

Drifting Apart?

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In his 2002 book, *The Rise of the Creative Class*, Richard Florida famously introduced Americans to the importance of the “creative class” for developing local economies that lift the boats of rich and poor alike. This year, Florida teamed up with Charlotta Mellander at the University of Toronto’s Martin Prosperity Institute to conduct a major study of economic segregation in American cities.

The findings from Florida and Mellander show four major Texas metros – Austin, Dallas, Houston, and San Antonio – among the 10 most economically segregated cities of the nation. Interestingly, in his earlier “creative class” work, Florida found three of these cities – Austin, Dallas, and Houston – included in the nation’s 10 most creative urban centers.

Florida, with Mellander now uses Plato’s words to assert, “Any city, however small, is in fact divided into two, one the city of the poor, the other of the rich.” Evidence of increasing economic segregation that they believe is resulting from choices by elites to create walls between themselves and the less affluent are particularly disturbing to these researchers.

Intrigued by the turnabout in Florida’s work on development of urban centers, we set out to apply the same methodology to investigate trends in San Angelo neighborhoods. Following the lead of Florida and Mellander, we used the Dissimilarity Index (DI) to measure degrees of income segregation in our local environs.

Interpretation of the DI is straightforward. The calculation always results in a value ranging between zero and one. Income segregated areas have high DI values. Thus, a city or neighborhood with a DI of 0.45 would mean that up to 45 percent of the people would have to move to other geographic locations to produce increased mixing based on income.

Our analysis started by identifying the number of extremely poor families living in each of San Angelo’s 20 census tract neighborhoods. We define extremely poor families as those with income totaling less than 50 percent than the designated federal poverty level. For example, \$23,850 is the current poverty level for a family of four, so people in families this size with income under \$11,925 (under 50% of the current level) are included in our analysis.

At the other end of the income spectrum, we identified high-income families as those with \$200,000 or more of income annually. This is the highest family income category tracked in the Census Bureau’s American Community Survey. Any family in that income range would at least be near the \$232,000 threshold, which determined the nation’s top five percent of families in 2013.

The Census Bureau’s five-year combined American Community Survey estimated that an average of 1,130 extremely poor families resided in the city’s 20 census tract areas over the years from 2006-2010. A later repeat of same Census Bureau survey estimated the number increased by seven percent to 1,214 families over the 2009-2013 period.

The same survey data indicates the number of high-income families increased more rapidly. The 2006-2010 Census surveys indicated a five-year average of 601 families with income of \$200,000 or more. This grew by 19 percent to 714 families for 2009-2013.

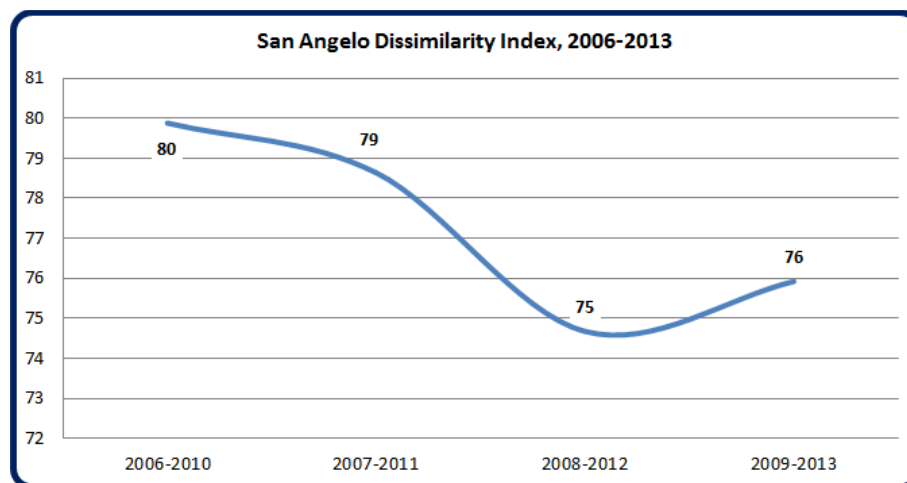
It is good news indeed that the ratio of privileged to impoverished families improved in San Angelo over the years from 2006 to 2013. These were years of economic struggle from the collapse of the nation's housing markets in 2008, followed by a local recovery spurred by new oil and gas explorations in the Cline Shale.

The point of our analysis, however, was not to determine simply whether the local economy is creating high-income family households at a quicker pace than impoverished ones. What we wanted to know is whether the process leads to mixing or separating the privileged and impoverished. Are we dividing, as Plato claimed all cities do, into two, "one the city of the poor, the other of the rich," or are we coming together as one community?

We applied the DI (Dissimilarity Index) method to the local community to gain insight into this question. The results seemed on the surface to point toward a trend that might shine a positive light on the local community.

The citywide DI score of 80 for 2006-2010 fell four points to 76 in 2009-2013. This suggests about a five percent move toward more mixed income neighborhoods in San Angelo; a change toward declining segregation that would distinguish the city from the growing separation in most American metros revealed by Florida and Mellander.

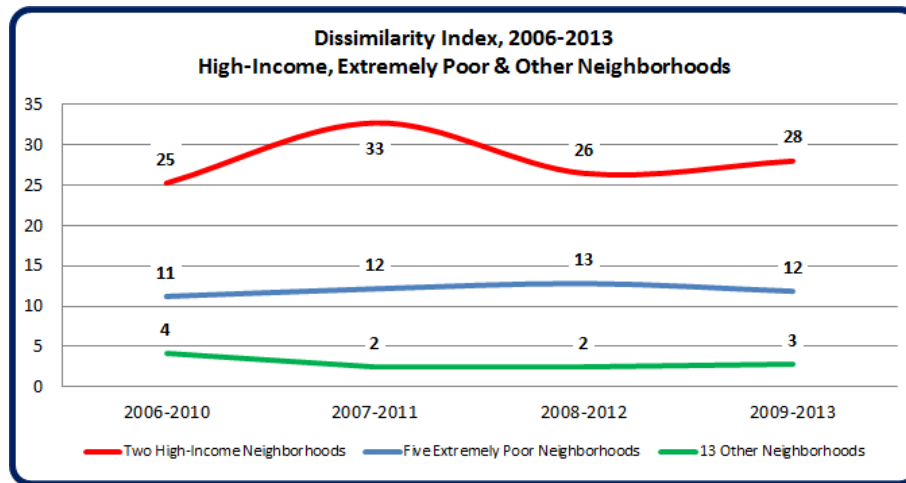
San Angelo Dissimilarity Index, 2006-2013



By digging deeper into the dynamics of specific neighborhoods, however, we uncovered a more troubling pattern of both income integration and segregation going on within the city. To begin, we discovered that only a few census tracts in the city are home to the majority of high-income and extremely poor families.

On the one hand, the majority of families with income of \$200,000 or more live in just two census tract areas. Tracts 10 and 17.08 encompass the Santa Rita, Lake Nasworthy and country club neighborhoods that were home to 57 percent San Angelo's high-income families in 2009-2013.

Comparison of Dissimilarity Index



Moreover, the average DI measure for these neighborhoods increased by 3 points (or 12%) from 25 to 28 between 2006-2010 and 2009-2013. Thus, the same Census Bureau data sets indicating more rapid increase of high-income families than the extremely poor also depict increasing income-based residential segregation in the neighborhoods where the majority of high-income families live.

The majority of extremely poor families, on the other hand, also live in only a few neighborhoods. In 2009-2013, an average of 63 percent of families with income under half of the designated poverty level lived in the census tracts encompassing the Angelo Heights, Belaire, Paulann, Reagan, and San Jacinto (or east San Angelo) neighborhoods.

These areas combined also displayed a slightly increasing pattern of income-based segregation with an average DI indicator of 11 for 2006-2010 moving up to 12 for 2009-2013. Extremely poor families, in other words, became more residentially separate over time, although the pattern in these environs was not as strong as in the high-income neighborhoods.

Nevertheless, the majority of both high-income and extremely poor families in our city became increasingly residentially separate and insulated from the rest of us over the years from 2006 to 2013 according to the Census Bureau's five-year combined American Community Survey data sets. The citywide observation of increasingly integrated neighborhoods resulted from increased income-based mixing in the remaining 13 census tract areas of the city.

Like Florida and Mellander, San Angelo's leaders and citizens should concern themselves with this evidence and evidence from other recent studies at ASU Community Development Initiatives that indicate increased inequality between the neighborhoods of the city.

Legitimate concern over increasing inequality need not be a consequence of envious notions that it is somehow unfair for some community members to have more than others have. Rather, the legitimate concern stems from endless evidence and age-old knowledge that segregation and isolation of one part from the rest weakens the indispensable role neighborhoods play in the progress of communities.

Income segregation of the sort revealed here, for instance, clearly affects the educational attainment of low-income children, and ensures more inequality for future generations. It dampens civic participation and blocks political consensus while stimulating polarization like shockwaves across a community.

Indeed, Plato's original concern that cities divide into two sprang from his wisdom that separation and faction render the republic impossible. Ages later, our founders carried that wisdom forward as they sought to create unity from the many.

A half-century later, Charles Dickens lyrically told us; "It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way."

How can we not know this folly?