

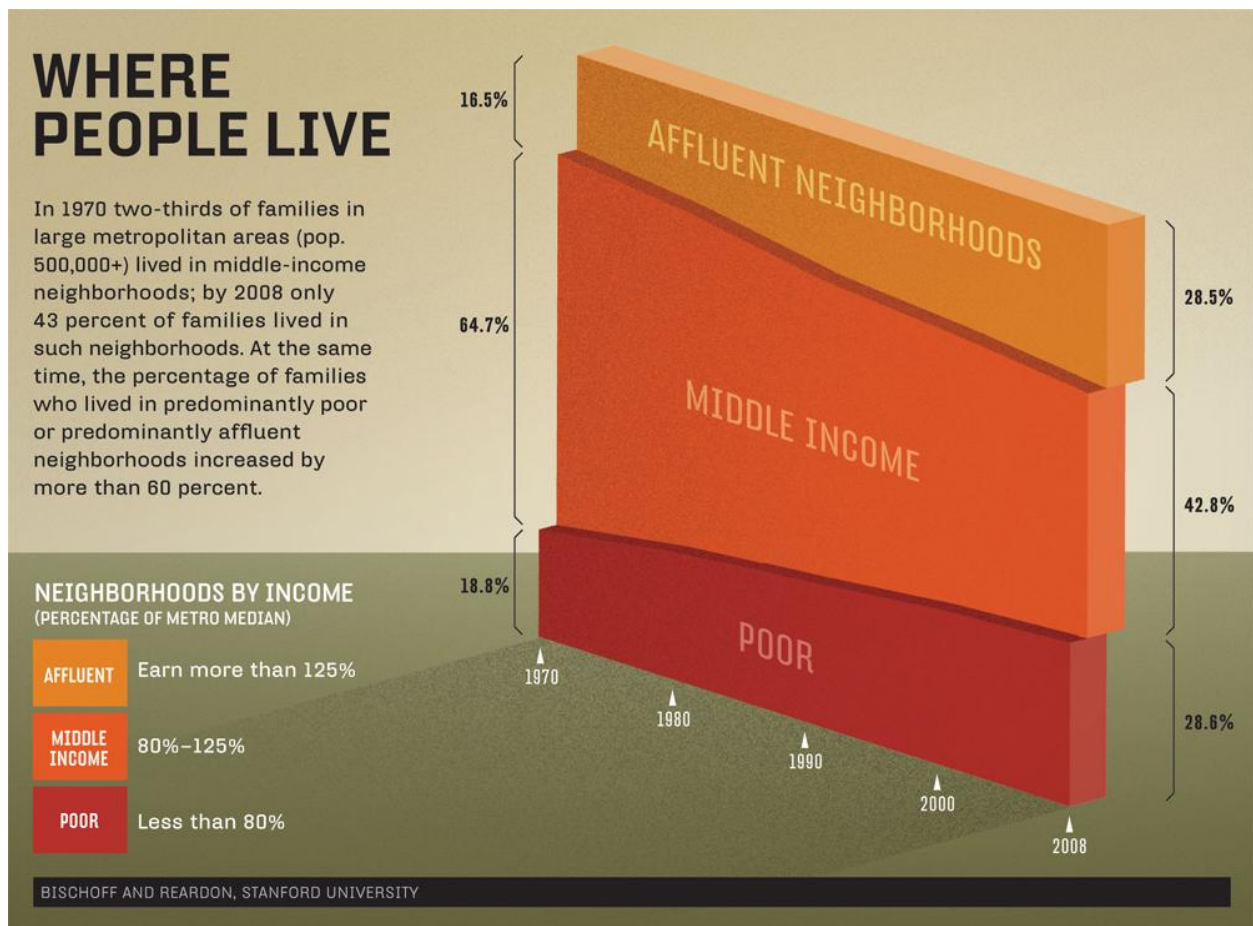
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No Middle Ground

America's Growing Income Segregation

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It's no surprise that Americans spend a large share of their incomes to live in the best neighborhoods they can afford. And increasingly our neighbors' bank accounts are looking more and more like our own.

In 1970 two-thirds of families lived in middle-income neighborhoods; by 2008 only 43 percent of families lived in such neighborhoods. At the same time, the percentage of families who lived in predominantly poor or predominantly affluent neighborhoods increased by more than 60 percent. By 2008 nearly one in three families in U.S. metropolitan areas lived in neighborhoods at the extremes of the local income spectrum.

There are many factors that contribute to income segregation, including housing policies, development patterns in the exurbs, and the structure of municipal boundaries in metropolitan areas. But much of the increase in residential income segregation can be attributed to the rapid growth in income inequality in the United States since 1970. As incomes have diverged, neighborhoods have grown more homogeneous. Not only do the rich have more resources than they did 40 years ago, they are far more likely to live in neighborhoods inhabited exclusively by high-income neighbors. The same is true of the poor, who are now much more likely than they were in 1970 to live in neighborhoods where the majority of their neighbors are poor.

There is reason to be concerned about the growing separation of the rich and poor. The increasingly unequal distribution of income across neighborhoods may lead to unequal access to well-funded public resources, such as schools and parks, and to unequal exposure to social and environmental hazards, such as crime and pollution. In addition to the effect segregation may have on the distribution of tangible resources, the increasing physical separation of affluent and poor families leads to less interaction between people of different socioeconomic circumstances.

As the rich have less contact with the poor and middle class, their willingness to invest in shared public resources or to support equality-generating social policies may decline. Perhaps most troubling is the possibility that these residential patterns are producing a nation of two societies, parallel and unequal, in which both adults and children have only a limited understanding of the complex nature of our country's social fabric.