1.22	
250-500K	2,651,654	1,082,368	10.7%	12.7%	1.19	
500K-1M	3,676,619	1,278,013	14.8%	15.0%	1.02	
1M-4M	6,876,238	2,232,994	27.7%	26.3%	0.95	
>4M	7,886,505	1,984,868	31.7%	23.4%	0.74	
Total	24,847,165	8,498,896	100.0%	100.0%	1.00	

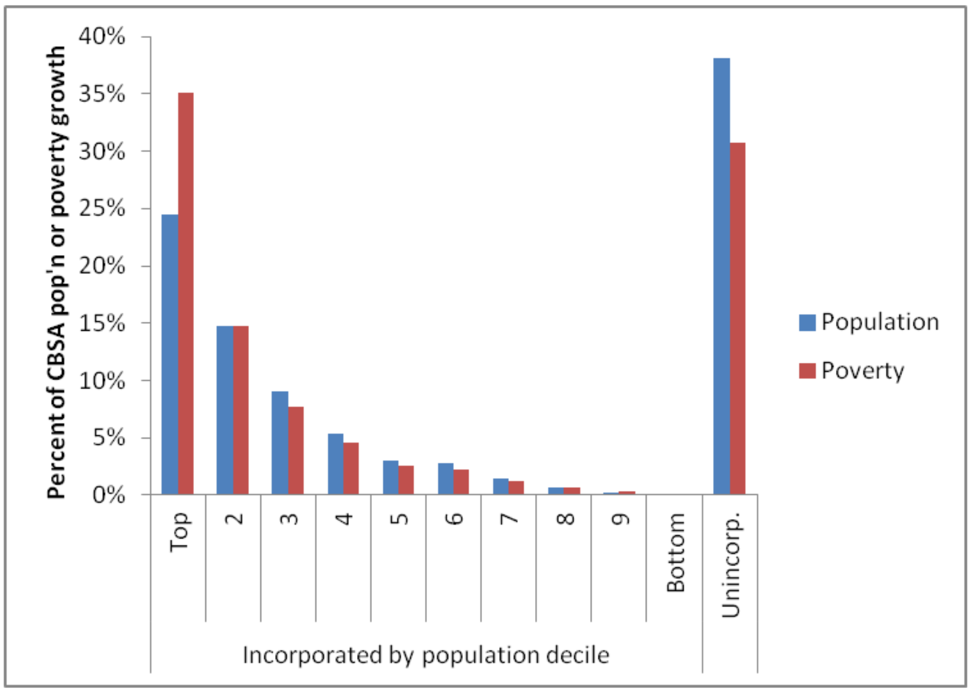
Source: Authors' calculations based on U.S. Census of Population and Housing 2000, Summary File 3, and U.S. Census American Community Survey, 2007-11. Metro area population ranges are based on population in 2010 with boundaries as of 2008 OMB definitions.

A second question is the extent to which cities' poverty rates change in tandem with those of their metropolitan areas. For all 13,201 incorporated cities, villages, and towns in these 940 CBSAs, the simple correlation between the change in municipal poverty rate and corresponding CBSAs' poverty rate was 0.21. For the 1,240 municipalities with populations over 25,000, however, the correlation was 0.68.[4] Just as the national rise in poverty translates into rising poverty for most CBSAs, then, the growth in poverty in almost 900 CBSAs means that poverty should be expected to rise in jurisdictions large and small, central and suburban.

[4] The lack of correlation between CBSA poverty change and small-city poverty change may be partly a consequence of the large margins of error around the estimates for the smaller places, especially in the American Community Survey results.

To see how poverty growth was distributed across places in all the CBSAs, we ranked incorporated places by population and placed them in ten groups (deciles) with equal numbers of cities. The top-decile cities accounted for one-third of poverty growth between 2000 and 2007-11, but they only captured one-quarter of the population growth (Figure 1). Across all 940 CBSAs, second-decile cities accommodated equal shares of poverty growth and population growth, but this apparent balance did not apply among all CBSA size categories; second-decile cities accommodated more than their share of poverty in CBSAs with populations over 4 million and under 250,000, but less than their share in the other CBSAs, on average. The 2500 cities in the ninth and 10th deciles also accommodated disproportionate shares of metropolitan-area poverty growth, but they accounted for less than one percent of national population and poverty growth.[5]

Figure 1. CBSAs' largest cities still accommodate disproportionate shares of poverty growth



Source: Authors' calculations based on U.S. Census of Population and Housing 2000, Summary File 3, and U.S. Census American Community Survey, 2007-11.

Figure 1 also illustrates that incorporated places still bear most of the responsibility for housing low-income residents in U.S. metro areas. Municipalities captured 62 percent of population growth between 2000 and 2007-11 but accommodated 69 percent of poverty growth, whereas unincorporated areas had 38 percent of population growth and 31 percent of poverty growth. This tendency of cities to capture more poverty growth than their share of population growth,

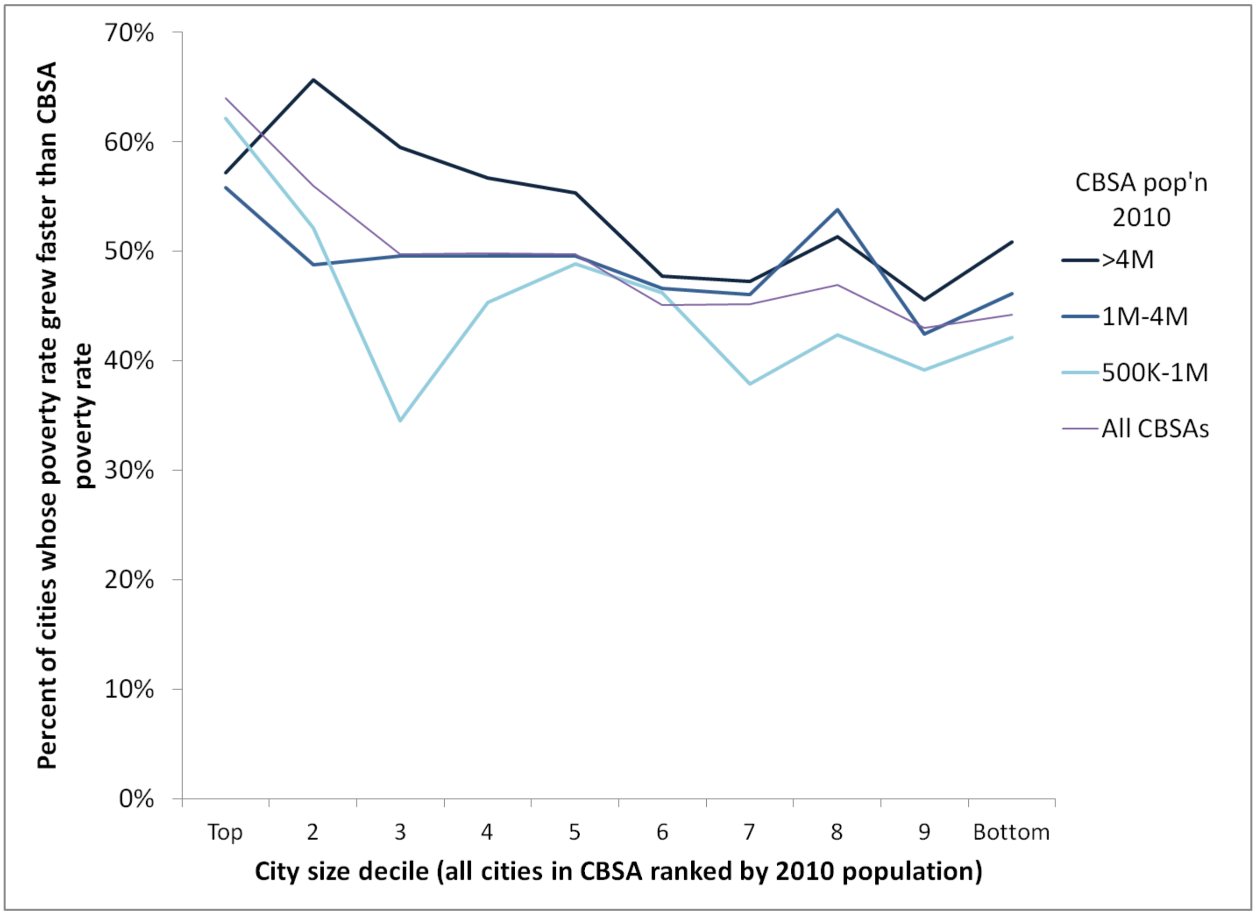
[5] Again, the small size of these cities and their attendant large sampling error suggests caution in interpreting these results.

while unincorporated areas captured less, applied to all metro-area size categories but was most noticeable in CBSAs under 100,000 residents. Cities in these 552 metro areas accommodated 52 percent of new residents but 64 percent of the poverty growth.

Having established that poverty has risen since 2000 in both suburbs and central cities, a final question for this review of trends across all metropolitan areas concerns the sizes of cities that accommodated more than their share of metro-area poverty growth. Were central cities, secondary cities, medium-sized suburbs, small suburbs, and tiny villages all equally likely to experience poverty growth at about the level of the CBSA? Or was there variation, such that central cities were relatively protected from rising CBSA-level poverty while small jurisdictions bore the brunt of the problem? We again rely on our classification of places into population deciles to explore this question.

Across all 940 CBSAs, 64 percent of top-decile cities' poverty growth exceeded their metropolitan areas' poverty growth, compared with only 56% of second-decile and 50% of third-decile cities (Figure 2). This means that on average, a central city or another large city in a CBSA is more likely to experience poverty growth than a small suburb or a tiny village. If larger municipalities have more capacity to respond to the needs of the poor than smaller ones, then clearly this implies that concerns about how suburbs will respond to rising poverty should be broadened. Primary cities still are more likely to do more than their share to accommodate rising metropolitan—and therefore national—poverty, and because they have a larger population base this means that the absolute number of new poor residents per primary city far exceeds the absolute number per suburb. And while central cities arguably have more experience, more institutions, and better services than suburbs, the scale of the recent increase in some primary cities has been tremendous, especially in a time of fiscal constraints that will become more severe as funding from the American Reinvestment and Recovery Act (ARRA) of 2009 recedes into history.

Figure 2. In the largest CBSAs, medium and large suburbs were more likely to exceed CBSA poverty growth than the largest cities, 2000-2007/11



Source: Authors' calculations based on U.S. Census of Population and Housing 2000, Summary File 3, and U.S. Census American Community Survey, 2007-11.

Concerns about disproportionate burdens on smaller cities do, however, appear warranted when we consider only the 14 largest CBSAs. In these metro areas, a top-tier city was less likely than either a second- or a third-decile city to have faster poverty growth than their metro areas did. About 57 percent of first-decile cities in the largest CBSAs had poverty rates exceeding the CBSA average, compared with 66 percent of second-decile and 59 percent of third-decile cities.[6] These second- and third-decile cities are often fairly small even in the largest CBSAs, averaging 43,300 and 28,450 residents in 2010, respectively, compared with 220,550 for top-decile cities. Even cities in the fifth decile of the largest CBSAs had a better than 50% chance of exceeding metro-level poverty growth rates, and these were small places indeed—averaging only 14,000 residents in 2010.

[6] The number of jurisdictions and their average populations by CBSA size in 2010 are reported in Table A.1, in the Appendix.

To summarize this quantitative review of the changing location of poverty in the U.S. since 2000:

- Rising poverty within metropolitan areas relates fundamentally to a rising national poverty rate that has yielded poverty increase for seven out of eight CBSAs nationwide.
- Suburbs were more likely to experience rising poverty when their CBSAs became much poorer, but in most CBSAs, primary cities still bore the brunt of the challenge. At a broader level, incorporated places accommodated significantly more than their share of poverty growth while unincorporated places accommodated less.
- The nation's 14 largest CBSAs are pulling away from other CBSAs, especially the smallest ones, accommodating less than their share of national poverty growth.
- Within these largest CBSAs, primary cities appear better buffered against rising CBSA poverty growth than their small- to medium-sized suburbs. This is not true, however, in CBSAs up to about four million residents.

Case studies: Chicago and Denver

The national overview places Chicago and Denver in context. Chicago is among the 14 largest CBSAs. With over 9 million residents in 2010, we would expect the Chicago CBSA (based only on the national overview) to have experienced substantial poverty growth in a large number of its small and medium-sized cities and somewhat less severe poverty growth in its largest cities. Denver, meanwhile, is among the metros of between 1 and 4 million, where many first-tier cities experienced poverty increases beyond metro rates, but the majority of second- and lower-decile cities did not. If the CBSAs align with national patterns, then the strain on local and regional institutions would have been much more pronounced in Chicago than in Denver. Here we summarize the differences and similarities between the CBSAs in their population, poverty trends, and government capacity before proceeding to case studies on how local government and regional governance have responded to poverty growth in suburbs.

Overview: Municipal structure, population, growth, and poverty

The Chicago CBSA as defined in 2008 spanned 14 counties from southern Wisconsin to northwest Indiana. In 2010, the metro had just over 9 million residents and included part or all of 347 incorporated cities and villages[7] with a combined population of 8.4 million residents. Another 776,006 people (9 percent of the total) lived in unincorporated areas with services provided by a combination of township and county governments, depending on the state. Half the municipalities (171 cities and villages) had populations in 2010 of fewer than 10,000

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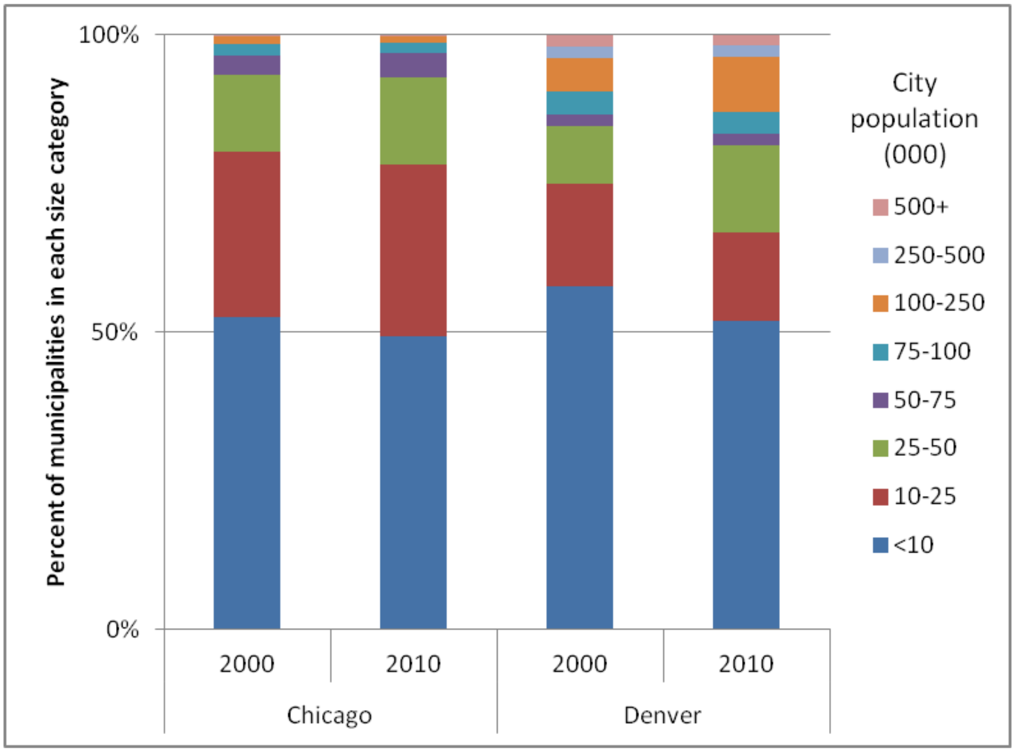
[7] In both the Chicago and Denver metro areas, cities can span county boundaries and therefore overlap CBSA boundaries.

residents and another 29 percent (100 cities and villages) had populations between 10,000 and 25,000 (Figure 3). Only five had populations over 100,000, and only Chicago had a population over 200,000. (The other four large cities were Aurora, Naperville, Joliet, and Elgin.) With 2.7 million people in 2010, Chicago accounted for 28 percent of the population of this expansive metropolis, but altogether, the cities over 100,000 residents accounted for only 35 percent of the metro-area population.

Figure 3. Percent of municipalities by population size, Chicago and Denver, 2000 and 2010



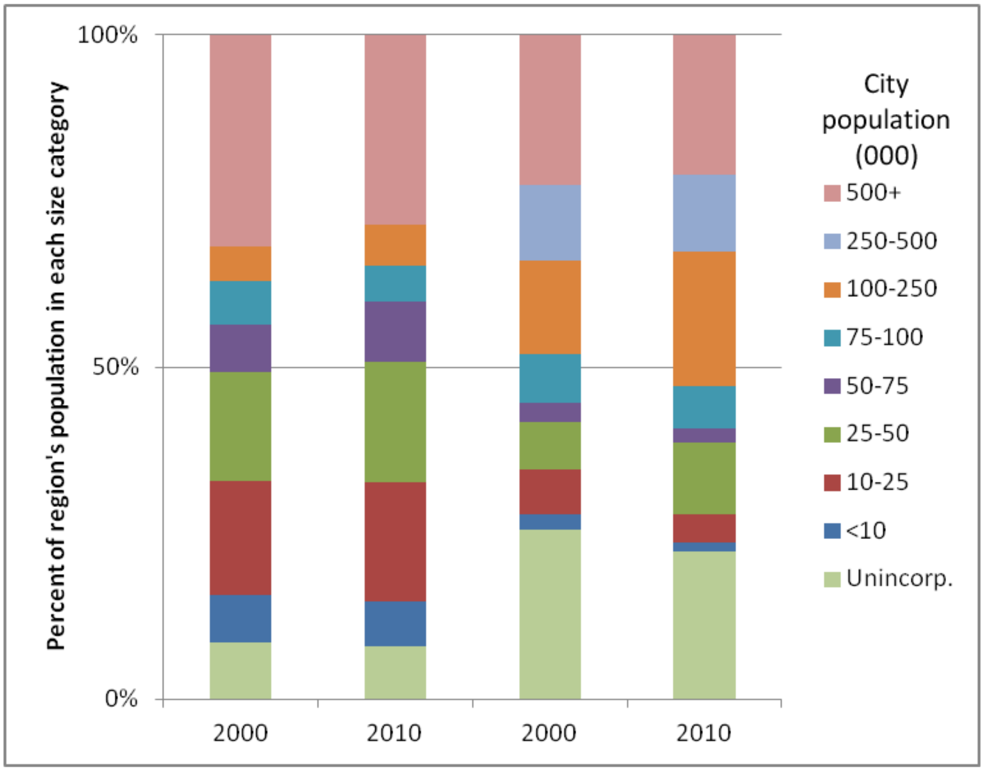
Metropolitan Denver, again according to its 2008 CBSA definition, was much smaller than Chicago in 2010, and its municipal structure was less fragmented than Chicago's (Figure 3).[8] About 2.8 million residents lived in the metro area's eight counties and one combined city and county (Denver) in 2010, 2.2 million of whom (73 percent) lived in the CBSA's 44 cities and 584,438 (27 percent) in unincorporated areas. Four of its eight counties had over 250,000 residents in 2010, and 11 of the 16 school districts serving the region enrolled at least 10,000 students in 2012-13 (Colorado Department of Education 2013). Only 26 cities had populations under 10,000; eight between 10,000 and 25,000; five between 25,000 and 100,000; and five over 100,000. These five cities alone—Denver, Aurora CO, Lakewood, Arvada, and

[8] The Denver metropolitan area was redefined significantly after the 2000 Census, when Boulder County was separated from the metropolitan area and the new Broomfield County was created from parts of Boulder, Adams, Jefferson, and Weld Counties. Our data for 2000 include only the jurisdictions and the residents who lived in the boundaries of the 2008 CBSA.

Westminster—accounted for 54 percent of the CBSA's population. Metro Denver also had several large Census Designated Places (CDPs) in 2010: Highlands Ranch, with 96,000 residents, and Ken Caryl and Dakota Ridge, each of which had about 32,000 residents. These suburban areas are generally provided with urban services by homeowner associations and special districts and are the outcome of master-planned development processes accommodated by county governments. Almost 300,000 additional people live in adjacent Boulder County, which comprises its own CBSA northwest of Denver; Boulder County and its municipalities belong to many metropolitan-area institutions, including the Metropolitan Planning Organization (MPO) and the Regional Transit District (RTD). The City of Boulder had almost 100,000 residents in 2010, about 30 percent of whom were students at the University of Colorado's main campus. For the rest of our analysis, we include Boulder County in our analysis of the Denver region.

Denver's political polycentrality and Chicago's political fragmentation become clearer when comparing their distribution of population across jurisdictions (Figure 4). The City of Denver alone accounted for only about one-fifth of its region's population in 2010; Chicago, by contrast, had 28 percent of its region's population. Aurora (CO), the sole city in either region with a population between 250,000 and 500,000, accounted for another 11 percent of the population, and the five other cities with populations over 100,000 claimed another 20 percent. The six Chicago-region cities with populations between 100,000 and 250,000 had only six percent of the CBSA population. At the other end of the size spectrum, only five percent of metro Denver's 2010 population lived in cities of fewer than 25,000 residents, compared with fully one-quarter of metro Chicago's residents.

Figure 4. Distribution of population by municipal size and unincorporated areas, Chicago and Denver, 2000 and 2010



The number of people in poverty grew significantly in both regions since 2000. Chicago's population below poverty grew by about 25 percent, representing an absolute increase of almost 250,000 people in poverty between 2000 and 2007/11. Denver's poor population grew by about 70 percent, or 135,000 new people in poverty. The decennial population counts in 2000 and 2010 registered similar absolute increases in population: 362,789 for Chicago (up 4 percent from 2000) and 388,995 for Denver (including Boulder) (16 percent). Hence while the absolute magnitude of poverty growth was greater in Chicago, the relative magnitude was much greater in Denver.

Both CBSAs experienced increasing poverty rates in all their counties. The highest poverty rate in any single county in 2007-11 was 18.8 percent in the City and County of Denver, up 4.5 percentage points from 2000. Between 2000 and 2007/11, Cook County's poverty rate moved from 13.5 percent to 15.8 percent; at the beginning of the decade, its poverty rate was highest in the region, but by 2007-11 it had been surpassed by DeKalb County and Lake County, Indiana, where the rates jumped from 11.4 to 15.9 percent and 12.2 to 16.6 percent, respectively. Poverty rates exceeded 10 percent in three other counties in each of the two metropolitan regions: Adams, Arapahoe, and Boulder in the Denver area, and Kane (IL), Newton (IN), and Kenosha (WI) in greater Chicago.

The distribution of poverty among jurisdictions differs between the two metropolitan areas, but the regions also changed in one important common way: the percentage of the regions' poor populations living in their central cities declined quite significantly (Figure 5). Chicago city's share of its CBSA's population below poverty declined from a stunning 60 percent of the total to 48 percent of the total between 2000 and 2007/11. Denver's share declined from 39 percent to 33 percent. Both central cities experienced growth in the number and percent of people in poverty in the 2000s, and both still accommodate disproportionately large shares of their CBSAs' people in poverty, compared with their shares of their CBSAs' populations. Even after this redistribution of poverty, however, a large number of poor people still live in both central cities (Figure 6).

Figure 5. Distribution of population in poverty by municipal size and unincorporated areas, Chicago and Denver, 2000 and 2007/11

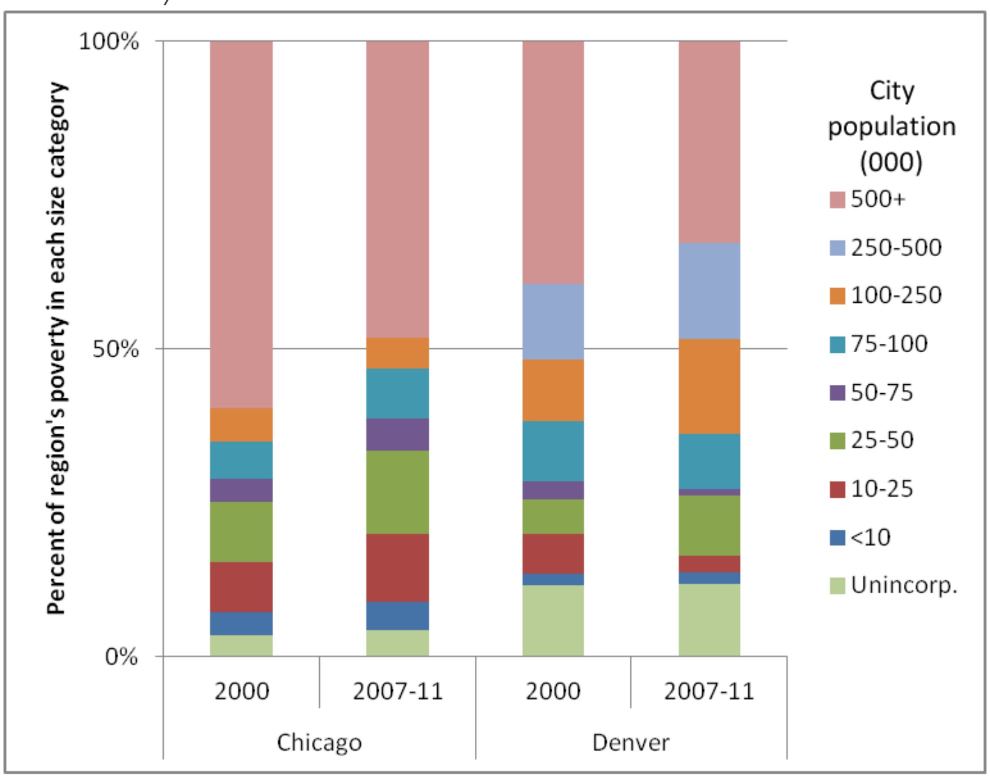
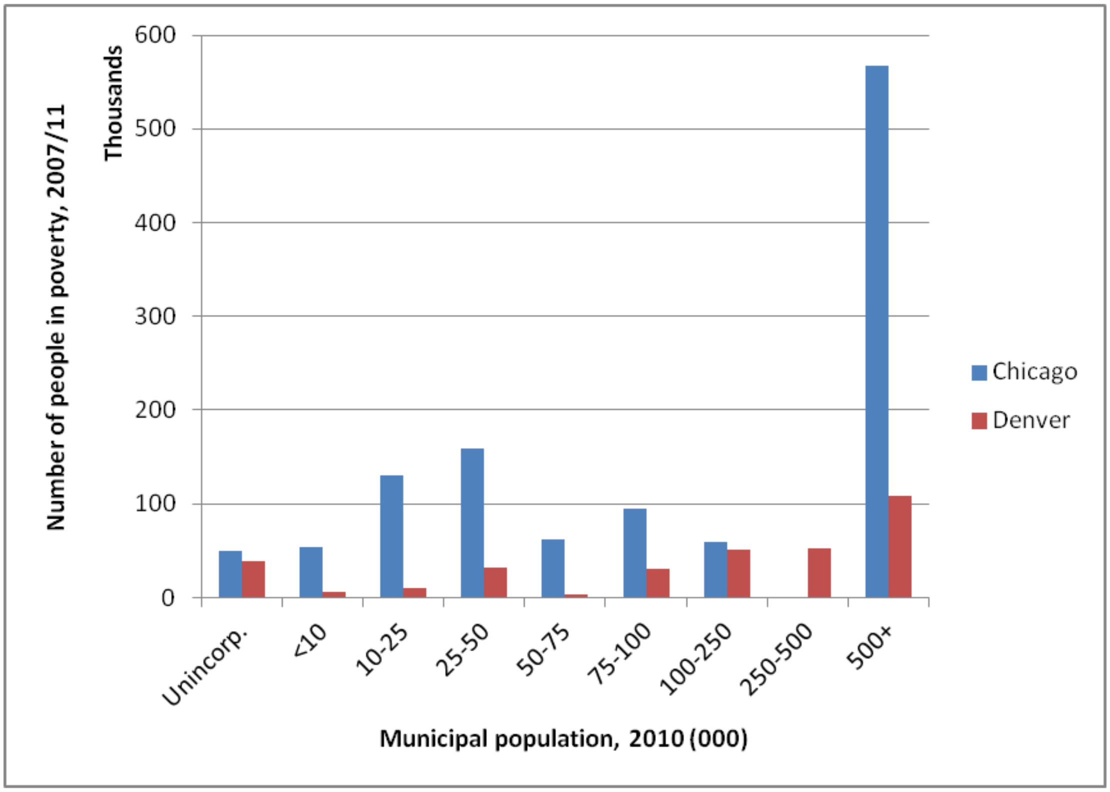


Figure 6. Population in poverty by municipal size and unincorporated areas, Chicago and Denver, 2000 and 2007/11



The similarities between the CBSAs end, however, with the tendency of both Chicago and Denver cities to house a disproportionately large but declining share of their regions' poor residents. Not only does the Chicago region have fewer mid-sized cities accommodating a smaller share of the CBSA population than does the Denver area; in total, Chicago's mid-sized cities shifted from accounting for 5 percent of the population and 6 percent of the poverty in 2000 to the reverse (6 percent of the population but 5 percent of the poverty) in 2007-11 (Figure 5). (This is partly an artifact of population decline in Gary, which fell below 100,000 residents early in the 2000s.) The share of the Chicago region's poor population living in smaller jurisdictions grew across all size categories, and overall the cities and villages under 100,000 people now account for about 42 percent of the metro area's poverty, up from 31 percent just 10 years previously. In Denver, by contrast, the burden of poverty has shifted from the city and county of Denver (where, to be clear, the population in poverty did grow, by 40 percent) to medium-sized cities. On average, then, suburban poverty growth in Denver has occurred in larger jurisdictions, in part because there are simply more of these jurisdictions but also partly because the Chicago area's medium-sized and large suburbs have been able to avoid the large increases in poverty that its smaller suburbs have not.

Chicago's suburban poverty growth stems partly from the hollowing out of older inner suburbs noted by Lucy and Phillips (2003), Hanlon (2010), and others, in which the families and people who have more resources move away and are not replaced by others, leaving poor and near-poor households behind. Although the metropolitan area gained population in the 2000s, 122 of Chicago region's municipalities lost population. Among these declining cities, the average increase in poverty was 4.2 percentage points, compared with an average poverty growth of 3.1 percentage points in the growing cities. In Denver, by contrast, municipalities that lost population experienced less than one-half of one percentage point increase in poverty on average, whereas those where population grew had a 4.3-point increase.

Indeed, the best-known and most severe poverty rate increases in Chicago occurred in a series of suburbs south of Chicago that lost population, including Harvey, Chicago Heights, and Calumet City. This zone of spiraling poverty—increases of 8 to 12 percentage points—amid population loss extends into northwest Indiana. The poverty rate in Gary and East Chicago exceed 30 percent citywide; Hammond's poverty rate increased from 14 to 22 percent over the decade. Among these cities, only Hammond had a majority-white non-Hispanic population in 2000, and both Gary and Harvey were at least 80 percent black.

Both Chicago and Denver have numerous suburbs in which poverty growth has accompanied population growth. In Chicago, poverty rose substantially but not as severely (4 to 7 percentage points) in a series of cities and villages that were majority-white in 2000 but diversified as they have grown. Some are relatively large former industrial cities like Aurora, whose poverty rate grew from 8.5 to 12.8 percent even as it expanded from 143,000 to 198,000 residents. Hispanics and white non-Hispanics each accounted for about 40 percent of Aurora's population in 2010, and nearly a quarter of the city's residents in 2007-11 were born abroad. Joliet, likewise, grew significantly in the 2000s, from 106,000 to 147,000; its poverty rate rose from 10.8 percent to 12.0 percent. Black, Hispanic, and foreign-born residents also account for significant proportions of Joliet's population (16 percent, 28 percent, and 15 percent, respectively). A few smaller municipalities also experienced this conjunction of poverty growth and population growth. For example, the Village of Romeoville, a suburb of Joliet about 30 miles southwest of Chicago, grew from 21,000 to nearly 40,000 residents as it shifted from over three-quarters non-Hispanic white to half white, 30 percent Hispanic, and 12 percent non-Hispanic black. About one-fifth of Romeoville residents were foreign-born in 2007-11, compared with just 9 percent in 2000.

Measuring Government Capacity

As a broad and blunt measure of government capacity, we collected data on government employment on a limited number of jurisdictions in the two metro areas from the 2011 Census of Governments. Overall, Denver cities have more employees per resident than Chicago, a pattern that appears to be true across cities of varying sizes. The Denver metro advantage levels off, however, in larger cities. Larger Denver metro cities with over 50,000 people have 16 employees per 1,000 residents, compared to 15 in Chicago's larger cities (Figure 7).

When we normalized per 10,000 poor people, we found a clearer relationship: high-poverty cities in both metro areas generally have fewer government employees per poor resident (Figure 8). In both Denver and Chicago, cities with greater than a 10 percent poverty rate have fewer than 1.5 government employees for every 10,000 poor people. In Denver, the average is 1.4, while in Chicago that number is 1.3. The main differences between the metros are in lower-poverty cities. In Denver's cities with less than 5 percent poverty, government capacity remains at about 2 employees per 10,000 poor people. In Chicago's, capacity steadily decreases as poverty rate goes up, so that the lowest-poverty cities have over 4 employees per 10,000 poor people.

Figure 7. Average government employees per 1,000 residents by jurisdiction size, Denver and Chicago metro areas, 2007-11.

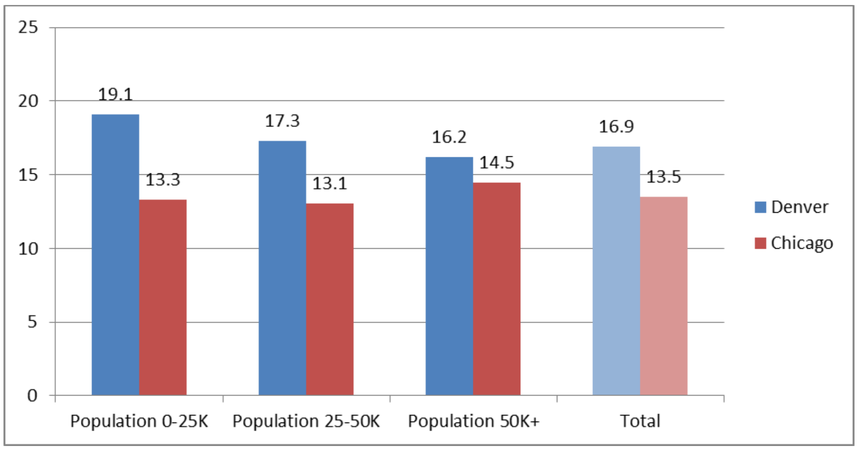
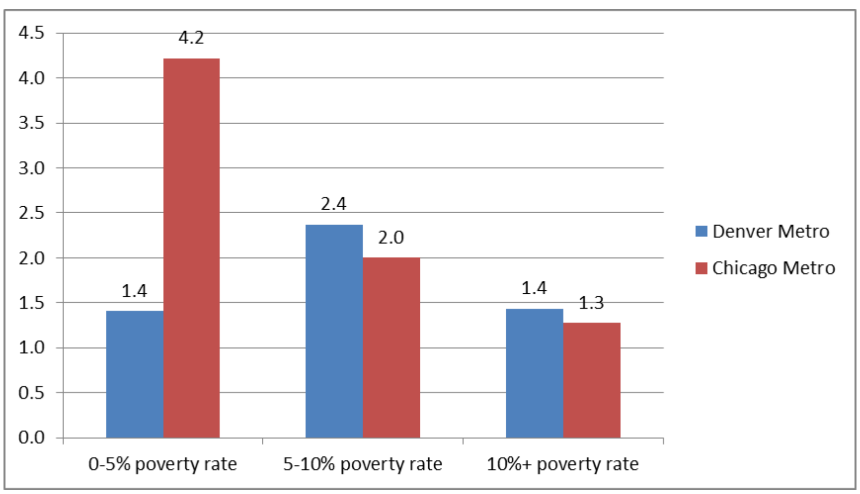


Figure 8. Government employees per 10,000 poor people by poverty rate, Denver and Chicago metro areas, 2007-11.



In summary, we found two different patterns of suburban poverty growth. One is shared by Chicago and Denver: poverty growth that accompanies significant population growth, driven mainly by the increase in Hispanic and foreign-born residents in relatively inexpensive former industrial cities or inner suburbs born to accommodate the Baby Boom. The other is unique to

Chicago: poverty growth in declining suburbs and former industrial cities too far removed from the economic engine of downtown and more affluent suburbs, and too stigmatized for their already majority-minority population, to attract new employment and residents. Chicago is triply disadvantaged by the structure of its suburban poverty growth: a substantial share of it is happening in declining cities; a large share of it is happening in small cities; and all its cities, regardless of size, have fewer government employees per capita than do those in Denver.

Regional governance and responses to suburban poverty growth

As made clear in the previous section, Chicago and Denver both face different problems—with Denver's suburban poverty growth accommodated mostly in large jurisdictions and Chicago's disproportionately in small ones—and have different average levels of local government capacity, with cities in Denver generally having more local government employment than those in Chicago, adjusting for population size. Further analysis of local and regional capacity and response to the challenge of poverty growth underscore the impression that the Chicago region faces a bigger challenge and has lower capacity to respond to it than does Denver. Chicago's problem also spans not only many suburbs but a state boundary. Together these factors suggest that regional resilience will require both a more robust state-level response than has materialized to date and a much more expansive cross-state engagement on recovery policies for the three-state Chicago region.

Chicago: Worry about suburbanizing poverty because government capacity is low

Political fragmentation means that most of Chicago's suburban poor live in small cities and towns. Suburban poverty clusters in three different types of suburbs. One cluster includes a set of former industrial towns on the outskirts of the region (Aurora, Waukegan, Joliet, Elgin and the smaller towns of Zion, North Chicago, and West Chicago City), which have seen poverty grow as immigrants arrived in large numbers after 1990. Although their manufacturing economies have decayed, these satellite cities (to varying degrees) offer close access to the booming suburban job market, as the suburbs have sprawled out to meet these once independent cities. These satellite cities accounted for 16 percent of the suburban poor of the CBSA in 2007-2011. A second cluster of poor residents lives in smaller inner suburban cities to the west of Chicago, including Berwyn, Cicero and Maywood in Cook County and Bensenville in DuPage county, accounting for 6 percent of the suburban poor. Poverty has grown quickly in these suburbs adjoining the very poor west side of the city, due to a combination of middle class white exit and a growing Latino population in search of homeownership opportunities. On the edge of the city and close to affluent DuPage county, these communities have access to jobs in both areas. The southern suburbs, once a thriving industrial area, now situated far from the regional centers of job growth, contain 28.4 percent of the region's suburban poor including Gary, Ind. (23.2 percent excluding Gary). This area includes many of the poorest towns in the region. South suburban towns and cities are disproportionately African American, with some increase in the Latino population in recent decades. In both states, these suburbs represent the part of the Chicago region that never recovered from deindustrialization. Towns in this part of the region have a disproportionate number of residents who resemble "the truly disadvantaged" that William Julius Wilson identified twenty-five years ago: high levels of unemployment, low levels of labor market participation, and a relatively small proportion of two-parent households, ranging from 15% in tiny Robbins (population 6,635) to 41% in Chicago Heights (32,776 residents).

The Satellite Cities: The satellite cities of Aurora, Elgin, Waukegan, and Joliet (with population ranges from 147,433 in Aurora to 89,078 in Waukegan) have experienced substantial foreign immigration since 1990 and along with it, growth in the number of low-income residents. With CDBG entitlement status and their own housing authorities, these cities possess some administrative capabilities to address growing poverty. Struggling to recover from decades of deindustrialization, however, these cities have emphasized gentrification strategies. They have greeted low-income immigrants with mixed sentiments. In the new jumbled landscape of suburbia, these older cities have sought to avoid becoming the only localities with affordable housing, ending up as an analysis of Elgin in 1990 put it, "a satellite central city, which its affluent neighboring suburbs will try their best to ignore." (Andreoli, 1990) Fear of this fate has led some of these cities to take action against immigrants. Elgin, for example, enforced ordinances restricting the number of people in a single residence to discourage the common immigrant housing strategy of extended families in a single residence (Fletcher, 2000). Waukegan instituted an aggressive ticketing and towing program designed to dissuade undocumented immigrants – who would be unable to reclaim towed cars without a driver's license – from settling in the town. Aurora, however, has been more positive in its reception of new immigrants (McQueen 2006). Now the second largest city in Illinois, the city has benefited from the booming high tech and service economy in the surrounding suburbs.

While these small cities each face distinctive challenges, they all need to be more proactive in addressing the issues confronting their low-income populations. Preserving affordable housing presents a key challenge. City leaders, hungry to promote economic development and attract higher income residents, have shied away from using their limited resources on affordable housing. Even in Aurora, the most welcoming to immigrants of these cities, efforts to promote gentrification have reduced the supply of affordable rental housing (McQueen, 2006). Likewise transportation poses a major problem for low-income residents of these cities. Expensive and inadequate public transit options mean that cars are an essential for reaching suburban service sector jobs. Moreover, low-income communities remain poorly organized to advocate on their own behalf. And although a handful of organizations serving low-income residents has emerged over the past two decades, the nonprofit sector remains sparse in these communities.

Western inner suburbs: Once the home to Italian and Czech immigrants, these suburbs have seen dramatic growth in their Latino populations (both foreign immigrants and American) since 1980. One of these suburbs, Maywood, has a predominantly African American population. Although some of these towns have CDBG entitlement status (Cicero) and housing authorities (Cicero and Maywood) these cities have long histories of municipal corruption and/or weak governance. Known as the town where Al Capone fled to escape prosecution in Chicago, Cicero continued its tradition of mob-connected corruption well into the 2000s. In 2001, for example, the mayor Betty Loren-Maltese was charged with racketeering and fraud in a scheme that looted $10 million in public funds. (O'Connor and Gibson) In 2009, the Maywood Housing Authority, which oversees a program of housing vouchers, was placed on a HUD watch list after its executive director was charges with embezzlement. An investigation found the agency rife with cronyism and still following bad management practices even after a new director was appointed (Herguth and Rehkamp). These suburbs have a long way to go to institute effective management and to hold public officials accountable.

Southern Suburbs: The poorest small to medium-sized cities in the Chicago metro area are home to predominantly African American populations; some also have growing Latino populations. The south suburbs of Chicago, with 28.4 percent of the region's poor (including the Indiana part of the CBSA), have been losing population since the 1980s, when the steel industry that once powered the area collapsed. Moreover, the area has become more racially segregated as the white population has dropped significantly since the 1990s (South Suburban Housing Center, 2008). By 2010, the white share of the population had dropped in all the cities, with 20-point declines in Hammond and Calumet City and a 10-point decline in Chicago Heights since 1990. While the Hispanic population of some of these cities exceeds the regional average (e.g., 51 percent in East Chicago, about one-third each in Chicago Heights and Hammond), most of these distressed cities have smaller proportions of foreign-born residents than the city of Chicago. Fewer than 2 percent of Gary's residents were born abroad, but about 15 percent of East Chicago's were foreign-born. In 2007/11 18 of these small segregated towns had poverty rates above 22 percent, higher than that in the city of Chicago. With some of the poorest suburbs in the country, the area faces outsized economic and social problems with minimal public capabilities.

Simply accessing public funds presents difficulties. Of the thirty south suburban municipalities in Illinois, only Chicago Heights has CDBG entitlement status. The rest rely on the overburdened Cook County for access to economic development and affordable housing funds (Cook County CAPER). Social service funding comes from the county and from townships, which have some taxing powers. Yet, townships vary widely in their willingness and ability to support social services, with some of the poorest areas served by the least capable townships (Hendrick). With few resources and no formal responsibility for social services, municipal leaders rarely act as effective champions of their low-income residents. As a staffer at Catholic Charities in the southern suburbs put it in a 2011 interview: "…I don't know if the municipal leaders help us. It seems that we have to kind of ferret things out on our own…" "…some of the elected officials – municipal officials—out here would prefer not to publicize the fact that there's need in their town..." (Together we cope). The sense of public neglect is acute in the southern suburbs. One social service provider summed it up, stating, "It's kind of a …forgotten region." (Catholic Charities South).

Collaborative regionalism and challenges of low-income suburbs

Like the Denver region, Chicago boasts an array of organizations that address metropolitan-wide issues. The Metropolitan Mayors Caucus, created in 1997, serves as a forum to considering regional problems and avenues of collective action to address them (Lindstrom). An active business community played a central role in removing legislative obstacles that had blocked the formation of a dynamic Metropolitan Planning Organization, the Chicago Metropolitan Agency for Planning. An active civic and philanthropic sector, based in the city, has adopted a regional focus over the past two decades (Hamilton 2002).

Despite these organizational strengths, efforts to address suburban poverty confront significant problems. The first is the success of many suburbs in using zoning to effectively bar low-income residents from their communities (Chicago Reporter Battle Zones). Nearly two-thirds of incorporated suburbs in the Illinois part of the region have poverty rates below the suburban average of 8.6 percent, kept low by long-standing exclusionary zoning practices that limit their supply of apartments and subsidized dwellings. Regional organizations have not had much success creating more affordable housing in affluent suburbs despite initiatives promoting employer assisted housing, campaigns encouraging local inclusionary zoning laws, and a new state law that requires inclusionary zoning. (MPC, BPI). The new law requires these jurisdictions to accommodate affordable housing, but it applies only to the increment of new growth—and most of these places are "built out" and will experience little new housing construction in the future.

Second, regional organizations have not been able to alter policies that expand exit options for middle class households. Younger cities and unincorporated county areas are very accommodating to new single-family housing development, translating into affordable entry-level housing even in newer communities and stagnant or falling property values in older suburbs. Like many Great Lakes states, the production of new housing in Illinois (statewide) far outstripped its growth in households in the 2000s: while 492,000 housing units were permitted between 2000 and 2009, inclusive, new households grew by 245,000 over the decade—a ratio of about two new houses permitted for every new household. Yet, intervening into the politics of suburban land use requires more power at the state level than Chicago's regional organizations possess. Since the 1970s, the quest to restrict suburban growth in Chicago's suburbs has failed to win much support in the state legislature (Weir, 2000).

Amid these limitations, the third sector has primarily focused its energies on improving the capacities of the suburban localities that disproportionately house the poor and the nonprofit organizations that work there. Promoting formal and informal collaboration has been the central strategy pursued by these groups. For nearly a decade, several foundations have sponsored efforts to promote collaboration in the south and southwest suburbs within Illinois (Reckhow and Weir 2012). These initiatives struggled to make headway confronted with the parochial politics of the region. However, the economic collapse and the availability of new federal funds after 2009 prompted new collaborations that offer a glimpse of how the capacities of these places could be improved.

In 2009, 28 small jurisdictions in Chicago's southern suburbs, part of a larger South Suburban Mayors and Managers Association (SSMMA), formed a collaborative to receive funds from the Neighborhood Stabilization Program, the federal grant program designed to help localities address the problem of foreclosures (Lydersen, 2009; Longworth 2012). Built on the base of the earlier foundation-supported efforts at fostering cooperation, the new collaborative relied on regional organizations such as CMAP, the Metropolitan Mayors' Caucus, and the Metropolitan Planning Council as it formulated its plans. Philanthropic organizations played a key role in keeping the collaboration going throughout the granting process. As a study by the Federal Reserve Bank of Chicago noted, the federal granting process was not well matched to support the Collaborative's multi-jurisdictional strategy and "third-party funding (from foundations) was instrumental in allowing the Collaborative to move forward while they waited for formal approvals and signed contracts" (Newberger 2010). Although the Collaborative and its partners did not win the stiff national competition for the second round of funding, the collaboration has led to other successes in winning grants including a Sustainable Communities Challenge grant from HUD to the South Suburban Mayors and Managers Association.

The same set of civic and philanthropic organizations has fostered interjurisdictional collaboration in the west suburbs of Cook County and in five northwest suburbs. Each of the three collaborations has a different structure, with the West Cook County collaborative administered by the Illinois Facilities Foundation (IFF), a nonprofit lender with community development expertise and the northwest collaborative, and the northwest cluster hired a private housing consultant. In each case, the collaboration allowed localities to benefit from expertise that they would not have had access to in the past and made them more attractive to federal, state and private funders (CMAP, MMC, MPC 2012).

Other levels of government are beginning to work through the clusters. For example, Cook County, under new reform leadership, has emphasized the need to work through councils of government and sub-regional housing collaboratives (Cook County CAPER, 2011, 19) and the county gave priority to interjurisdictional collaborations in its 2012 CDBG funding application. A more proactive Cook County is an essential piece of developing better governance capabilities to address suburban poverty (Berube and Kneebone 2013). Other regional and state programs have begun to promote applications from collaboratives and some federal programs, notably the Sustainable Communities Initiative, has supported such clusters (CMAP, MMC MPC, 2012 p.12).

These new collaborations represent no small triumph given the history of jealously guarded localism in the Chicago region. Yet, they constitute only a small first step in constructing new ways of doing business in the Chicago suburbs. So far, the amounts of money drawn through the collaboratives have been modest. Moreover, they have focused on housing and community development, not social services. It will take ongoing reinforcement from higher levels of government and from the nonprofit sector to allow these initiatives to take root.

The Chicago region suffers from an additional border challenge: the cross-state areas in the north, but especially in the southeast of the region, contain expanses of deep poverty driven by long-term economic decline. The severe economic problems of the southern region are more easily ignored since its political representation is split between two states. The largely black representatives of this region have little power in Indiana's state legislature, while in Illinois, they operate in the shadow of the city of Chicago. The decades-long effort to bring a third airport to the south suburbs – and briefly to Gary through a short-lived Chicago-Gary Regional Airport Authority in 1995 – offered a glimmer of hope but has never come to fruition.

Denver: Worry about poverty (period)

The Denver metro area offers an example of a place where concerns about suburban poverty growth may be overstated. That is, while poverty growth is a problem, its location in the suburbs does not make it necessarily any more challenging than its location in the central city. This is so because of three main features of the metropolitan area's governance.

First, its suburban poverty growth has occurred mainly in **cities that are populous or growing and have a professionally administered public sector**. Most significant has been the more than doubling of people in poverty in Aurora, a city of 325,000 bordering Denver to the east. Long an internal rival to Denver within the region, Aurora serves as a bedroom community to both the CBD and the job-rich Denver Tech Center. Between 1999 and 2010, Aurora's poverty rate surged from an estimated 9 percent to 17 percent, only three percentage points lower than Denver's rate. Aurora has a diverse population, with about 47 percent self-identifying as non-Hispanic and white, 29 percent as Hispanic (of any race), and 16 percent black (including Hispanic). About three in 10 residents speak a language other than English at home, and one-fifth of residents were born abroad. The city has a homeownership rate of about 60 percent, with median owner-reported house values of about $183,000, both lower than the statewide homeownership rate and median housing value of 66 percent and $237,000, respectively (US Census 2013a).

In 2013, Aurora employed a workforce of 2,677 FTEs, about 1920 of them employed in general fund activities and 760 in special-fund activities. Since 2007 city staffing has stayed about level, meaning that while per-capita staff capacity has eroded, core functions of government have been protected. Police FTEs have increased from 580 to 660 since 2003, while Fire department FTEs have stayed even and other career employees have declined by over 200. Since the housing crash, the number of positions funded by development review fees has decreased from about 120 to 70. The city also maintains its own water and wastewater systems, whose employment level increased from 285 to over 400. Professional city management led Aurora to rein in spending even as the economy slowed, in anticipation of declining per-capita sales-tax generation. (The city's retail sales per capita in 2007, $11,859, totaled nearly $2,000 lower than the statewide average (US Census 2013a).)

Aurora's population qualifies it as a federal entitlement jurisdiction. Federal CDBG and HOME funds swelled during the recession because of ARRA and HERA, resulting in a combined allocation of $6.4 million in 2010. Stimulus and housing-recovery funding ended in 2011, however, reducing the total federal CDBG and HOME allocation to $3.4 million even as the local poverty rate continued to rise. HOME rules require that local governments provide a match of 25 percent of the federal allocation, but its level of fiscal stress entitled Aurora to a 50 percent reductions in its required match starting in 2012, leading to a further total reduction in funds available for CDBG and HOME. Aurora's shortage of other funds has also led it to reduce transfers into community development. All told, the community development budget declined from nearly $9.5 million in 2010 to just $4.2 million in 2013 (City of Aurora 2013). To meet the needs of low-income neighborhoods, Aurora focuses substantial amounts of its CDBG allocation on Original Aurora, a series of neighborhoods adjacent to East Colfax Avenue (US 40). Punctuated by motor courts built in the early 1900s to cater to growing coast-to-coast tourism and expanded later to include cheap apartment complexes, the Colfax strip—running the length of Aurora, Denver, and Lakewood—and nearby neighborhoods has for decades accommodated a large share of the region's drifters, dislocated people, and immigrants.

Aurora also has its own high-capacity public housing agency that reinforce awareness about affordable housing needs and provide resources for low-income residents. A low-income person looking for housing assistance in Aurora will learn from the housing agency's website that the city has five public housing projects. Unfortunately, one of these is slated for demolition and another is reserved for the elderly. Aurora also has seven other assisted projects with rents affordable only to families well above poverty, and its waiting list for tenant-based housing assistance is closed. Special programs for veterans and youth aging out of foster care are run through the regional VA office and Arapahoe County's social service agency, respectively. This reinforces two important conclusions. First, Aurora suffers like the entire nation from a lack of adequate affordable housing for people earning less than 30 percent of the area median income. But it does have a local agency that, were more assistance available, could gear up to help families in poverty find the housing they need and to help property owners receive federal subsidies for rehabilitation and permanent affordability. Second, low-income people can now learn about housing assistance by visiting a web site rather than going to an office, only to learn that nothing is available, or that the program that could help them is in another jurisdiction entirely.

Commerce City, a smaller city, has historically had higher poverty rates than either Aurora or Denver. The city shares most of its southern boundary with Denver; after a decade of aggressive annexation, Commerce City occupies the northern and western boundaries of Denver International Airport. Over half of the city's land area in 2011 remained vacant or undeveloped, giving the city the potential to grow by over 140,000 residents under its 2010 comprehensive plan (Commerce City Housing Authority 2011, pages 9-10). The Rocky Mountain Arsenal National Wildlife Refuge forms an island between Denver and Commerce City. This 15,000-acre federally protected open space may seem superficially to be an asset but has until recent years been a serious liability; for decades until its closure in 1992, the U.S. Army used the Arsenal as a site for chemical weapons production. The protection of the vast site from development made it a haven for many plants and animals. Pollution remediation that began in the 1980s is now nearly complete.

Commerce City's population in poverty increased from just over 4,000 to about 7,700 between 2000 and 2007/11. But its overall population also grew, from nearly 21,000 to over 43,000, so that its poverty rate remained steady at about 18 percent. Hispanic residents made up 45 percent of the city's population in 2010, far higher than the state average (21 percent); white non-Hispanics were another 45 percent of residents (US Census 2013). Eighteen percent of residents were foreign born in 2007/11, and about a third spoke a language other than English at home. Its homeownership rate—73 percent—exceeds that of either Aurora or Denver. Labor force participation in 2007/11 exceeded the state average by three percentage points, but estimated unemployment also exceeded the state average. Over three quarters of households were families, and of the family households, 56 percent were married-couple families. Together, these statistics suggest that Commerce City's poverty differs dramatically from that of the suburbs of South Chicago: it is, and has long been, a working-class (and working-poor) city of immigrant arrivals and blue-collar families. While these households may face challenges, and the city faces challenges because of their lack of income, they are collectively less likely to experience deep and lasting poverty than the kinds of people in poverty in the secondary cities and suburbs where poverty rates have increased in Chicago.

The downturn in the regional housing market reduced demand for market-rate housing in Commerce City; rising vacancy rates and reduced incomes appear to have driven rents much lower. For example, the median rent for a two-bedroom, one-bath apartment dropped from $893 in 2007 to $753 in 2010 (Commerce City Housing Authority 2011). Falling rents mean reduced rent burdens for households whose incomes remain constant, but renters' incomes have also been threatened, especially among the segment of the labor force living in Commerce City; construction employed an average of 12 percent of the city's labor force on average even after the housing market crashed in 2007, compared with 8.3 percent of workers statewide (US Census 2013).

Commerce City has faced substantial fiscal stress since the recession began. In his transmittal letter of the 2013-14 biennial budget to the city council, City Manager Brian McBroom wrote: "The City has coped with six years of estimated revenue shortfalls by budgeting to tap a variety of fund balances that in good years help fund the repair and replacement of computers and vehicles. So far the City has not had to actually use these fund balances. … Last year we were able to balance the budget because staff in each department worked diligently to reduce their expenditures and put simply… 'did more with less'" (Commerce City 2012, page 1). The fact that a fiscally challenged city has been able to operate without tapping into fund balances may owe partly to its having adopted performance budgeting and a two-year budget cycle early in the 2000s. The combination of strategies provides both long-term perspective (with the second of the two budget years prepared as a planning budget) and short-term adjustment options (with the first-year, operating budget reviewed as the year progresses).

The city's key fiscal challenge is that while residential growth has been robust in the past decade, commercial and retail development—which provide the bulk of discretionary revenue for Colorado cities and nearly three-quarters of Commerce City's—has lagged. With a population that not only earns low incomes but also lives in comparatively low densities, Commerce City appeals less to retailers than places with higher population density, higher incomes, or both. In 2007, the city captured only $11,283 per capita in retail sales, compared with $13,609 statewide (U.S. Census 2013). Like many other Denver-area cities (Aurora is an exception), Commerce City also has a limited water supply that must expand as a precondition to the commercial and retail development that will keep it solvent. The city also needs to augment its water supply to irrigate parks in residential neighborhoods, which could shift from assets to liabilities in the likely event of future droughts. Water supply was mentioned more often than any other issue as the single most important challenge facing the metropolitan area in a broader set of interviews with city and regional stakeholders throughout the region in 2009.

Commerce City's Community Development department operates with a planned 2013 budget of about $3.1 million, down 3.6% from 2012. The biggest cuts have been to building safety (building inspection and plan examination) and neighborhood services, both of which had staffing reductions. The city also has its own housing authority, which has an ownership interest in 226 affordable housing units and controls about 70 housing choice vouchers (Commerce City Housing Authority 2011, page 11). (One additional assisted rental project in Commerce City is operated by the Adams County Housing Authority.) Anticipating the city's population growth, the Housing Authority adopted a strategic plan in 2011 whose second goal is to provide new affordable housing in all areas of the city, especially in compact, mixed-use and multi-family configurations (page 20).

The Denver metro area's cities have not faced the same challenges of population decline that have accompanied poverty growth in Chicago's south suburbs. This is partly a consequence of the Denver area's faster population growth rate overall, but it also reflects the closer balance between housing production and household growth in the region and in Colorado more generally. In the 2000s, for example, Colorado's local governments issued an estimated 315,000 building permits for household growth of about 386,000. This ratio, just 1.2 new houses for every new household, is much lower than Illinois's two-to-one ratio, helping maintain the value of older houses, neighborhoods, and cities of the Denver region. The City of Denver's population had declined from about 525,000 in 1973 to just 468,000 in the 1990 Census, but since 1990 its population has recovered, exceeding 600,000 by the 2010 Census. Water scarcity, sparse transportation infrastructure, growing fiscal conservatism, a voluntary urban growth boundary (discussed in more detail below), and protected mountain land all played roles in limiting suburban-fringe expansion in the 2000s in the Denver region (Pendall, Puentes and Martin 2006).

Collaborative regionalism and challenges of low-income neighborhoods

Created in 1955 as one of the nation's first voluntary regional organizations, the Denver Regional Council of Governments (DRCOG) has been working on regional transportation and land use plans for decades. Like many COGs, the agency is sometimes viewed as weak or ineffective (Lewis 1992). One commentator who asked that this remark be made on background called DRCOG "where you went to pay the penalty for being the newest member of city council." Even so, important conversations have occurred there that have gradually provided the impetus for collaborative regionalism on some issues. For example, DRCOG adopted a regional land use plan in 1992 that foreshadowed the more significant Mile High Compact, an agreement among the region's cities and counties to adopt land-use plans that incorporated a regional urban growth boundary (UGB/A) (Locantore 2012, Taylor 2012). DRCOG also produced many of the planning studies that helped lay the foundation for ongoing transit-oriented development around the Regional Transit District (RTD)'s expanding light-rail system.

DRCOG has not historically addressed concerns of low-income communities and people of color in the region. Until recently, for example, "fair share" affordable housing concerns have been absent from the MPO's agenda, whereas many other regional agencies have worked on affordable housing for years, even some of those who are not obliged to by state law. On a more practical level, DRCOG generally meets during weekdays and does not provide translation services, reducing access and relevance where most residents of the region are concerned (Westlund 2012).

Even so, affordable housing has been on the agenda of other regional organizations in Denver, in particular the Metro Mayors Caucus, since the mid-1990s. In the early 1990s, Denver's then-Mayor Federico Peña "created a dialogue amongst the mayors of the 10 largest cities in the region … to find … areas of common purpose and areas of agreement and things the region could speak with a single voice about." After Peña left office, mayors from several other cities approached his successor, Wellington Webb, and asked him to continue the regular meetings on a broad range of topics; he agreed. They committed municipal funds to provide staff support by the Denver-based National Civic League to create a formal institution. By the end of 1993, 27 mayors had joined, with membership in 2013 standing at 41.[9] This model of voluntary peer-to-peer collaboration has since been emulated in other regions including Chicago. According to Peter Kenney, who co-led the National Civic League at the founding of the Mayors Caucus and still is a principal at Civic Results, which inherited the management responsibilities from the National Civic League: "The opportunities for doing that might have been at DRCOG [the Denver Regional Council of Governments], but mayors rarely sat on the board at DRCOG. … We spent a lot of time having people get to know each other, so if a mayor had a problem with something going on across the border, he would be able to call the mayor, and they could talk about it and work it out, rather than just have a lot of tension and even warfare."

The Caucus's first issue area was gang violence, which had become serious in the summer of 1993 in Denver. In following years, the Caucus took on additional issues including transportation, affordable housing, water, economic development, and energy efficiency. The mayors' best-known accomplishment, achieved in coalition with the Denver Regional Chamber of Commerce, was the passage in 2004 of the FasTracks initiative, a major expansion of the regional light-rail system paid for by a voter-approved 0.4-cent increase in regional sales tax (Pendall et al. 2012). FasTracks is not only an example of municipal cooperation; it is also, now, an opportunity for addressing suburban poverty. While some light rail projects have been criticized for serving only upper-income and white riders, the expansion of Denver's system connects many of the metro area's highest-poverty neighborhoods with one another and with expanding job opportunities at Denver International Airport, the Federal Center in Lakewood, and the Fitzsimons medical campus.

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[9] Membership in the Mayors Caucus includes mayors from cities and towns in Boulder County and Weld County, both of which lie outside the 2008 boundaries of the Denver CBSA as defined by OMB.

The Mayors Caucus's affordable housing programs aimed at first mainly at planning and then shifted to programs for affordable homeownership. In 2003 the Caucus worked with the Colorado Housing Finance Agency (CHFA) to develop a pioneering program to steer tax-exempt bond financing to multifamily housing projects near light-rail stations. The cities of Arvada, Centennial, Denver, Lakewood, Littleton, Northglenn and Westminster have pooled their Private Activity Bonding (PAB) authority to provide an incentive to include affordable rental housing within transit-oriented development projects. CHFA also provides commitment of its own PAB authority, potentially providing substantial additional funding (Alexander 2009, Kenney and Marinelli 2009, Metro Mayors Caucus 2013).

Affordable housing is finally, however, coming to DRCOG, thanks in large part to the agency's eagerness to secure a high-profile Sustainable Communities Regional Planning Grant from HUD. DRCOG applied unsuccessfully for a regional planning grant in 2010 and after reflecting on that year's application put together a winning one in 2011, with federal funding of $4.5 million and a local match in cash or in kind of as much as $9.4 million (citation: Denver SCRPG application 2011). In order to win, DRCOG needed to include concrete measures to plan and lay the groundwork for developing affordable housing in a more regionally equitable fashion. Exactly how the subject will be integrated into regional planning is still unclear to the participants, since the planning process only began in mid-2012. Most envision it emerging at the corridor scale because of an example already set on the West Corridor by the Cities of Lakewood and Denver and their two public housing agencies. Moreover, however, many area stakeholders have been talking about affordable housing as part of TOD for a long time (with the mayors' attention dating to at least the early 2000s). On all three of the corridors involved in the Denver SCRPG, there are specific station areas where housing, retail, and jobs will all be under consideration (Locantore 2012, Cox-Blair 2012, Westlund 2012).

HUD also demanded a robust treatment of civic engagement (especially engagement of low-income and underrepresented communities), leading DRCOG to solicit participation by the labor-sponsored Front Range Economic Strategies Council (FRESC) with funding in the hundreds of thousands of dollars (Westlund 2012). While FRESC had supported the 2004 FasTracks initiative, its roots are in community organizing and oppositional politics rather than in coalition-building with more mainstream government organizations.

Work on poverty across jurisdictional boundaries is reinforced by several strong third-sector institutions. The Piton Foundation, founded in 1976 by Denver "oil man" Sam Gary, focuses on opportunities for families and children in Denver—meaning metropolitan Denver—to "move from poverty and dependence to self-reliance." Piton is very explicitly place-based, leading it to focus across municipal boundaries; its most important current project, the Children's Corridor, focuses on a 40-square-mile strip of Denver and Aurora where two-thirds of the 50,000 children are either in or close to poverty. Another example, the Urban Land Conservancy, secures sites near FasTracks stations to ensure their availability for affordable and mixed-income housing projects and important community facilities (e.g., charter schools). The Conservancy has also received support from the MacArthur Foundation and Enterprise Community Partners, bringing national notice and spurring efforts to replicate it elsewhere (most notably the San Francisco Bay Area). FRESC is another widely recognized regional third-sector institution.

Implications: Governance for resilience in the face of poverty growth

The diverse patterns of poverty growth and response in the Denver and Chicago metropolitan areas suggest several concluding considerations about regionalism and poverty and about the broader policy implications of growing suburban poverty.

First, even relatively capable regional organizations have little ability to address poverty on their own; instead they require strong local implementation partners. In much of the community development literature, these partners are nonprofit organizations. The Denver and Chicago cases, however, illustrate the importance of local *government* capabilities. The relatively strong local suburban governments in the Denver region make it much easier to administer policies effectively, while fragmented and weak local governments in the Chicago region present a major obstacle even to secure funding to address growing poverty. Instead, regional organizations have had to work to create formal collaborations among local governments. To become more than occasional experiments, these collaborations will need to be reinforced by granting practices of higher levels of government until they become the routine way of doing business. The emergence of local collaborations in 2009 after years of effort also suggest that access to funds may be the essential sweetener that brings local government to the table.

Second, suburban poverty presents not only an administrative problem but a political one as well. Perhaps more so than in cities, suburban poverty is likely to be politically invisible—or politically neglected—poverty. Much of the work on the politics of equity in regions highlights the role of advocates and social movement actors in getting policies to address low income residents on regional and state agendas (Pastor, Benner, and Matsuoka, 2009). Suburbs are much less likely to feature the strong and connected advocacy organizations that have been built up in cities. Yet, here too, the actions and inactions of local governments matter. The combination of strong large local governments in the suburbs and a relatively broad distribution of poverty in the Denver region meant that local governments more readily injected considerations about equity into discussions about major regional projects. This configuration has allowed regional equity organizations such as FRESC to participate more centrally in policy issues. In Chicago, by contrast, the distribution of the poor among so many different local governments creates a significant collective action problem and makes it difficult for the advocates that do exist to recruit public partners.

The political problem goes deeper, however. In the case of Chicago, land use laws that spur growth on the urban periphery keep recreating places of poverty as better off residents move further out. There is often a racial component to these patterns of exit, as is evident in Chicago's south suburbs. Yet, advocates for low-income communities have little power to challenge the politically well-connected and well-financed developers who support these policies in state legislatures. Chicago's south suburbs also highlight the problem of political neglect in places of poverty that cross state lines and that are losing population.

Finally, the cases of Denver and Chicago raise questions about devoting attention to place-based responses versus focusing on poverty without the lens of place. Addressing poverty in places—whether suburbs or central cities—is always more tractable if there is simply less poverty overall and a more productive national economy. In the 1990s, the national economy grew and produced jobs that raised incomes for the lowest 20 percent of American households in real terms for the first time since the 1960s. Poverty rates fell, and although the number of poor suburban residents increased, the percent of suburban residents who were poor did not spiral to the extent seen since 2000. Since 2000, however, even relatively good economic years have not resulted in strong enough job growth to provide living wages for the nation's low-skilled workers, and the housing/financial crisis since 2007 has accelerated the rise in unemployment, reduced labor-force participation, and lowered national median household income by 9.6 percent in real terms between 2000 and 2011 (DeNavas-Walt et al., 2012). An early return to more robust national economic growth may require a renewed economic stimulus or at least an end to the fiscal austerity that has been imposed by partisan disagreement.

Drawing on our findings at the metropolitan level, it appears that a national strategy to raise wages and create jobs that will lift families securely above poverty must account for the variety of conditions in metropolitan economies that have spurred poverty growth not only in weak economies but also in strong ones. In areas, such as Denver, that have seen poverty grow from rising populations of low-income immigrants and native-born Hispanics, significant investments could be made in training, education, and placement for people at the low end of the wage scale—investments that would be incentivized by, for example, higher national minimum wages and a more robust environment for labor organizing. Efforts to speed immigrant integration—including many approaches discussed by others in the BRR network—at the national, state, and local level are a part of this pathway toward both reducing the level of suburban poverty overall and mitigating its impacts in the suburbs.

New job opportunities could also be opened directly by a large investment in infrastructure, especially infrastructure to replace and rehabilitate the roads, schools, sewers, and water systems built at great public expense, with federal subsidies, to create postwar suburbia. The "second wave of suburban development," from the 1990s on has been carried out in a context of much more constrained public resources (Schafran 2012). If targeted and structured properly, infrastructure funds could generate jobs in fast-growth, high-poverty metro areas in ways that would both reduce suburban poverty and restore the longer-term trajectory of young people who work in jobs that would be created most readily by such investment.

Denver offers an excellent example of how infrastructure investment can be a catalyst for actions to address high-poverty city and suburban neighborhoods. The FasTracks expansion is both a direct mechanism for job creation and reinvestment that will benefit a large number of low-income communities and an opportunity for federal-state-local-philanthropic innovation. Because of FasTracks, the Denver metro area is having conversations about equitable transit-oriented development, connections between low-income neighborhoods and suburbs with jobs, and ultimately the location of affordable housing region-wide. Denver, Minneapolis-St. Paul, Seattle, and other metro areas that have received Sustainable Communities Regional Planning Grants have been required by HUD's rules for the program to integrate affordable housing and economic development into their land-use and transportation planning and even implementation activities (Pendall et al. 2013).

Addressing the deep, racially disparate inequalities caused by deindustrialization, on the other hand, will prove more intractable for metro areas like Detroit and Cleveland where two generations of young people have moved out, and for cities like Gary and Hammond that have declined precipitously as they have become increasingly peripheral in their regional economies. Efforts to build skills and educate residents in these regions and struggling cities are vitally important. But such "supply-side" strategies will only increase the preparedness of the ablest young people to flee unless stakeholders from federal, state, and local government work with those from the private sector and philanthropy to reinvent regional economies so that they begin once again to produce jobs that better-prepared young people will be qualified to fill.

An economic transition strategy for these struggling metro areas and places will not succeed unless undertaken in parallel with efforts to curtail the surplus exurban housing production that has sapped demand for older housing in central-city neighborhoods and inner suburbs that might otherwise still be vital. All the Great Lakes states produced much more housing than necessary to accommodate their household growth in the 2000s, accelerating a trend already underway in the 1990s. Not coincidentally, most of that housing growth occurred in communities far from the central cities and suburbs whose poverty rates have spiraled in recent years. As a result, housing markets in most of the Great Lakes—but especially in the central cities and inner suburbs—were already weak before the housing crash and remain anemic even in the wake of a partial recovery. If surplus housing production continues, poverty growth will likely worsen in inner- and second-ring suburbs as mortality claims increasing numbers of the Baby Boomers who now constitute a disproportionate share of residents in most of the Great Lakes states (Pendall, Myers, Freeman, and Hepp, 2012). Their houses will be offered for sale to a much-reduced market of Gen-Xers and Millennials, many more of whom have left the Great Lakes than have moved in for the last two decades.

This dilemma of weak Great Lakes housing markets may contain, within itself, a partial response to economic distress in central cities and inner suburbs. The older houses in central-city and inner-suburban neighborhoods currently occupied by Baby Boomers were mostly built for younger households than those who now occupy them, in times of more abundant energy. Most now require retrofitting for energy efficiency, indoor air quality, and accessibility so that their residents—many of whom would prefer to stay there and “age in place”—can enjoy a longer and healthier retirement. Reorientation of the residential construction industry from exurban new construction to “green and healthy” home retrofits has the potential to employ many younger workers and in the process reinvigorate a housing stock that will otherwise become increasingly unappealing to the limited number of new households who wish to buy them. As national housing-finance institutions are reinvented to prevent future speculative bubbles, federal, state, and local housing and land-use policies could all align to provide incentives to reinvest in older suburbs and secure them as vital places. Such multi-scale concerted action will be needed to build lasting regional resilience.

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Appendix Table A1. Incorporated places by population decile within CBSAs, 2010

		CBSA population range						
	Decile	<100K	100-250K	250-500K	500K-1M	1M-4M	>4M	Total
Number of municipalities	Top	160	137	97	112	227	192	925
	2	398	237	138	143	251	198	1,365
	3	487	261	154	140	250	198	1,490
	4	402	239	140	140	250	198	1,369
	5	370	219	132	134	247	196	1,298
	6	540	287	156	147	257	203	1,590
	7	476	267	149	142	256	200	1,490
	8	411	232	144	138	244	197	1,366
	9	477	265	148	145	257	199	1,491
	Bottom	195	154	107	119	230	193	998
	Total	3,916	2,298	1,365	1,360	2,469	1,974	13,382
Average municipal population (2010)	Top	18,577	43,399	81,513	91,490	124,476	220,568	105,596
	2	10,382	17,756	27,222	36,999	28,817	43,308	24,319
	3	6,012	10,362	15,331	13,505	15,799	28,540	13,077
	4	3,541	5,428	9,249	9,417	11,540	19,924	8,885
	5	1,285	3,111	4,497	5,931	6,844	14,089	5,391
	6	2,013	2,800	2,885	5,471	5,323	10,330	4,157
	7	760	1,812	3,228	3,029	3,182	7,524	2,736
	8	468	862	1,287	2,141	1,750	4,756	1,638
	9	268	642	905	1,426	954	3,117	1,009
	Bottom	129	218	302	541	340	1,139	454
	Total	3,505	7,192	12,597	15,693	19,015	34,782	13,780

Source: Authors' calculations based on U.S. Census of Population and Housing 2000 and 2010, Summary File 1.