

# BROOKINGS

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Alan Berube and Brad McDearman | May 11, 2015 9:49am

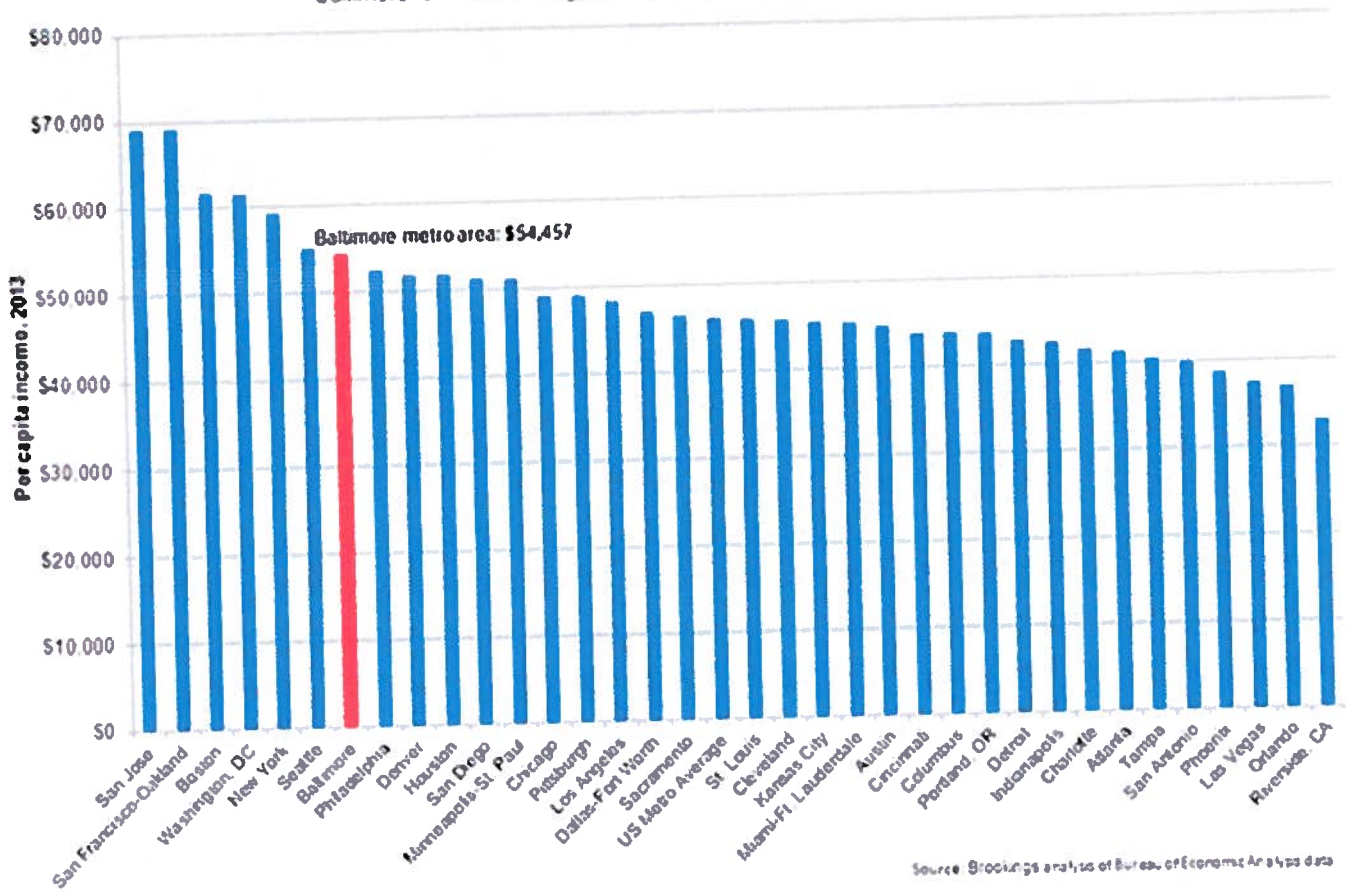
## Good fortune, dire poverty, and inequality in Baltimore: An American story

The unrest in Baltimore has fostered nationwide discussion about the root causes of the tensions in the city's poor neighborhoods that led to an outbreak of riots and mass protests. While criminal justice policy and police-community relationships are arguably at the core of the present debate, the economic and social context in which those actions took shape matters greatly too. Yet media coverage has obscured a few key facts about economic and social conditions in Baltimore and other major American cities. The charts below situate the distress affecting neighborhoods like Freddie Gray's Sandtown-Winchester against the backdrop of wider dynamics in Baltimore City and its metropolitan area, and in comparison to other cities and regions around the country.

**Baltimore is no longer a 'Rust Belt' region**

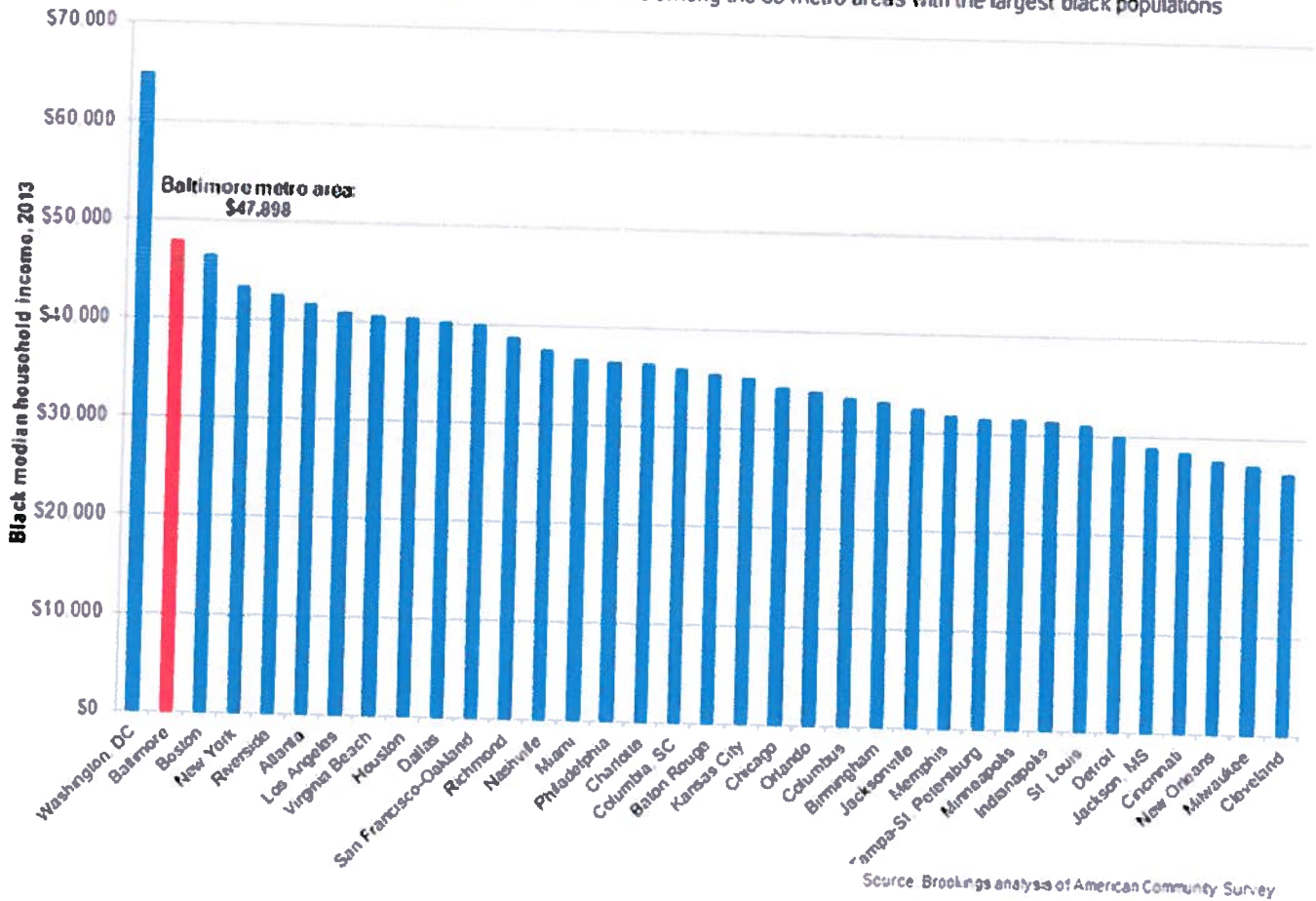
# 1. Baltimore is a relatively affluent metropolitan area

Baltimore ranks 7th among the 35 largest metro areas in per capita income



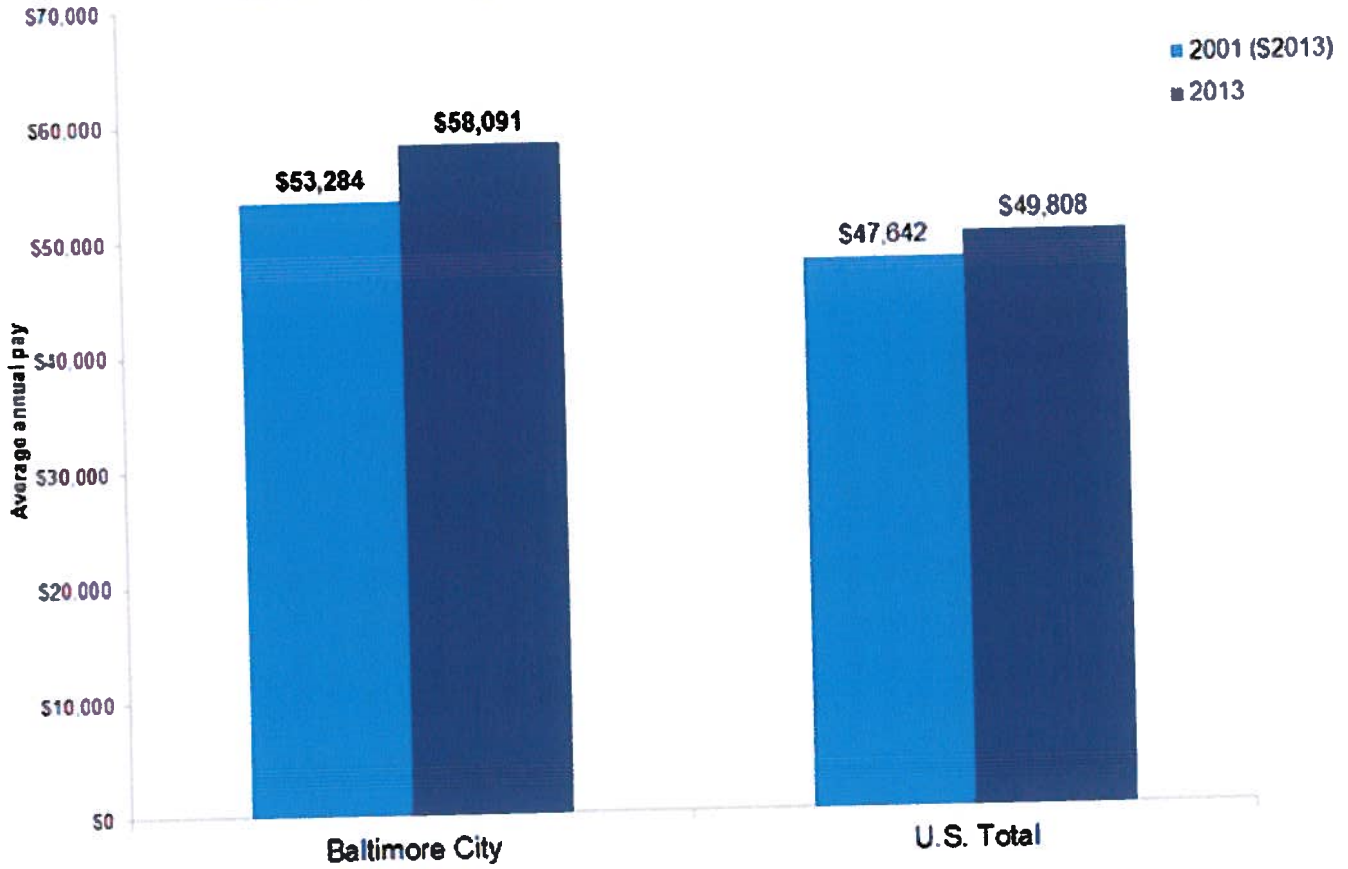
## 2. The region boasts a significant black middle class

Baltimore ranks 2nd in black median household income among the 35 metro areas with the largest black populations



### 3. Jobs in Baltimore City pay better than the national average

Average annual pay for jobs in Baltimore is higher and rising faster than elsewhere



Source: Brookings analysis of Bureau of Labor Statistics data.

#### 4. Baltimore has significant numbers of jobs and residents around its downtown

Baltimore ranks 9th among major metropolitan downtowns on population, and 12th on jobs

Downtown population of primary city in the 25 largest U.S. metro areas, 2014			Downtown employment of primary city in the 25 largest U.S. metro areas, 2014		
Rank	Downtown	Population	Rank	Downtown	Jobs
1	New York	188,496	1	New York	1,193,065
2	San Francisco	119,707	2	Chicago	378,993
3	Chicago	92,316	3	Washington, DC	308,639
4	Philadelphia	80,406	4	Boston	244,628
5	Los Angeles	77,013	5	Philadelphia	231,937
6	Seattle	61,211	6	San Francisco	217,366
7	Boston	49,620	7	Seattle	211,125
8	Washington, D.C.	44,120	8	Houston	199,186
9	Baltimore	41,608	9	Los Angeles	149,091
10	San Diego	40,486	10	Minneapolis	135,186
11	Denver	38,873	11	Denver	133,089
12	Miami	36,819	12	Baltimore	123,879
13	Minneapolis	34,856	13	Dallas	121,460
14	Houston	24,144	14	Pittsburgh	110,539
15	Portland, OR	22,787	15	Atlanta	99,431
16	Atlanta	20,163	16	Charlotte	81,047
17	Pittsburgh	18,145	17	San Diego	78,773
18	Orlando	17,986	18	San Antonio	77,621
19	Dallas	16,488	19	Detroit	65,011
20	Charlotte	16,202	20	Miami	59,944
21	Phoenix	15,313	21	Phoenix	58,689
22	St. Louis	12,231	22	Orlando	56,752
23	Tampa	10,627	23	St. Louis	55,235
24	San Antonio	9,061	24	Tampa	43,145
25	Detroit	6,881	25	Portland, OR	38,896

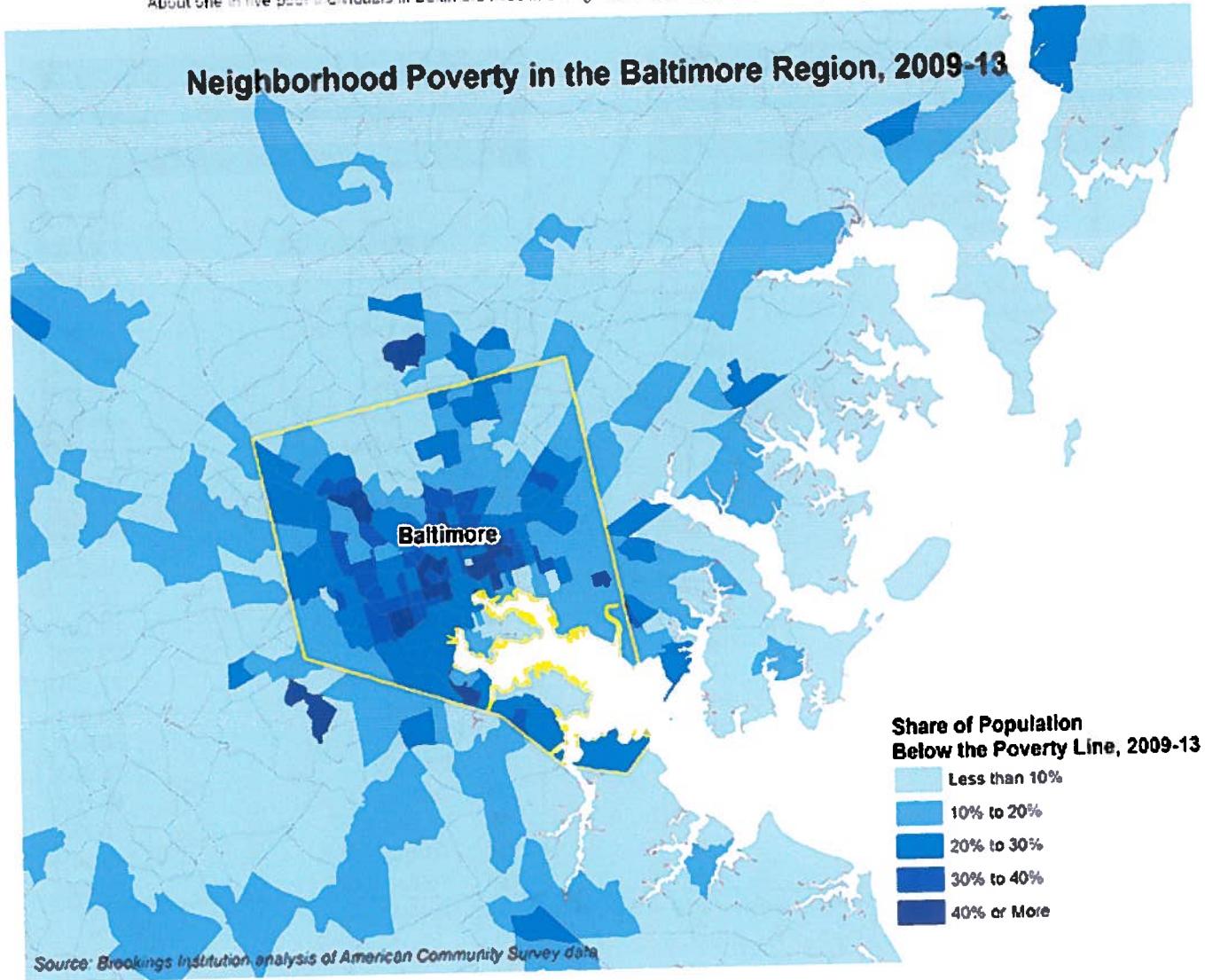
Source: "State of Downtown Report 2015," Downtown Partnership of Baltimore. Downtown defined as one-mile radius from city center

Far from a struggling post-industrial region primarily characterized by stagnant or falling incomes, the Baltimore metro area today is relatively affluent. Per capita incomes in the Baltimore region rose faster than in any other major metro area from 2000 to 2013. Regionwide, African American households share in that prosperity. And the city of Baltimore itself boasts large numbers of high-paying jobs in industries such as education, health care, and professional services, particularly in its downtown core along the Inner Harbor and adjoining neighborhoods.

Yet the city's prosperity is not shared across neighborhood and racial lines

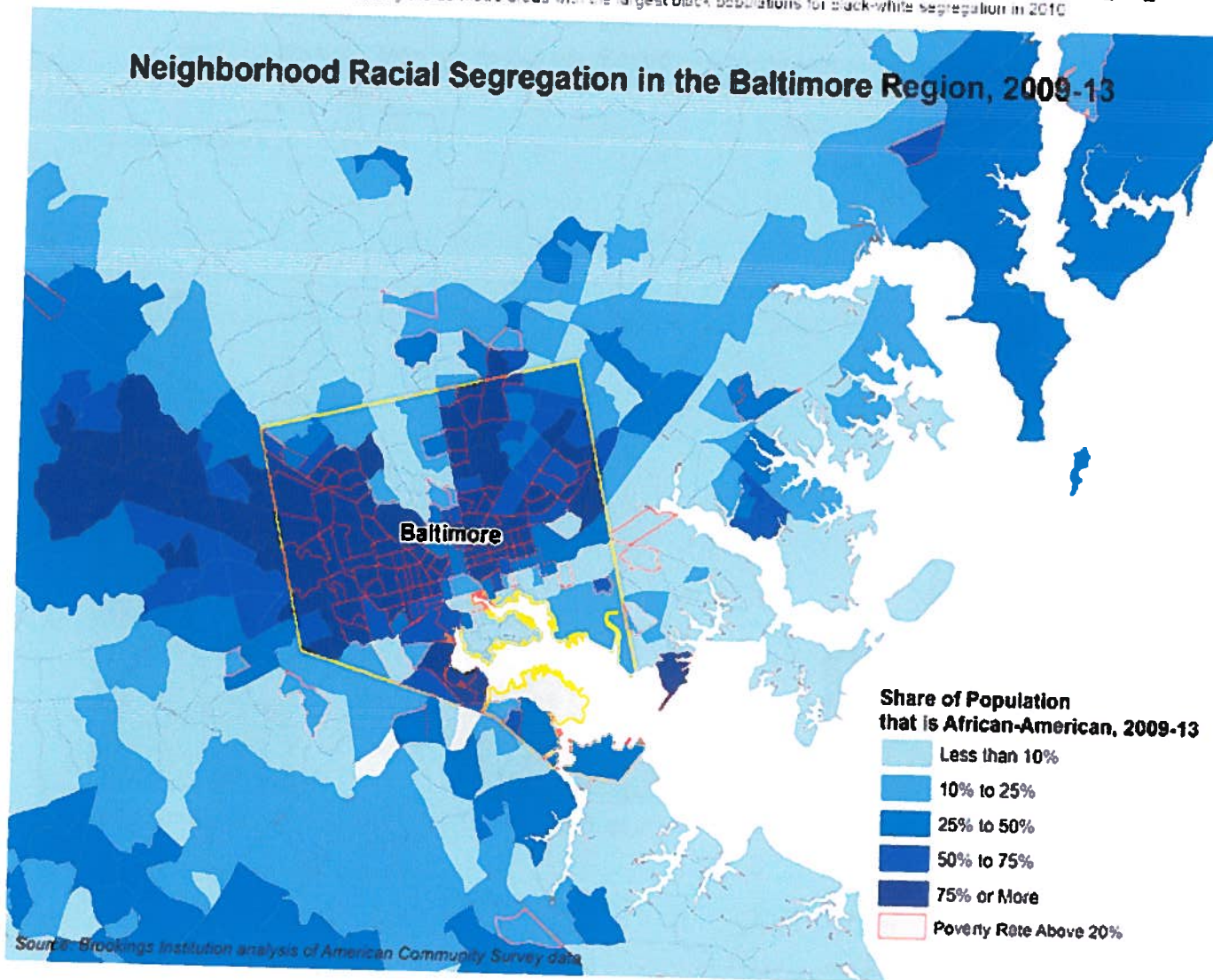
### 5. High concentrations of poverty affect neighborhoods just west and east of downtown Baltimore

About one in five poor individuals in Baltimore lives in a neighborhood of extreme poverty (poverty rate above 40%)



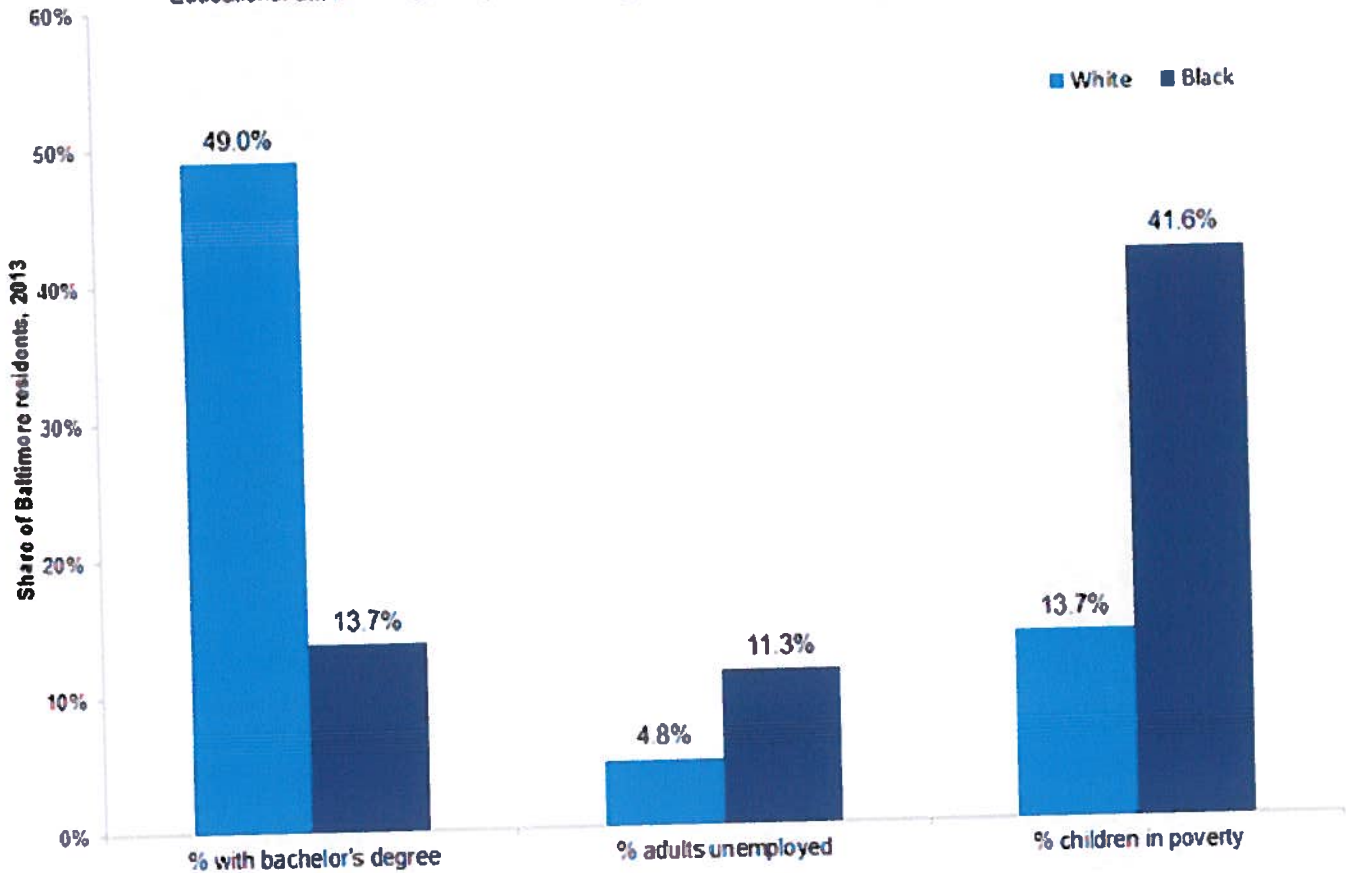
### 6. Poor areas in Baltimore City are largely black, and the region continues to exhibit high segregation

Baltimore ranked 12th among the 35 metro areas with the largest black populations for black-white segregation in 2010



## 7. Black residents of Baltimore City fare much worse than white residents on key economic measures

Educational attainment is lower, and unemployment and child poverty higher, for blacks than whites



Source: Brookings analysis of American Community Survey data (2012)

Within the city of Baltimore, deep divisions exist by race and place. Neighborhoods just to the west and east of downtown Baltimore, including Sandtown-Winchester and extending out into suburban Baltimore County, exhibit very high rates of poverty. Those neighborhoods are predominantly black, reflecting a long history of explicit and implicit policies in the region that yielded high levels of racial and economic segregation. This racial isolation and poverty concentration help account for stark differences between Baltimore's black and white populations in key economic outcomes like education, employment, and child poverty.

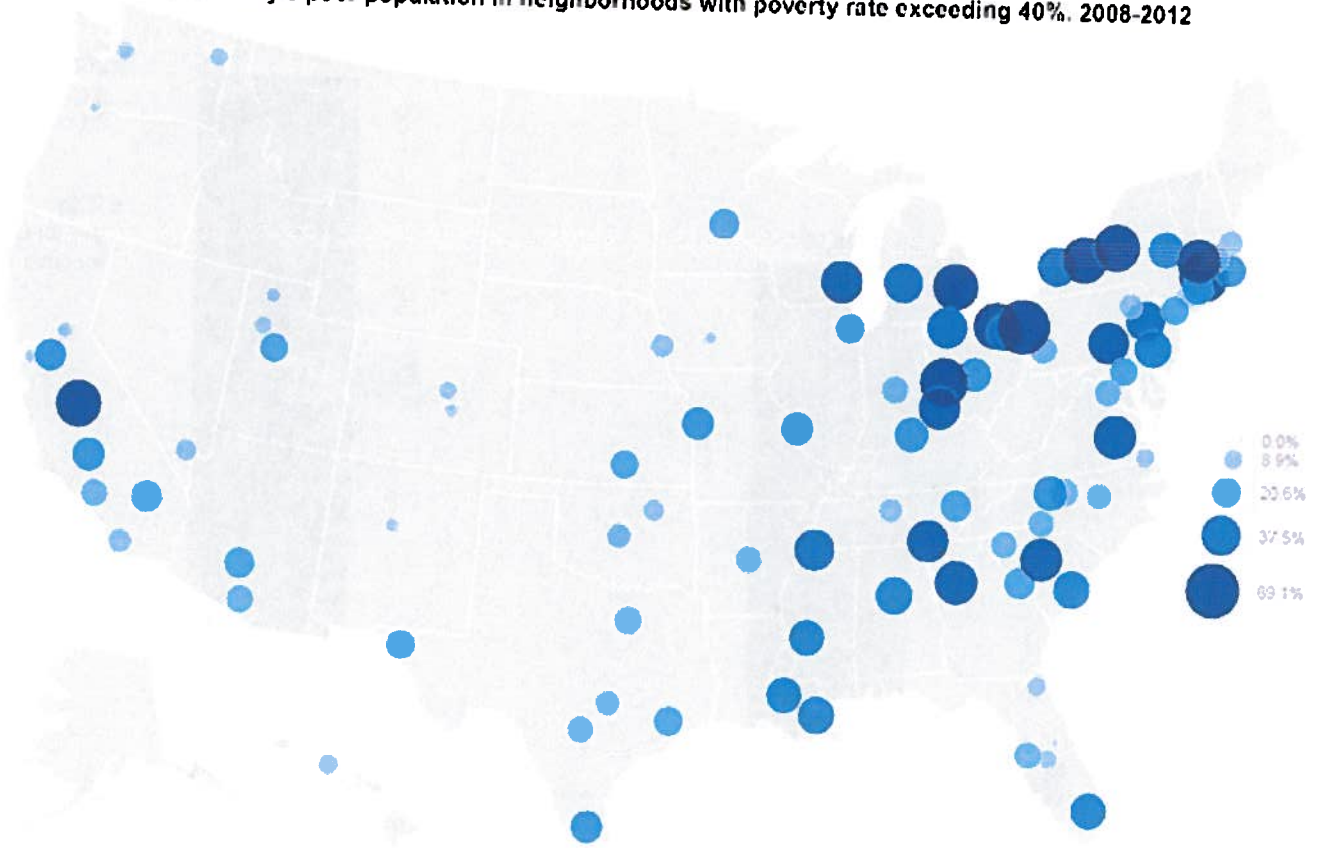
**These same issues affect many other major U.S. cities**



### 8. Baltimore City's level of concentrated poverty is about average among major American cities

Baltimore ranks only 51st among cities in the 100 largest metro areas on the share of its poor population living in extreme-poverty neighborhoods

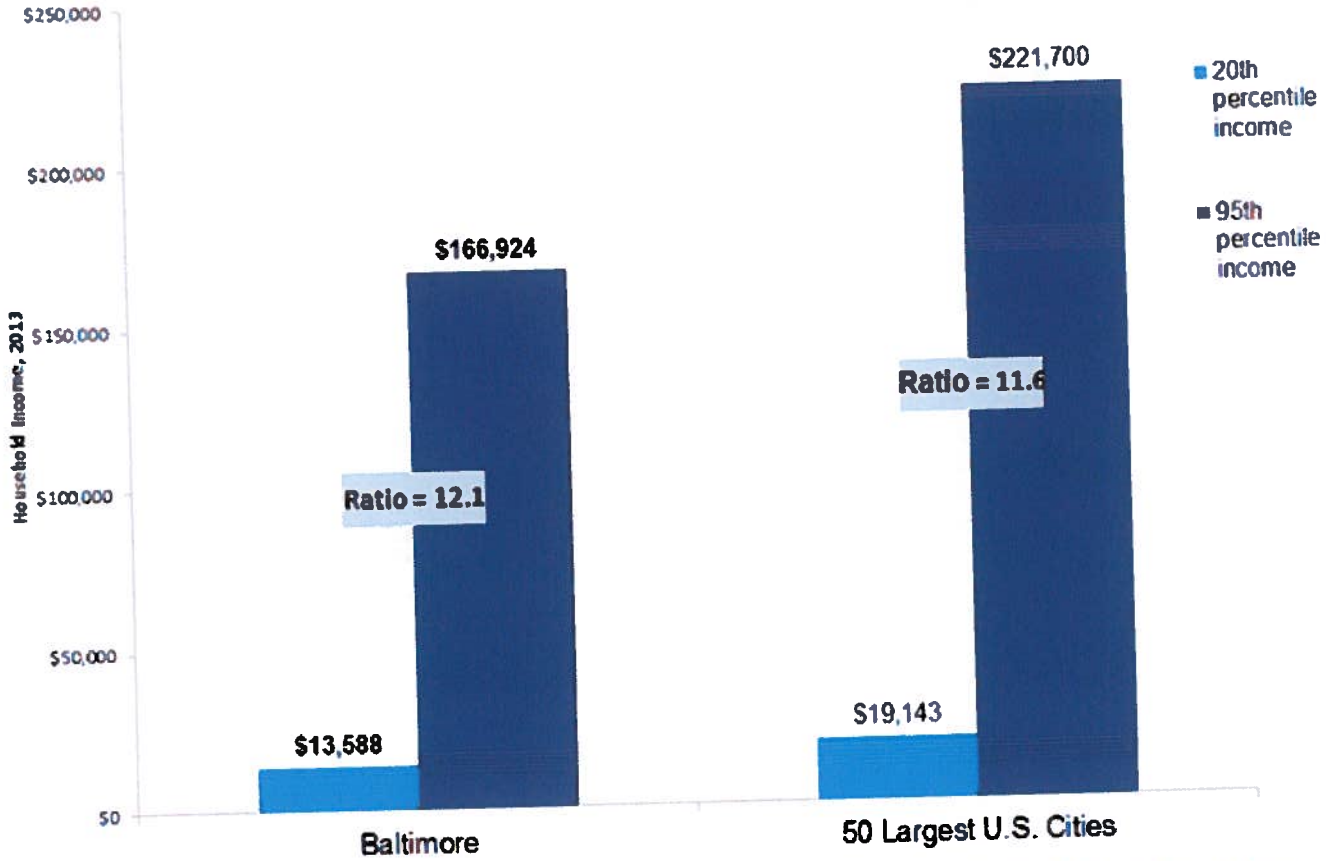
Share of city's poor population in neighborhoods with poverty rate exceeding 40%, 2008-2012



Source: Elizabeth Kretonis, "The Growth and Spread of Concentrated Poverty, 2002 to 2010-12" (Brookings)

### 9. Baltimore City's income inequality is similar to that in other big cities

Top-earning households in Baltimore make 12 times more than bottom-earning households



Source: Brookings analysis of American Community Survey data

## 10. Many cities have higher poverty and lower employment among blacks than Baltimore

Baltimore ranks 75th on black poverty and 57th on black employment among cities with large black populations

Black poverty rate, 100 cities with largest black populations, 2013		
Rank	City	Rate
63	San Antonio	28.5%
64	Hartford	28.5%
65	Lexington	28.4%
66	Portsmouth, VA	28.4%
67	Paterson, NJ	28.3%
68	Houston	28.0%
69	Jersey City	27.9%
70	Savannah	27.9%
71	St. Petersburg	27.8%
72	Beaumont, TX	27.7%
73	Newport News	27.4%
74	Oakland	27.3%
75	Baltimore	26.6%
76	Louisville	26.1%
77	Fayetteville, NC	26.1%
78	Nashville	25.3%
79	Charlotte	24.8%
80	Boston	24.4%
81	Austin	24.2%
82	New York	23.7%
83	Phoenix	23.5%
84	Trenton	23.4%
85	San Diego	22.9%
86	Hampton, VA	22.3%
87	Miami Gardens, FL	21.3%

Black employment rate, 100 cities with largest black populations, 2013		
Rank	City	Rate
45	Hampton, VA	59.1%
46	St. Paul	59.1%
47	Denver	58.9%
48	Little Rock	58.9%
49	Phoenix	58.7%
50	Chattanooga	58.7%
51	Dallas	58.6%
52	San Francisco	58.6%
53	Fayetteville, NC	58.4%
54	Indianapolis	58.3%
55	Jacksonville	58.2%
56	Shreveport, LA	57.6%
57	Baltimore	57.5%
58	Akron	57.2%
59	Baton Rouge	57.0%
60	Paterson, NJ	56.6%
61	Minneapolis	56.2%
62	Los Angeles	56.0%
63	Long Beach	55.8%
64	Memphis	55.3%
65	Savannah	55.3%
66	San Diego	54.9%
67	Hartford	54.9%
68	Cincinnati	54.9%
69	Tallahassee	54.8%

Source: Brookings analysis of American Community Survey data

In these respects, Baltimore is a typical American city. Its level of concentrated poverty is average among cities in major metropolitan areas. While Baltimore has a higher overall poverty rate than most other cities, its level of income inequality mirrors that for U.S. cities generally. And Baltimore's depressing outcomes for black residents on poverty and employment are actually *better* than those in a majority of other cities with large black populations.

In sum, Baltimore is a region on the upswing economically, but one in which stability and prosperity are distributed highly unequally across racial and community lines. That is more or less the norm in metropolitan America today, and a stark challenge to economic growth patterns

that have left too many behind for too long.

### Alan Berube

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Alan Berube is a senior fellow and deputy director of the Brookings Metropolitan Policy Program. A former policy advisor to the U.S. Treasury Department, he is an expert on metropolitan demographics, low-wage workers, and urban poverty.

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### Brad McDearman

Brad McDearman was a fellow and director of global special projects with the Metropolitan Policy Program.

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This nation (USA) looks like an oligarchy.

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homer · a month ago

Looks like an oligarchy.

Is this the American Dream?

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jsnicholsdisqus · a month ago

To say that African Americans in inner city Baltimore are not doing particularly worse than in any other city does not imply that this social cohort fares particularly well anywhere. And these crude economic measures certainly do not explain the emergence of complex phenomena such as police brutality or riots.

As a family doctor working at a community health center in Baltimore City (we have sites located in Mondawmin Mall and across the street from the burned out CVS of recent fame), what is interesting to me is mostly the flawed methodology and reasoning of this post.

In general, averages and "per capita" figures are presented, which obscure disparities. And disparities are at the heart of the matter. The mean amount of wealth is not nearly as relevant as the distribution of the wealth by social strata, by geography and - critically - the change wealth accumulation over time. These are all point estimates hanging in space.

Take Figure 3. The "high-paying jobs in industries such as education, health care, and professional services, particularly in its downtown core along the Inner Harbor and ~~adjoining neighborhoods" touted by the article are not available to my African American~~

[see more](#)

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**Gladiator** • a month ago

Baltimore has a great number of new immigrants of low socioeconomic status. The poverty will improve with upward mobility over generations.

↑ ^ ▾ • Share ›



**Sheila Caldwell** • a month ago

It would be interesting to know the number of single parent families in Baltimore and how that contributes to poverty. I am most interested in number seven because education, employment, and poverty work in tandem. If more AA earned an education they would be more likely to be employed and their children would be less likely to live in poverty.

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**Carol Ott** • a month ago

When 58% of the population earns less than \$50,000 and the median income is almost less than half that of the state (or even the MSA) you can't say that Baltimore City is "prosperous". Instead of relying on data from the Downtown Partnership, why not compare Baltimore City with the surrounding counties as I've done here?

[http://housingpolicywatch.com/...](http://housingpolicywatch.com/)

It paints a very different picture, and I think a more realistic one.

↑ ^ ▾ • Share ›



**Sonny Crockett** · a month ago

No discussion of failed leftist policies for 60 years? No mention of the many private and government avenues to get blacks out of the ghettos that have been in place for decades? No mention on the amount of pandering from government and media who take on the cause of poor blacks by blaming whites and the police for all of their ills? There is your narrative. Ideologue "think" tanks like Brookings enable the plight yet will never admit it's their side who created the perpetual dependency.

Opportunities should be equal to all but in a free economic society, there will always be a differential in terms of results. Income inequality is nothing more than a bumper sticker or protest slogan to bait and reel in apathetic, misinformed, ignorant malcontent voters.

Do you want to equalize the situation? Start by donating 50% of your salaries to families in a Baltimore ghetto.

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**Balmy Balmer** → Sonny Crockett · a month ago

Because right wing talking points are generally lies and don't address the facts and reality. Please turn off fox lies.

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**acharleyhorse** → Balmy Balmer · a month ago

Typical liberal. No actual rebuttal with facts, just name calling.

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**T.L. Jones** · a month ago

Baltimore City is 'interesting'.. there are bubbles. each distinct and different .. the inner harbor bubble.. the hopkins bubble.. the sandtown and hampden bubble..and ribbons..As with much aggregate data.. not always possible to see. And 'metro' data masks too much anyway (as frankly does 'official poverty' measures.. having income slightly above that level, within an urban center means you're poor).

However tedious, analyses, by census tract, would present a much richer and truer portrait.

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**Guest** · a month ago

A very sad prospect if you are poor, and minority in these communities - odds are

stacked against you. Much to think about. Please consider putting forward some recommendations on how this trend can be averted. Thank you for the report.

^ | v • Share ›



**archon41** • a month ago

And what evidence would support the conclusion that those who have advantaged themselves of the opportunity to acquire employable skills have been "left behind"? Do you suppose monetary rewards for producing out-of-wedlock offspring might come into play here? How about allowing migrants to compete for available jobs?

We know what solutions you would propose, but you won't be given a chance to make things worse.

^ | v • Share ›



**tim naughton** → archon41 • a month ago

Wow, how callous. Yes, teen pregnancy is a problem. But is it a centerpiece concern or "an abuse" to be avoided? Your remark reflects breathtaking ignorance of human nature. Offer a real choice between welfare and gainful employment, and employment will soar.

2 ^ | v • Share ›



**fedupMan** → tim naughton • a month ago

Living in a burb of a huge D city let me tell you my observations of 69 years. I worked over 50 years and never made big \$. My wife worked almost 30 years and never made average \$. Today way to many people of all races just don't want to work. We are friends with a neighbor who came from another country, became citizens, mom and dad both worked and are now retired. They had 5 kids and now they have 13 grandkids, all of which are on public dole and only 1 of their kids has ever worked. This is the pattern in way too many families all over the place of all races. Sorry to say this but they make lots of babies and not many are married. Some don't care how many different dads either. This is life all over today. This is not a joke. The work ethic and the me generation has changed USA forever. Many younger people just don't think they need to work and take charge of their life and have CHOSEN to live off govt handouts. The western world is destroying itself by being so generous to everyone.

Of course there are people who need HELP and can't work or take care

of themselves but the MOOCHERS who are able to work are breaking the BANK. Kindness is destroying the western world.

↑ ^ | v • Share ›



**docdave88** → archon41 • a month ago

((chuckles))

The utterly predictable outcome of a policy that for 50 years has subsidized unwed motherhood while taxing traditional families.

Anyone who took and passed Econ 101 saw this coming.

2 ^ | v • Share ›



**Andy Grossman** • a month ago

As a retired businessman whose parents, uncles and cousins once had businesses in Cleveland's Glenville and Hough areas I can tell you why business moved out and refused to move back in. They did not trust the blacks in the 'ghetto.' They were burned out. they not only lost property and inventory. They lost millions of dollars in debts owed by African Americans to whom they gave credit. they felt betrayed, and rightfully so. Now a new crp of angry young black people are dredging up the same arguments we heard in the 50s and 60s. They looted and burned a pharmacy and other stores. Do you really have to ask who no white people want to invest in black neighborhoods?

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**Aval** **Raymond Goodman** — How about multi-ethnic. Latinos/Hispanics are NOT a race. Who knows what else ...



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