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Suburban Poverty in the United States

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Problem Statement and Key Messages

Suburban poverty affects over 16.4 million people across the U.S. and is growing rapidly, significantly outpacing the growth rate of urban poverty over the last decade (64% vs. 29%). Experts suggest that the problem of suburban poverty is "the new normal." While the basic needs of the poor in the suburbs are similar to those of the urban poor (e.g. education inequity, poor access to quality healthcare etc.), there are some critical systemic differences (e.g. limited transportation options, jurisdictional challenges etc.). These challenges are further exacerbated by the lack of awareness and understanding of the problem and potential solutions.

Key Messages

1. Since 2008, there have been more poor people in the United States living in suburbs than in cities, and the number continues to grow. The challenges facing the poor in suburbs are both familiar and unique. Equitable access to the opportunities presented by suburban institutions is limited because they are not prepared to serve a growing poor population. Further, the suburban social safety net is inadequate and governance structures can impede cooperation.
2. Concentrated poverty, which is associated with a number of knock-on effects like higher rates of crime, unemployment, high school drop-outs etc. is less prevalent in suburbs than in urban areas, but affects non-whites the most. They represent 76% of the population in areas of concentrated suburban poverty.
3. Suburban poverty exists across the nation, though suburbs of metropolitan regions in the South and West experience this trend most acutely. Attempts to establish archetypes led to the conclusion that suburbs defy categorization; they vary across the country and even within metro regions.
4. Despite the pressing nature of the problem, awareness and understanding of suburban poverty and solutions are at the early stage, as the focus remains on urban poverty. This has contributed to limited funding (<8% of recent funding from top foundations went to suburbs) and limited political attention to suburban poverty.
5. Partially as a result of limited attention, there are few successful interventions that have proven outcomes in the suburban context. The few that were identified, all work at a metro-regional level to achieve scale and require working through the challenges of coordinating across county lines and funding jurisdictions.
6. The suburban/urban construct is helpful as a problem frame. However, experts believe that solutions will need to be at a metro-regional level, encompassing both urban and suburban poor.
7. While this space has the potential for dynamism, there are few forces today that are creating opportunities. Catalyzing awareness and understanding of this new and changing spatial distribution of poverty seem to present the strongest opportunity, in parallel with engaging key players at the metro-regional level to demonstrate success stories that can be scaled across regions.
8. The "white space" nature of this issue makes it attractive. However, it also brings with it key reputational, operational and strategic risks that need further consideration.

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Definitions of Key Terms

Concentrated Poverty: Concentrated poverty refers to neighborhoods where there are high percentages of poor people relative to the overall total population. Living in areas above a certain threshold of poverty (typically >20%) exponentially increases the poor's vulnerability to social, environmental, and institutional stressors beyond what any individual's circumstances would contribute. External compounding stressors include increases in crime, unemployment, teenage childbearing, and high school dropouts.

Federal Poverty Line: The Federal Poverty Line (FPL) is the U.S. government's measure of who is poor, based on a family's annual cash income. The 100% FPL sits at $11,490 for a household of 1 and $23,550 for a household of 4. It is agnostic to the local cost of living.

Immigrant: The definition of an immigrant is derived from the U.S. Census Bureau's use of the term "foreign born," which refers to anyone who is not a U.S. citizen at birth. Under the Census, this term includes naturalized U.S. citizens, lawful permanent residents (immigrants), temporary migrants (such as foreign students), humanitarian migrants (such as refugees and asylees), and persons present in the United States without legal documentation. The definition used for these materials excludes those listed by the Census as foreign born who are now naturalized citizens.

Jurisdiction: A jurisdiction refers to the level or geographic bound within which a governing body exercises authority. In relation to suburbs, most jurisdictional decisions occur at the county or county-equivalent level, the first tier of local government sitting below the state-level.

Metro-regional: Metro-regional refers to a level of analysis, intervention, or strategy that encompasses part or all of both an urban core and its surrounding suburbs. A proxy for a metro-regional approach would be a Metropolitan Statistical Area though they are not equivalent terms as a metro-regional approach may include more or less geographies than that which is bounded by a Metropolitan Statistical Area.

Metropolitan Statistical Area: A Metropolitan Statistical Area (MSA) consists of a large population core (such as a city) and its adjacent communities (such as a suburb) that have a high degree of social and economic integration with that core, typically defined by commuting patterns.

Poverty: Poverty is measured in these materials by income poverty and unless otherwise stated, uses the U.S. Census Bureau's 100% federal poverty line. This measure does not account for other important dimensions of poverty, such as asset poverty, annual consumption or an assessment of well-being.

Suburbs: A suburb, in alignment with the work of the Brookings Institution, is any community residing outside of an urban core that has a high degree of social and economic integration with that urban core, typically assessed through commuting patterns. To identify suburban neighborhoods, we identified the top 100 Metropolitan Statistical Areas based on 2011 population estimates and selected out those cities that were (1) listed within the names of the Top 100 MSAs and (2) had population sizes of over 100,000 as urban centers.

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Executive Summary

- Suburban poverty affects over **16.4 million people** across the U.S. and is growing rapidly, outpacing the growth rate of urban poverty over the last decade (**64% vs. 29%**). More poor people within key vulnerable populations and at every level of poverty now live in the suburbs than in urban areas. Though suburban poverty tends to be demographically more "white" than urban poverty, the non-white suburban poor increasingly find themselves in pockets of **concentrated poverty.** Concentrated poverty is associated with a number of knock-on effects that make it worth special attention: higher rates of crime, unemployment, teenage pregnancy, and high school drop-outs.
- A unique combination of **access issues and system failures** (e.g., limited transportation options, a disproportionate lack of social safety nets and funding, and fragmented governance systems) exacerbate the problem and make it more difficult for people to climb out of poverty.
- The issue of suburban poverty holds the potential for dynamism but remains **too early stage** to predict its trajectory. There are a limited number of forces creating opportunities in the space. These include increasing awareness of poverty in the suburbs and the suburbs' changing political and economic importance. In addition, trends surrounding immigration reform, the housing market, and the health of the national economy may affect the future scale and direction of suburban poverty, as well as desire to address it.
- While the suburban/urban poverty construct is helpful for understanding the changing nature and growth of poverty in the US, experts and practitioners agree that it is not as useful for thinking about potential solutions. Developing metro-regional solutions that collectively address urban and suburban poverty is considered more promising, e.g. demonstrating success at a **metro-regional level,** as well as testing the lessons learned from work on urban poverty to the new challenges and complexities of the suburban context. In parallel, there is an opportunity to build a **shared community of practice** around and acknowledgement of the issue at the national level.
- Suburban poverty is an issue in its infancy, contributing to a **limited funding landscape** that is insufficient to address the size of the problem. Few interventions have been developed and tested and the problem remains a less well-known one, with The Brookings Institution producing most research on the topic. Those bright spots that do exist employ **metro-regional solutions**, which still face jurisdictional and funding challenges. Resources and attention remain focused on urban poverty, an as-yet-unresolved and still growing national problem.
- A preliminary view suggests some **high-level outcomes that could contribute to the alleviation of suburban poverty:** increasing national awareness of the issue, building equitable access to employment, health, education, and affordable housing for the suburban poor, and increasing the capacity of social service providers in the suburbs.

What is the scale and scope of the problem? Why is the problem pressing?

Scale: Why It Is Important

Today there are more poor living in the suburbs than in urban areas.

- 16.4 million in the suburbs fell below the federal poverty line (FPL)—$23,550 for a household of 4. This is 3 million more than in urban areas.[1] These estimates fail to capture other dimensions of poverty, which suggests the problem could be worse.

In the last decade, the growth in the number of poor in the suburbs more than doubled the rate of growth in urban areas (64% vs. 29%.)

- Total population growth while higher in the suburbs (15%) than urban areas (7%) does not fully account for the growth in poverty rates.
- If these trends persist, the number of poor in the suburbs is projected to be 24.5 million in 2020, far exceeding the number of poor in urban areas by over million.

There are now more poor women, single mothers, immigrants, children and elderly in the suburbs and the growth rates of these vulnerable populations in the suburbs have outpaced urban areas.

- The number of poor suburban households led by single mothers grew by 36% from 2000 to 2011, compared with 20% in urban areas.
- The number of poor suburban Hispanics (the fastest growing ethnic group) rose by 81% from 2000 to 2011, compared with 45% in urban areas.

There are now more people in the suburbs at all levels of poverty, including dire poverty (<50% of FPL) and near poverty (<200% of FPL.)

- Growth rates of each poverty level in the suburbs outpaced those in urban areas.

While total poor population in the suburbs is higher, relative poverty rates remain higher in urban areas.

- Nationally, 22% of the urban population is poor, as opposed to 9% of the suburban population.

Scope: National Relevance

Over 4 million of the suburban poor live in towns where more than 20% of the population is poor, also known as concentrated poverty.

- Living in concentrated poverty exponentially increases the poor's vulnerability to social, environmental, and institutional stressors beyond what any poor individual's circumstances would contribute.[2] This environment contributes to higher rates of crime, unemployment, and epidemic-like rates of teen pregnancy and high drop outs associated with high poverty communities.[3]
- Non-whites are significantly overrepresented in suburbs with high concentrations of poverty, making up 76% of the population in those areas. This segregation in living patterns perpetuates structures of racial inequality.

Concentrated suburban poverty, compared to concentrated urban poverty, is exacerbated by the geographic sprawl of people and services.

- The 4.1 million in concentrated suburban poverty reside in ~500 counties, whereas the 4.9 million living in concentrated urban poverty reside in ~30 counties.

There is a diversity of suburb types, which makes generalizations difficult.

- Suburbs have unique characteristics along multiple dimensions including drivers of poverty (e.g., immigration, foreclosures); proximity to an urban core (e.g., inner ring suburb, outer ring suburb); and spatial distribution (e.g., lack of a dense urban core.)
- **Suburban poverty exists across the nation, though suburbs of metropolitan regions in the South and West experience this trend most acutely.**
- The hardest-hit communities are located in Texas, California and Florida. These states held 8 of the top 10 metro regions with the highest percentages of suburban poor.
- Approximately 27% of the suburban poor (4.4 million) reside in only 5 metropolitan areas. *See U.S. map on next slide for complete list.*

[1] Based on recent Brookings analysis of Top 95 Metropolitan Statistical Areas (MSAs). Our analyses used Brookings' definition of a suburb. [2] Academic research suggests the 20% threshold is applicable to poverty at the neighborhood level; our analysis is up-leveled to the city/town view, and we therefore use a 10% threshold as a proxy, as recommended by Census analysts. [3] Galster, George. "The Mechanisms of Neighborhood Effects." Wayne State University. February 23, 2010

Based on interviews with experts, research and Bridgespan analysis. Additional sources include the ACS 2011 5-year estimates and 2000 Decennial Census summary files.

What is the scale and scope of the problem?

Though suburban poverty is spread across the nation, the suburbs of metropolitan regions in the South and West have been most severely impacted.

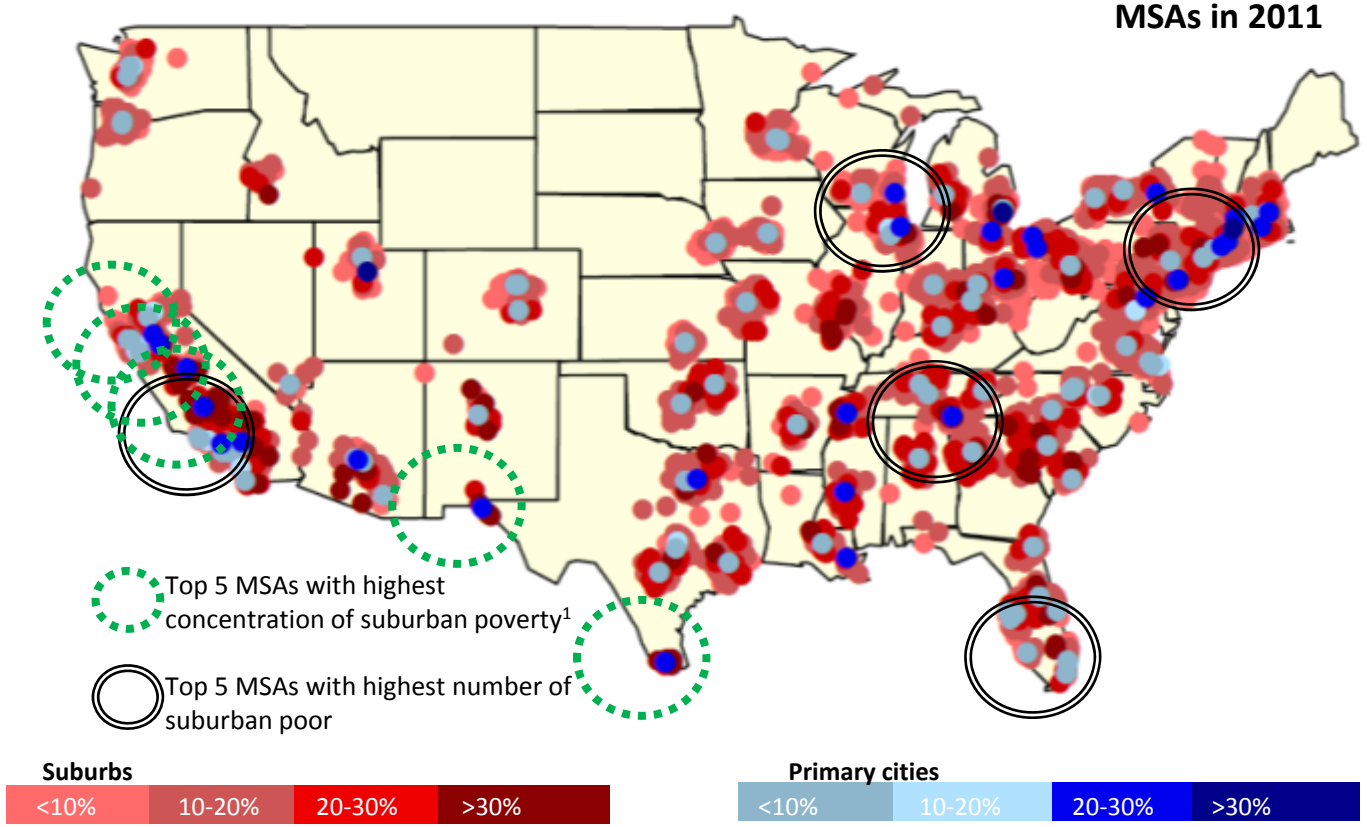
The top 5 MSAs with the largest <u>number</u> of suburban poor:

- Los Angeles-Long Beach-Santa Ana, CA (1.2 million)
- New York-Northern New Jersey-Long Island, NY-NJ-PA (.9 million)
- Miami-Fort Lauderdale-Pompano Beach, FL (.8 million)
- Atlanta-Sandy Springs-Marietta, GA (.8 million)
- Chicago-Joliet-Naperville, IL-IN-WI (.7 million)

The top 5 MSAs with the highest <u>concentrations</u> of suburban poverty (~4% of total suburban poor in the top 100 MSAs):

- McAllen-Edinburg-Mission, TX (39%)
- El Paso, TX (36%)
- Bakersfield-Delano, CA (27%)
- Modesto, CA (23%)
- Fresno, CA (22%)

Concentration of poverty as a percentage of total population in cities of Top 100 US MSAs in 2011



Across the top MSAs, concentration of poverty in urban areas is not highly correlated with concentration of poverty in adjacent suburbs.

[1] Each MSA represents a distinct geographical region.

Note: The concentration of suburban poverty is based on the total number of poor divided by the total population of all areas within a Metropolitan Statistical Area minus its primary cities.
Based on interviews with experts, research and Bridgespan analysis. Additional sources include the ACS 2011 5-year estimates and 2000 Decennial Census summary files.

What does suburban poverty look like?

Suburbs defy stereotypes and categorization; they vary across the country and even within metro regions.

	Houston	Washington, DC	Seattle
Driver of Poverty	**Immigration** – Houston's suburbs have seen their poverty rate increase by 4% from 2000-2011 to a total poverty rate of 14%. Immigration drove nearly a third (29%) of the growth in poverty.	**Gentrification** – One nonprofit service provider, based in Washington DC, has experienced a pattern of following its clients out to the suburbs due to the city's escalating costs of living.	**Multiple drivers and extreme inequality** – Poverty is on the rise due to migration/immigration, the economic recession, and growing wealth disparities. South King County demonstrates an extreme gap between the affluent, white suburbs east of the city and the highly diverse and poor neighborhoods south of the city.
Spatial arrange-ment	**Lack of urban core** – Even neighborhoods in Houston locally considered "downtown" have the low population densities and sprawling infrastructure characteristic of suburbs. **High dispersion** – The distance between two locations within the metro area can be over 100 miles apart, according to one nonprofit serving the Greater Houston area. This car dependency can lead to the poor feeling isolated from community and services.	**Diverse adjacent counties** – Montgomery County and Prince George's County, which together encompass the suburbs outside of DC, are "worlds apart" according to one nonprofit who serves both areas. They present different needs with Prince George's County being much poorer and lacking a strong schooling system.	**New look of poverty** – Compared with urban poverty, the poor in the suburbs are hidden behind manicured multi-family housing units, which mask the stark disparities in income level and educational outcomes.
Political environ-ment	Political climate and attention is focused on job creation generally rather than the poor.	There is limited political coordination, though families frequently move across jurisdictions. This leads to challenges of access as a result of strict regulations surrounding local funding and grants.	Local leadership is composed solely of white, affluent residents who are not representative of the diverse communities in Seattle's suburbs.

Based on interviews with experts, research and Bridgespan analysis. Additional sources include the ACS 2011 1-year estimates and 2000 Decennial Census summary files.

What is the impact on the lives of poor or vulnerable people?

There is unequal access to the benefits often associated with suburbs: jobs, housing, healthcare, and education.

Impact on the Lives of the Poor or Vulnerable

The movement of jobs away from city centers to suburbs has been a driver of suburban population growth, but the location and physical accessibility of jobs across suburbs varies greatly. Thirty percent of the suburban poor were unemployed in 2011, a rate that reflects the lack of transportation access, drastic cuts in suburban jobs during the recession, and the skills mismatch with living wage jobs.

- Low-income suburbs served by transit are only able to access 4% of jobs within a 45 minute commute and 25% within 90 minutes on average.
- Cutbacks in construction, manufacturing and retail, major industries in the suburbs, accounted for over 50% of the national job loss from 2007-10.
- Only 12% of the suburban poor held a Bachelor's degree or higher and only 30% were high school graduates in 2011.

The suburban poor lack access to affordable quality healthcare, exacerbated by limited transportation and provider availability in the suburbs.

- Research undertaken in Boston, Cleveland, Indianapolis, Miami, and Seattle by the Center for Studying Health System Change, revealed that suburbs provide worse access to affordable health providers, including preventative, primary and specialty care. As a result, emergency departments become overtaxed, even more than in urban areas, and lack the funding to meet growing demand.

The housing market presents unique difficulties for the suburban poor, including vulnerability to foreclosures and lack of rental options.

- Suburbs are characterized by high rates of homeownership, in part incentivized by federal policy: 36% of the poor owned homes in the suburbs in 2010, compared with 20% in urban areas. Three-quarters of foreclosures occurred in the suburbs, driving further vulnerability.
- Access to rental housing for the vulnerable has historically been confined to areas with high poverty due to real estate markets and zoning laws.
- A Center for Housing Policy study found that working suburban families pay more for transportation than housing, despite rapid depreciation in these assets. (The average cost of vehicle ownership, fuel, and maintenance is $7,000 per year.)

High-quality education is often a feature of the suburban dream, but achievement gaps instead perpetuate inequality.

- In Montgomery County, MD, home to some of the highest performing schools nationally, report achievement gaps of 40 percentage points between wealthy and poor students.

While suburbs have civic assets such as volunteering and embedded faith-based organizations, on the whole they lack the organizing capacity and safety net networks to address growing community needs.

- Local councils may resist supporting community development structures, instead preferring to deflect the poor's needs to neighboring municipalities: *"residents feel isolated and disempowered in their poverty because mechanisms for community organizing either never developed or are limited."*

Certain vulnerable populations, including immigrants and single-mother households, face unique barriers to lifting themselves out of poverty in the suburbs.

- Over 50% of poor suburban households (1.4 million) are single-mother families, whose circumstances are exacerbated in the suburbs by limited access to childcare and long distances between jobs, homes, and support services.
- 2.6 million of the suburban poor (16%) are immigrants and demonstrate unique needs, including culturally competent services and political representation.

Based on interviews with experts, research and Bridgespan analysis. Additional sources include the ACS 2011 5-year estimates and 2000 Decennial Census summary files.

What are the root causes at play? What systems failures are causing or exacerbating the problem?

Suburban poverty is driven both by poor people moving to the suburbs and people in the suburbs getting poorer. Unique system failures in the suburbs exacerbate the problem.

System Failures: Underlying constraints that exacerbate the vulnerability of the suburban poor

Governance System

Significant challenges exist in working with local government systems given the multiple jurisdictions present in the suburbs. An urban core could be surrounded by up to 28 different suburban counties, making provision and funding of services highly fragmented.

Transportation Infrastructure

Limited public transportation options disadvantage those who cannot afford the high cost of car ownership (e.g., monthly payments, repair, insurance, and fuel) and limit their access to opportunities and services.

Labor Market

Middle-wage jobs have been eliminated and are being replaced by either high wage, high skill work that does not match the abilities of many poor people or low-wage work that is not sufficient to move families out of poverty.

Safety Net Network

Suburbs typically have inadequate safety nets for the growing number of poor. One study found that half of suburban municipalities lacked any registered nonprofits providing food assistance or employment, mental health, and substance abuse services. The nonprofits that do exist are overstretched.

Structural Discrimination and Racism

The non-white poor increasingly find themselves in concentrated areas of suburban poverty. This clustering stems from historic discriminatory housing policies and the continuing effects of structural racism in the suburbs. It is further exacerbated by affluent residents' denial of the existence of both increasing poverty and racism in their communities.

Root Causes: Main drivers that directly contribute to vulnerability

Poor Moving to Suburbs

Immigration

Immigrants, who are more likely to be low income, are increasingly moving directly to the suburbs in search of affordable housing, better schools, and jobs.

Job Sprawl

A trend in jobs moving out from city centers has pushed those seeking employment to the suburbs. However, jobs are unequally distributed across suburbs.

Urban Cost of Living

The high and rising cost of living in urban cities is driving existing poor and near poor out of the cities to the lower cost suburbs, though the scale of this effect is debated.

Structured Relocation

Housing voucher programs give the urban poor the choice to move to suburbs to access benefits like safety and better schools. This can create new pockets of poverty in the suburbs.

Suburbs Exacerbating Poverty

Foreclosure Crisis

The relative or perceived affordability of housing drew people to suburbs, where they were hard hit and rendered immobile by foreclosures.

Job Loss

The Great Recession hit suburbs harder than past downturns; heavily suburban industries like manufacturing and construction had the most job losses.

Affluent Moving Out

As the level of poverty rises in suburbs and urban centers get revitalized, the affluent leave the suburbs, taking their tax revenue with them.

Based on expert interviews, research, and Bridgespan analysis. Additional sources include Brookings research.

What are the prevailing perspectives on this problem?

While there is still a general lack of alignment on the problem of suburban poverty, experts and practitioners agree that advancing a suburban/urban poverty binary is less useful for identifying solutions to the issue than is the metro-regional frame.

Suburban Poverty is the Problem

Suburban Poverty is a Unique And Growing Problem

"We work from the assumption that this is the new normal…those most susceptible to economic downturns have the hardest time bouncing back." – Suburban service provider

- Experts argue that suburban poverty is different from traditional urban poverty and has unique drivers and solutions that urgently require funding and attention.
- This view holds that the unique assets of suburbs are not accessible by the poor.

Suburban Poverty is a Problem but No Different Than Urban Poverty

"There is no distinction between the urban and suburban poor, I see a single string being pulled through them both" – Provider

- Suburban poverty largely "looks like" urban poverty along multiple demographic dimensions including gender, age, and family structure: 56% of suburban poor were women compared with 55% in urban areas; 34% of suburban poor were 18 and under compared with 35% in urban areas in 2011.
- Furthermore, the needs of those in poverty are the same no matter where one lives. Suburban poor face a lack of living wage jobs (30% were unemployed in 2011, compared with 31% in urban areas) and low educational attainment rates (12% held Bachelor's degrees or higher in 2011, equivalent to the 12% completion rate in urban areas).
- Certain service providers do not find a useful distinction between urban and suburban poverty and think this either/or approach limits comprehensive responses.

Suburban Poverty Does Not Really Exist

"People in suburbs have a belief about themselves that is different than reality…people say poverty is not a problem in their communities, but the numbers show otherwise" – Academic

- Nationally, the U.S. is experiencing increasing poverty rates and heightened levels of inequality: 15% of the nation's population was poor in 2010, the highest since 1993 according to the Census Bureau. Many of the poor reside in suburbs, yet suburban communities are reluctant to accept the reality of their changing neighborhoods or personal circumstances.
- Some service providers are skeptical of the data on suburban poverty and the poor's inability to access safety net services.

Suburban Poverty Is a Part of the Solution

Suburban Poverty is a Step Towards the Solution

"Hands-down being poor in the suburbs is better on almost every dimension than being poor in the urban center…promising solutions are ones that move the poor to the suburbs" – Researcher

- Suburbs are better situated to break historic trends of highly concentrated poverty in minority-heavy neighborhoods given their lack of racial diversity: 42% of suburban poor were non-Hispanic whites and only 19% were black, whereas in urban areas, only 26% of the poor were non-Hispanic whites and 31% were black in 2011.
- This view, as advocated by civil rights experts and others, holds that the best method for tackling entrenched intergenerational poverty is to integrate previously segregated neighborhoods along racial and socioeconomic lines.
- Poverty is most detrimental when it occurs in areas of high concentration, suburbs are much better positioned to help individuals overcome poverty: nearly 30% of the suburban poor live in areas where <10% of the population is poor, whereas only 1% of the urban poor live in areas where <10% of the population is poor.

Based on expert interviews, research, and Bridgespan analysis; statistics are from 2011 unless otherwise specified.

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What has and has not worked?

While highlighting the unique challenges of suburban poverty is key to raising awareness, the most effective solutions to suburban poverty have taken place at a metro-regional level. The potential to scale urban programs remains relatively untested.

	What Challenges Persist to Scaling Interventions	What Has Worked
Efforts to change perceptions about suburbs:	•**Few voices:** The early, small, and fragmented state of this issue has not yet generated a significant perspective shift. •**Misperceptions and denial of issue:** Advocates face resistance to the reality of the needs in the suburbs from many angles. In addition to funders and policy leaders remaining focused on urban areas, suburban residents and leaders are themselves unaware or hesitant to acknowledge local poverty. "*Why would we want to do this? It will only encourage [poor people] to stay or more to come."* - Response to a nonprofit's attempted expansion in the suburbs.	•**Brookings research:** Brookings' work on this topic has reached foundations, some government officials, and many academics and service providers, indicating that there is a hunger for additional knowledge. Brookings released the book *Confronting Suburban Poverty in America* in May 2013. •**Community mobilization efforts**: When suburbs have been able to organize, they can have a voice, such as a NY organization that protested Chase's mortgage modification policies.
Efforts to produce metro-regional systemic change:	•**Jurisdictional limitations:** The high number of competing governance authorities in suburbs limit efforts to work metro-regionally due to difficulties in sharing funding, services, knowledge, and networks across jurisdictional lines. One suburban service provider described having to turn away a teen living a few blocks away because his home was in a different jurisdiction. Furthermore, municipalities are often resistant to working together, and in some cases zoning limits where services can be built. •**Lack of metro-regional coordination:** Several organizations cite the need for a coordinated response to poverty at a metro-regional level. Given the many municipalities and diverse types of leadership in each area, one provider lamented, "*These leaders are not all in the same place ever,"* which limits comprehensive work.	•**Metro-regional approaches:** Some regions have been able to implement approaches that benefit the suburbs as well as the broader area, such as shared school districts in Hartford or land banks that build a portfolio of spaces, including lucrative properties that subsidize blighted areas. •**Cross-jurisdictional collaborations:** Such partnerships allow organizations to launch in new communities, provide additional services, and gain scale to attract funding. Seven King County school districts working together to close the achievement gap in their region have united public, private, and nonprofit stakeholders to share best practices and resources. IFF works with CDIs to share data systems across suburban regions.
Efforts to implement inter-ventions to suburban poverty:	•**Limited ability to replicate programs:** Uniform replication of urban programs in the suburbs does not account for the suburbs' unique needs such as transportation access and local politics; one suburban provider said that trying to scale from an urban program is like "*asking someone to brush their teeth with your toothbrush.*" This makes replication across suburbs resource-intensive. •**Funding linked to jurisdictional boundaries:** Jurisdictional boundaries and project-level funding limit organizations' ability to work effectively, such as what happened with a Chicago area collaborative where 19 communities jointly applied for government funding, only to receive separate funding streams that voided the benefits of their collaboration.	•**Building local support:** Gaining local buy-in, finding a political champion, and drawing on local strengths and leadership, are critical to effective integration in a community. As one suburban provider put it, "*we have our own sandbox here and you have to learn to play in it to work effectively.*" •**Diverse funding sources:** A lack of available funding means organizations have to interweave government, foundation, individual, and investment funding to grow their overhead and capacity. The Neighborhood Centers in Houston has effectively used this approach to grow to a $200+ million organization.

Leveraging solutions proven to address urban poverty and testing how those approaches could be adjusted to work in the suburban and metro-regional context may provide a good starting point for understanding what works

2) Dynamism Assessment

Purpose

The Dynamism Assessment aims to identify the primary opportunities that could be catalyzed to address the problem. It also aims to identify emerging issues and future trends that could influence these opportunities, and the potential risks or uncertainties that could inhibit transformative change.

Key Findings

- The issue of suburban poverty has the **potential for dynamism**; however, given the early stage of the issue it is hard to tell in which direction the space will move.
- There are a limited number of **forces creating opportunities around suburban poverty** . These nascent forces revolve around the slowly increasing interest in and interventions for the problem, as well as the changing political and economic importance of the suburbs.
- Emerging **tipping points demonstrate the urgency in building a robust conversation about suburban poverty**. Potential positive tipping points relate to an increase in attention and solutions to the problem, while negative tipping points could result from changes to governmental budgets and structure. The national economic recovery will certainly play a role, although it is too early to tell in which way it will push the issue, and may be difficult to influence. Similarly, ancillary trends around immigration reform, the housing market, and regressive tax policies may affect the future scale and impact of suburban poverty.
- **Given the early stage of this problem, a number of opportunities for philanthropy exist**, from identifying which innovations in implementation are required to bring urban programs to the suburban context to developing the discourse on the problem towards a shared understanding of the problem. Place-based work is likely to be required, as interventions cannot be scaled without modification given the diverse nature of suburbs.
- **The largest potential risk for suburban poverty at this point would be a discourse that positions suburban poverty against urban poverty in a zero-sum game.** Given the historical and racial drivers of urban poverty, this type of frame is not good for poverty alleviation efforts in the United States generally and could create division in place of the needed cooperation between urban and suburban service providers.

What forces are creating windows of opportunity?

Forces Contributing to Dynamism	Areas of Dynamism
• In the past few years, there has been a slow growth in attention on the topic by thought and policy leaders. However, practitioners recognize that more work needs to be done. The Brookings Institution has been a leader in researching this topic and released a book on the subject in May 2013 (*Confronting Suburban Poverty in America*); the Council on Foundations for the first time included a panel on suburban poverty at their annual conference in 2013; the *New York Times*, CNBC, and others have published relevant articles; and the Ford Foundation has made metro-regional solutions an explicit priority. HUD, under the Obama administration, has expressed a commitment to racial and socioeconomic integration, a key issue for the suburbs.	• Slowly increasing interest in suburban poverty, • Emergence of interventions for suburban poverty, • Growing understanding of the potential of metro-regional level planning, • Rising political power of suburbs,
• Although the economic and demographic changes in suburbs have been mostly unaddressed, some efforts are beginning to emerge, from the Road Map Project on education in suburban Seattle to a Chicago area 23-municipality collaboration focused on affordable housing and community development. Some existing organizations, such as IFF in the Midwest and Neighborhood Centers in Houston, are also starting to focus their efforts on suburban poverty.* With the exception of IFF, all of these interventions are very local in nature, given the critical importance of local context to a solution's impact model.	
• Metro-regional planning has existed as a concept for decades, but has rarely been applied to socio-economic issues. However, the people involved with suburban poverty recognize the importance of working at a metropolitan level to share resources. In Minnesota, the Twin Cities' unique cross-jurisdictional tax pooling system allowed the region to support efforts to smooth income disparities.	
• New voting patterns in 2016 and 2020 will highlight the increasing political importance of Latinos as the country shifts to a "majority minority" future. Latinos currently comprise 31% of the suburban poor, and the number of Latinos in the suburbs increased by 81% from 2000 to 2011. Additionally, recent elections showed that suburbs have political weight: presidential candidates campaigned to win suburban swing districts holding reservoirs of undecided voters. • If current trends continue, politicians seeking the Hispanic vote may focus on the suburbs as a source of support. The focus on suburbs as contentious swing districts also means that residents who band together have leverage to demand policies that could alleviate suburban poverty. However, Republican congressmen from poor districts in Arizona, Florida, and other states recently voted for a budget proposal that would decimate funding for assistance programs, indicating that the growing numbers of poor, on their own, might not be enough to gain political influence.	

*IFF and Neighborhood Centers is further described in Landscape Assessment. Road Map Project is a cradle-to-career education reform effort across seven districts in South King County, in which stakeholders have set joint goals and metrics and work together to design and implement strategies. The Chicago Southland Housing and Community Development Collaborative helps secure otherwise siloed government funding across the region for use to rehabilitate properties, form land banks, invest in transportation, and otherwise support community development.

What are the primary opportunities that could address this problem?

The areas of opportunity with the most potential are to create a shared identity for the issue of suburban poverty, and to build metro-regional approaches

Slowly increasing interest in suburban poverty	Emergence of interventions for suburban poverty	Growing understanding of potential for metro-level planning
In the past few years there has been a slow emergence of research, government, media, and funder attention to this issue, creating a small amount of momentum that could be built upon	***Although this issue remains largely unaddressed, a few recent efforts to build alliances, interventions, and expansion to the suburbs create an opportunity to build evidence of best practices and success***	***Practitioners and researchers agree that any effort to address suburban poverty needs to occur at a metro-regional level, so interest in this approach opens opportunities for successful interventions***

Create a shared identity: Experts agree that the necessary first step towards addressing suburban poverty is building awareness. Acting on this opportunity could lead to an uptick in funding, political action, and interventions. Specific opportunities include:

- **Funding research** that would build knowledge around the problem, including understanding differences between metro regions, evaluating interventions, and deciphering trends.
- **Facilitating convenings** to bring the issue to the fore of conversations at national conferences and publicize progress.

Build metro-regional approaches: Any suburban poverty intervention will necessarily be collaborative at a metro-regional level. This will require coordination and partnerships with local institutions with knowledge of the context and existing relationships. Specific opportunities include:

- **Testing the modifications required** to implement community-building and social programs known to have had success in urban areas in the suburban context.
- **Developing a tax pooling system,** like the one in the Twin Cities, that would help spread tax revenue evenly across the region.
- **Establishing a single table** at which the many different, and often disparate, players in a region – multiple governments, citizens, nonprofits, private sector representatives, and foundations – can come together to coordinate efforts.
- **Facilitating cross-district systems**, such as the school system in the Hartford area or the housing system in the Baltimore area, that support equitable distribution of assets and diversity across areas.
- **Demonstrating effective interventions**, by investing in growth, evaluation, and potentially replication of the most innovative existing organizations such as IFF, LAYC, Neighborhood Centers, Alliance for Human Services, or South King Council of Human Services (all described in the Landscape Assessment), or by developing new interventions.

Highlighted initiatives reflect the most dynamic opportunities for further exploration.

What potential tipping points are emerging?

	Description	What would have to happen to reach this tipping point?
Positive Potential Tipping Points (Actions & events that could catalyze large-scale positive change)	• **Brookings Book, *Confronting Suburban Poverty in America*, released in May 2013.** Given the limited landscape of national players around suburban poverty, this publication could significantly elevate the amount of attention on the issue. "*We are waiting to see who will carry the torch of the Brookings book*." – Researcher	• Increased interest from foundations in funding interventions to suburban poverty. • Increased interest in the issue from academic and policy circles due to their recognition of and response to the urgency of the problem.
	• **Demonstration of Scalable Solutions.** The small number of interventions and lack of proven solutions to reduce suburban poverty mean that the emergence of effective and replicable interventions would provide momentum and funding opportunities for the issue.	• Emergence of additional promising solutions like IFF. • Successful replication of a reputable urban solution like Harlem Children's Zone to the suburbs.* • Continuation of innovation around key issues like foreclosures and rescuing underwater mortgages.
Negative Potential Tipping Points (Thresholds beyond which there is no going back)	• **Continuation of Governmental Budget Cuts.** Insufficient government funding is already steering the problem of suburban poverty in a negative direction, with cuts often hitting the suburbs the hardest. Further cuts could decimate an already thin safety net.	• Decreased funding for state and local services due to cuts to federal discretionary spending and/or the austerity measures. • Reduction in low-income benefits programs due to the sequester.
	• **Spread of Local Government Control.** In California there is a proposal to move budget control of public safety and social services from the state to each county, harming the poorer suburban counties with tiny budgets.	• Widespread adoption of realignment to local government budget control. • Decrease in statewide smoothing of resources.
Too Early to Tell	***These could potentially be tipping points (positive or negative) but will require further monitoring to define and size:*** • **National Economic Recovery.** Many of the key drivers of suburban poverty (e.g., job loss, foreclosures) were tied directly to the recent recession, and the national economic state will likely have strong effects in the suburbs. However, in order for the economy to help alleviate suburban poverty, the recovery will need to include the creation of living wage jobs accessible to the suburban poor, both in terms of skills and geography. At the same time, it is too early to tell whether or how strongly the economy will rebound; there is the potential of economic recovery slowing and continuing to exacerbate the underlying problems of suburban poverty.	

Based on expert interviews, research, and Bridgespan analysis.

*Harlem Children's Zone provides comprehensive services (including parenting workshops, preschool programs, schooling, and health programs) to a 100-block radius in Harlem in an effort to break the cycle of intergenerational poverty. Replication attempts are currently underway in cities like Los Angeles, but it is too early to judge their success.

What are emerging issues and future trends that could influence these opportunities?

National Economic Health

- The suburbs have felt certain effects of the economic recession particularly acutely as the housing market crash, loss of jobs, and government funding cuts disproportionately hit the suburbs. Although in past recessions suburbs have experienced less unemployment increases than cities, in the 2007 recession unemployment and poverty trends were very similar across cities and suburbs. Economic downturns generally affect the poor and non-white most, which are both growing populations in the suburbs. "*When the economy has a cold, the non-white economy has pneumonia. It hits them doubly hard* – Academic expert.
- Even if the economy improves, suburban poverty may not dissipate. The movement of jobs from urban to suburban areas is expected to continue, and future job projections are in lower-wage sectors. While middle-wage jobs were 60% of job losses in the recession, they were only 22% of job growth during recovery, while low-wage jobs are now growing more than they shrank during the recession.

Immigration Reform

- Immigration is a driver of suburban poverty, particularly in the South, where high suburban job growth drew new immigrants seeking work, and in the West where there are historically high numbers of poor suburban immigrants. In the Houston area, immigrants accounted for 29% of the growth in suburban poverty in the 2000s, and in Washington, DC they accounted for 42%. By 2009 20% of the suburban poor were foreign-born.
- Given these growing numbers, immigration reform will have a weighty impact on suburban poverty no matter its outcome. Comprehensive reform that opens pathways to citizenship for undocumented immigrants would increase the suburban population able to participate in the US political and economic systems. Legal documentation increases people's access to critical social services, schools, and job opportunities that can help them climb out of poverty.
- Increased numbers of suburban immigrants able to vote will strengthen a suburb's civic structure and increase support for government policies that help the suburban poor. An increased Latino vote even has the potential to change the national political landscape because some forecast it could contribute to turning traditionally red states like Texas and Arizona blue.
- Alternatively, a lack of comprehensive reform will keep a significant portion of the suburban poor locked out of the economy and further decrease their likelihood of emerging from poverty.

Housing Market Health

- There is significant national interest in helping the housing market recover. As a result, there is some innovation around solutions, from local counseling programs to a brand new and untested company that encourages suburbs to use eminent domain to claim their citizens' mortgages and provide them relief.

Regressive Tax Policies

- Over the past 30 years, states in the South and West have favored increases to sales taxes, which hurt the poor disproportionately. Meanwhile, states in the North and East have moved in the opposite direction by preserving or increasing progressive taxes such as the income tax. This problem may accelerate, as governors of several Southern states are considering cutting income and corporate taxes and raising the sales tax.
- The South and West are also where the MSAs with the highest suburban poverty rates are located, meaning that the suburbs hardest hit in terms of income may also be hard hit by tax rates.

Based on expert interviews, research, and Bridgespan analysis. Homeownership and economic health data from Brookings; foreclosure data from Federal Reserve Bank of San Francisco; tax information from Johns Hopkins via New York Times article; immigration data from Brookings, Pew, and the New York Times

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What are potential risks or uncertainties?

The biggest risk for suburban poverty will be if the problem does not gain the necessary attention and focus needed to move forward with finding and implementing effective solutions.

Risks	ZERO-SUM WITH URBAN POVERTY	• If addressing suburban poverty becomes persistently framed as a trade-off with addressing urban poverty, in which a finite amount of attention and resources must be given to one or the other, advocates for the suburbs will enter a zero sum game, which they will likely lose given deeply entrenched interests in helping the urban poor.
	STATUS QUO	• Given the early state of this issue, there is a significant risk that funders, public officials, and service providers will continue to be unaware of or disinterested in suburban poverty. The time is now: the current relocation patterns of huge numbers of Millennials and Baby Boomers give suburbs a key ten-year window of opportunity to establish their position and for this issue to begin to coalesce and gain traction.
	POLITICAL ATTENTION ON MIDDLE CLASS	• Despite the nation-wide poverty rate of 15%, the highest in decades, and growing income inequality in the US, poverty is not currently a popular political topic, as the federal government is focused on building ladders of opportunity for the middle class. Far less than 1% of news stories from major publications are on this topic. As long as poverty is not a central focus for discussion and reforms, suburban poverty has little chance of gaining attention.
	LACK OF EFFECTIVE SCALABLE SOLUTIONS	• Only a handful of interventions have demonstrated success in improving outcomes for poor people in the suburbs; almost no organizations have successfully scaled beyond a single region given the importance of local context in addressing suburban poverty. Billions of dollars are spent on programs to reduce urban poverty every year but urban poverty rates continue to grow; suburban poverty risks facing a similar fate.
Uncertainties	IMMIGRATION REFORM	• Given the rapidly growing rates of foreign-born poor in the suburbs, immigration reform will have a strong impact on suburban poverty no matter its outcome. Paths to citizenship for undocumented populations could create new economic, educational, and political possibilities. Alternatively, a lack of wide-scale reform will keep a growing portion of the suburban poor locked out of the economy.
	NATIONAL ECONOMIC HEALTH	• The suburbs have felt the effects of the recession strongly due to the housing market crash, loss of jobs, and funding cuts. Both the pace at which the overall economy recovers and how much this recovery reaches the suburbs affects how quickly they can emerge from these losses.
	POLITICAL LEADERSHIP	• Suburban poverty has not been an issue on which leaders want to spend political capital. A prominent local or national political leader taking an interest in suburban poverty for campaign, economic, personal, or other reasons would significantly increase visibility for this topic and open up funding and intervention possibilities. • Similarly, a presidential commission on the topic, legislation like the War on Poverty, or even the post-recession stimulus package, that targets federal attention and funding to the suburbs could propel solutions forward.
	FUEL COSTS	• Suburbanites rely heavily on cars instead of public transit and homeowners are more responsible for heating their homes. Therefore a spike in fuel costs would be a significant burden on the suburban poor.

Based on expert interviews, research, and Bridgespan analysis.. Poverty rate from US Census.

3) Landscape Assessment

Purpose

The Landscape Assessment aims to identify the key players and opinion leaders in the field, what organizations are doing innovative work, who provides funding, and the gaps in funding.

Key Findings

- Overall, suburban poverty is an **issue in its infancy**, and the funding landscape surrounding it is limited.
- There are few efforts toward and little awareness of the problem, with The Brookings Institution producing the dominant research and publications on the topic. **Resources and attention remain focused on urban poverty**, an as yet unresolved and still growing (though more slowly than suburban poverty) national problem. This lack of attention is exacerbated by the fact that **poverty overall is not a national political priority**.
- Resulting from the lack of awareness, engagement in suburban poverty is limited across the funding field, and **funding is insufficient at all levels**. Funding is disproportionately allocated to urban areas due to a variety of factors including perception of need and historical giving patterns. Suburban nonprofits are often unable to access the little funding available to them due to their low visibility and lack of internal fundraising and evaluation capacity.
- Another result of the lack of attention to suburban poverty is that **little is known about what works to improve outcomes for the suburban poor**, and the **necessarily local nature of interventions means that almost no organizations have scaled nationally**. The handful of organizations that are doing innovative work operate on a local scale, drawing on partnerships and local support. However, success stories remain elusive, and local context, jurisdictional barriers, and fragmented funding still hinder scaling. Practitioners identify **metro-regional solutions** as the most likely to be effective.
- Given the early stage of this issue, the landscape needs to coalesce around **increasing awareness and laying the groundwork for interventions** through building a shared identity, identifying and communicating what works, and attacking systemic barriers.

Who are the key players and opinion leaders in the field?

There are limited efforts toward and awareness of suburban poverty; leadership and perception remain focused on poverty as an inner-city problem

Representative players and opinion leaders, from a relatively small field:

Think tanks/ experts	**The Brookings Institution** is the primary source of knowledge about suburban poverty, publishing both analyses of Census and original data and descriptions of the challenges and needs of the field; all work on suburban poverty draws from this research. University planning programs are not training future planners to address this issue; only 2% of planning courses mention suburbs in the description, while 46% mention urban areas. At a broader level, major news outlet coverage of poverty is negligible.
Philanthropy	National philanthropy: **Ford Foundation** is the only major national poverty funder to lead initiatives specifically including suburban poverty, and funded the *Confronting Suburban Poverty in America* book. Other major funders, including **Annie E. Casey Foundation, MacArthur Foundation**, have funded Brookings research on suburban poverty and related issues. It is difficult to know to what degree other foundations are addressing this issue without explicitly focusing on it.
	Local philanthropy: A few regional funders, such as **The Chicago Community Trust** and **Kresge** in Detroit, are leading initiatives around suburban poverty.
Government	Federal government: The **Department of Housing and Urban Development** recently launched a few metro-regional revitalization efforts, such as the **Neighborhood Revitalization Initiative** and the **Sustainable Communities Initiative**, that incentivize interdisciplinary locally-led efforts to improve distressed areas, including suburbs. Additional government efforts around foreclosure relief and job creation may benefit the suburbs, but are not directly targeted there. "Poverty has fallen off the radar screen…the middle class has occupied the political dialogue" – Former federal government employee.
Private sector	Corporations: Private giving accounts for very little suburban nonprofit funding, but a few corporations such as **AT&T** and **Chevron** have devoted some philanthropy to suburban areas, though it is driven by a public relations lens.
Non-profits	Some metro areas, such as Chicago, D.C., Denver, and Seattle, have inspired innovative nonprofit-driven solutions that are collaborative, locally-driven, and use funding creatively in a metro-regional approach to begin to address suburban poverty; such efforts are early-stage, and poverty outcomes have not yet been measured.

"This issue is in its infancy…we need more people in this space; we don't care about credit, we just care about getting things done" – National funder

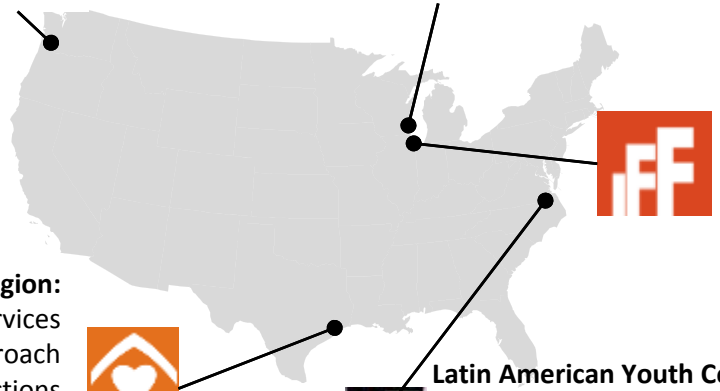
Based on expert interviews, research, and Bridgespan analysis

What organizations are doing innovative and/or high-impact work?

A scan for organizations addressing suburban poverty produced only a few high-impact organizations. Only one has scaled beyond a single MSA.

South King Council of Human Services, South King County: The Council, founded in 1987, is an umbrella organization providing coordination and support for human services organizations in the region, particularly focusing on drawing funding to suburban Seattle and increasing nonprofit capacity and networks. **Success factors:** Collaboration, metro-regional approach

Alliance for Human Services, Lake County: The Alliance is a new collaborative seeking to enhance coordination and effectiveness of human service organizations through advocacy, developing collaborative programs, and managing a centralized data and technology platform. **Success factors:** Collaboration and partnerships, local support, metro- regional approach



IFF, Illinois, Indiana, Iowa, Missouri, and Wisconsin: IFF, a Community Development Financial Institution that strengthens nonprofits through lending and consulting, grew from urban Chicago to a regional level within a few years, becoming one of the few suburban organizations to successfully cross state lines. **Success factors:** Partnerships, local support

Neighborhood Centers, Houston region: Neighborhood Centers is a large human services organization that uses an asset-based approach to provide resources, education, and connections to underserved neighborhoods. It was founded over 100 years ago and has since expanded into all corners of the Houston region. **Success factors**: Local support, partnerships, diverse funding, metro-regional approach

Latin American Youth Center (LAYC), Washington DC region: LAYC is a multi-service youth organization providing multilingual programs in social services, education, and community wellness. The organization **launched in urban DC** in 1974, **then expanded to suburban Montgomery and Prince George counties** in 2005. **Success factors:** Partnerships, local support, diverse funding

There are also some metro-regional interventions that help address suburban poverty.

- **Baltimore Housing Mobility Program** is a specialized metro-regional voucher program that works across sectors to help low-income families access private market housing in low-poverty white neighborhoods through streamlined administration of rent vouchers paired with pre-move and two years of post-move counseling. It includes access to employment and transportation assistance, along with landlord education and other features.
- **Minnesota Fiscal Disparities Program** is a property tax pooling policy in the Twin Cities that promotes structured metro-regional level development and improves equitable distribution of resources across communities; nine such programs exist nationwide but only this one operates across counties.
- **Hartford Region Open Choice Program** is a cross-district school integration model that allows suburban students to attend public schools in urban areas, and vice-versa, and supports interdistrict magnet schools.

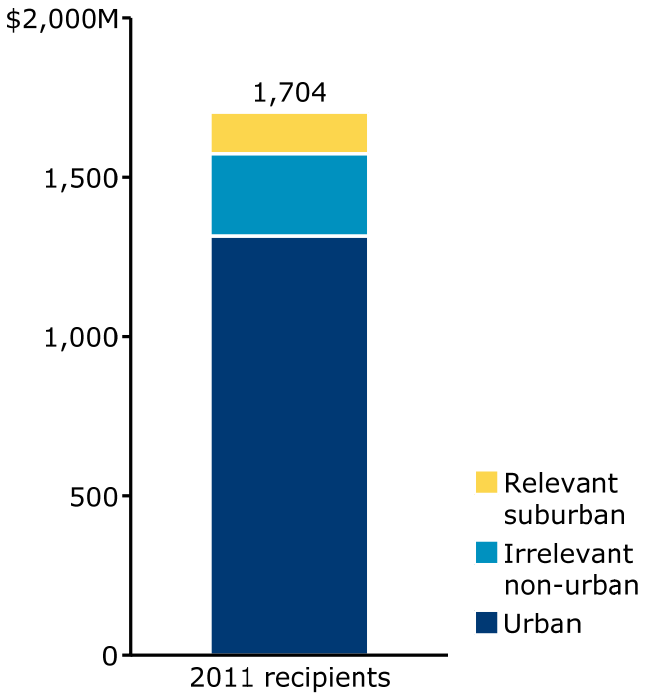
Based on expert interviews, research, and Bridgespan analysis

Who is providing funding in this space?
Philanthropy Overview

National Philanthropic Landscape

- Less than 8% of total 2011 funding from the top 15 foundations focused on poverty alleviation in the U.S. went to relevant organizations located in the suburbs.

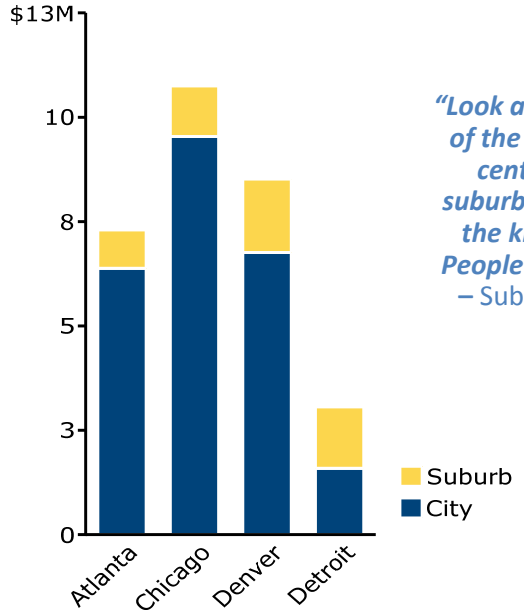
2011 Giving from Top National Poverty-focused Donors



Regional Philanthropic Landscape

- In three of four sampled regions, at least 4x more regional funding went to urban, compared with suburban, areas.
- Regional funders are limited in their ability to fund suburbs due to their small size, restrictive charters, reliance on well-established channels of grantmaking, and lack of nonprofit capacity to apply for grants,

2007 Giving from Regional Foundations



"Look at [a recent project]: 85% of the funding is in the urban center, and 15% is in the suburban county when 85% of the kids are in the suburbs. People fund what they know."
– Suburban service provider

National note: Suburban organizations are nonprofits with a mailing address in the suburbs, but do not necessarily provide services in suburban areas; also does not include nonprofits located in urban areas that serve suburbs; "Irrelevant non-urban" include universities, obvious local, urban, national, and/or rural focus, environmental focus, clergy renewal programs, journalism; others; Top poverty donors identified by Foundation Center 2007 data and include Casey, Ford, Knight, McKnight, Clark, Kellogg, Mott, Kresge, Kauffman, Starr, Lilly, Weinberg, Citi, NYCT, CFNCR; data includes grants >=$10K (NYCT includes grants >=$20K). Regional note: 2007 data sourced from Brookings; Detroit results attributed to declining population in Detroit. Based on expert interviews, research, and Bridgespan analysis.

Who is providing funding in this space?
Funder Examples

Foundation	Activity in suburbs
Ford Foundation: Metropolitan Opportunity Program	• Program designed to take a metro-regional approach to strengthening metropolitan areas; while suburbs are intentionally in the scope of this work, suburban poverty is not the explicit focus • Five year, $200 million effort to help transform the way cities, suburbs and surrounding communities grow and plan for the future, promoting a new metropolitan approach that interweaves housing, transportation and land-use policy for economic growth • Focuses on three initiatives: connecting people to opportunity, expanding access to quality housing, and promoting metropolitan land-use innovation • ~$145 million has been invested since 2009 o **Most work is metro-regional; ~20-25% focuses specifically on suburbs**
The Chicago Community Trust: Regional Initiatives	• Trust's geographic scope explicitly includes suburbs • Supports affiliates that gain the benefit of the Trust's expertise but with charters for regional focus o Affiliates include The Lake County Community Foundation and The Will County Community Foundation • **In 2011, less than 13%** of $31 million total giving (as reported in Foundation Center) **went to relevant suburban projects and organizations**, primarily community development, human needs, and education

Kresge Foundation	• The Detroit metro region is one of seven major foundation priorities
	  o The strategy is called Re-Imagining Detroit and includes nine components, including mass transit development, land use, and complete neighborhoods
	  o In 2011, ~18% of total giving went to the Detroit priority area
	• In 2011, **only 4% of $26 million total giving to the Detroit MSA went to Detroit suburbs**

Based on expert interviews, research, and Bridgespan analysis.. Chicago Community Trust numbers include only the 2011 giving reported in Foundation Center; 13% includes grantees with a mailing address in suburbs, as well as Chicago-based organizations with a listed grant use focus in suburbs, does not include grants to environmental, university or other unrelated organizations. Kresge numbers include the 2011 giving reported in Foundation Center; 4% includes grantees with a mailing address in Detroit suburbs.

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Who is providing funding in this space?
Private and Government Overview

Private and Government Funding Landscape: Key Observations

Private funding is limited

- **Limited funds are available:** Private funding to suburban non-profits is minimal
  - For nearly 70% of suburban non-profits, private funds account for less than 25% of their total revenue
- **Difficulty securing funds:** Both funders and organizations identified that nonprofits have limited organizational capacity to apply for private funds, and face misperceptions about the need in the suburbs
- **Lack of need perceived by individual donors**:
  - Local affluent populations often do not identify their suburbs as being in need and continue to focus their charitable efforts on urban poverty; the perception issues are similar outside of suburbs
  - "*Well-off people in the suburbs continue to give the way they have always given – to the cities*." – Suburban service provider
- **Corporate funds are limited for several reasons**:
  - Corporations tend to fund based on promoting their brand rather than where the greatest needs are. "*Corporate funding dampens the ability of a nonprofit to stand up for their clients when their interests are not aligned with the corporation.*" – Funder
  - Suburban nonprofits do not have the access, skillset, relationships, and capacity to access corporate funding. "*Many nonprofits are located in suburban communities with few potential corporate partners and few networks through which to connect to private philanthropy*." – Brookings article
  - In addition to philanthropy, there are other roles that the private sector could play in addressing suburban poverty, such as providing workforce training, or making a commitment to local hiring

"*There is a perpetuation of the old guard, but this old way… is no longer working to meet the many and diverse needs of suburban poverty*" – Suburban umbrella organization

Government funds are hard to access and declining*

- **Heavy reliance on limited funds:** While suburban non-profits rely most heavily on the government as a funding source (>66% of their budgets), this funding is increasingly insufficient to meet the growing needs of the suburban poor
- **Inability to capture funds:** The available funding is channeled through the existing non-profit network, which is thin in suburbs. Interviewees noted that even where funding is available, smaller non-profits are often not skilled at accessing it due to lack of awareness, size, or capacity. Metro-regional block grants tend to be allocated to cities over suburbs.
- **Shrinking funds:** In addition, this limited funding is shrinking given recent austerity measures as budget cuts tend to hit the suburbs before they hit the cities (as seen, for example, in transportation cuts in Seattle suburbs).
  - In 2011, 47% of suburban providers in three major MSAs experienced significant cuts in at least one key government funding stream
- **Individual disconnect:** Some individuals in suburbs do not know about government benefits or choose not to access them due to social stigmas.
  - In 2010, while suburbs accounted for 54% of poor households, they represented only 50% of poor households claiming SNAP

"*Addressing suburban poverty is seen as a luxury by the Federal government*" – Academic

"*All of the [suburban city's] service budgets combined are something like 20x smaller than [the one urban city's] budget*" – Suburban service provider

*Unfortunately, researchers interviewed confirmed that data on quantities of federal funding flows to suburbs is not available.

Based on expert interviews, research, and Bridgespan analysis. Data points from Brookings research.

Communications Audit

Coverage Drivers

- Coverage was heavily driven by the release of 2010 Census data showing the changing demographic of the urban core and its surrounding suburbs. Minority groups and new immigrants are moving into the suburbs in larger numbers, while white young professionals, young families and empty-nesters are returning to cities.
- The Brookings Institution report drove some coverage focused on problems with aging suburban infrastructure, coupled with a dearth of adequate social services for the poor in suburban areas.
- The foreclosure crisis and its impact on suburban homeowners was a coverage driver for suburban poverty.

Gap Analysis

- The issue of suburban poverty was seldom the primary focus of news coverage. Instead, many of the root problems that led to an increase in suburban poverty were covered (e.g., the impact of the foreclosure crisis or the shift in the demographic composition of American suburbs).
- The nomenclature used to describe the situation varied and while there has been a general increase in the media's use of the term "suburban poverty," data indicates that the term has not yet become the default choice for all journalists reporting on the issue.

Volume, Geography & Tone

- Coverage was fairly steady. It increased during the economic downturn and foreclosure crisis. Starting in 2010, the media's use of the term "suburban poverty" increased significantly over previous years, but the term's use has diminished somewhat since then. There has been limited social conversation using the term "suburban poverty" specifically.
- Coverage tended to appear in suburban and metropolitan areas where the problems seemed most acute; stories tended to concentrate on areas with aging suburbs, especially in regions of the country where economic downtowns were evident and pervasive (e.g., the Rust Belt in the Midwest or the Sunbelt in the southeastern U.S.).
- The tone of coverage is largely descriptive as the media focuses more on explaining the phenomenon, sharing anecdotes and highlighting personal stories. There is little debate or commentary around the topic.

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Communications Opportunity

Highlights from Coverage

- Typically, news coverage did not feature suburban poverty as a core topic. Suburban poverty was most featured in articles about the changing demographics in American suburbs, the foreclosure crisis, and aging suburban infrastructure and transportation.
- In the most recent 18 months of coverage, the phenomenon of suburban poverty had become better understood by many media outlets, but continued to be part of larger stories on the topics mentioned above.
- For members of the middle class finding themselves in poverty for the first time, coverage focused on the lack of aid or benefit awareness, and the perceived stigma of accepting charity. These issues have kept many of those in need from accessing the services that are available to them.
- To date, there have been very few policy solutions put forward to specifically address suburban poverty – and those that have been offered, are geared towards very different levels of government with no clear overarching framework to knit these solutions together. Moreover, even basic research into the root causes and efficacy of proposed solutions has been lacking, with much of the evidence being offered in anecdotal or episodic forms.

White Space Recommendation

- There is an opportunity to own white space on the topic of suburban poverty. There is coverage around related issues like foreclosures and aging infrastructure, but there is an opportunity to focus attention more directly on "suburban poverty" as a distinct issue area with specific policy recommendations and implications.

4) Impact Assessment

Purpose

The Impact Assessment presents an early view of the impact potential in this space, outlining how we think change could happen based on the dynamism assessment and using scenarios to illustrate different impact ranges.

Key Findings

- Existing areas of dynamism in this space include momentum around community revitalization, national interest in revitalizing the housing market, increased attention in popular media with the release of the Brookings book, and increased national and political attention to immigration reform and issues. Those dynamic areas could be catalyzed towards potential high-level outcomes that include (but are not limited to):
  - Policymakers and funders acknowledge the problem of suburban poverty
  - Equitable access to living wage jobs, career-ready education, and quality healthcare services
  - Equitable access to affordable housing
  - Improved capacity of social service providers in the suburbs
- There are many choices around which a Development Strategy could be designed. Two potential dimensions that could help to inform those choices are related to the concentration of poverty in a community and the size of a community's immigrant population. Choosing to focus on communities with high concentrations of poverty would be informed by research demonstrating the community-wide effects of high poverty rates, which exacerbate the effects of poverty felt by individuals and households. The immigration dimension highlights a different type of vulnerability and inequity related to cultural and political exclusion. These choices would have implications for the set of interventions in the solution space, as well as the type of impact the Foundation could hope to achieve.

How We Think Change Could Happen

Areas of Dynamism That Could be Catalyzed Towards High-level Outcomes		*High-level Outcomes That Would be Required to Achieve the Impact Goal*	*Potential Impact Goal*
Community revitalization efforts gaining momentum	Increased national and political commitment to closing the achievement gap	Policymakers and funders acknowledge the problem of suburban poverty	Improved employment, health, and education outcomes for the suburban poor and reduced poverty growth in the suburbs.
Increased attention in popular media and potential for more with release of Brookings book: *Confronting Suburban Poverty in America*	Decade long trend of job sprawl, including increasing share of jobs in outer ring suburbs	Equitable access to living wage jobs, career-ready education, and quality healthcare services	
Potential for emerging funder interest e.g., Council on Foundations' annual conference	National interest in revitalizing the housing market e.g., policy initiatives, foundation funders	Equitable access to affordable housing	
Slow re-emergence of metro-regional strategies surrounding labor markets and/or governance	Increased national and political attention to immigration reform and issues	Improved capacity of social service providers in the suburbs	

An initiative could spur widespread recognition of the problem, improve the capacity of social service providers in the suburbs, and increase access to opportunities for the poor in the suburbs.

Illustrative Scenarios for Impact

These scenarios present selected choices around which a potential development strategy could be designed.

Concentrated poverty

People living in concentrated suburban poverty

- **Characteristics of the dimension:** Already vulnerable groups are more likely to find themselves living in concentrated pockets of suburban poverty (e.g., 76% of the population residing in concentrated areas of suburban poverty is non-white) Concentrated pockets of suburban poverty are growing rapidly and are associated with a number of knock-on effects including higher rates of crime, unemployment, teenage pregnancy, and high school drop-outs.

- **Potential Approach: Deep**
  - — Build self-sustaining networks of local non-profits to share best practices
  - — Support efforts to strengthen nonprofits through institutions that provide consulting and finance services

Immigrant poverty

Low-income immigrants living in suburban poverty

- **Characteristics of the dimension:** Poor immigrants increasingly make the suburbs their first destination, meaning there are now more poor immigrants living in the suburbs than in urban areas. Poor immigrants are particularly vulnerable as they often lack access to voting rights and the social safety net and require a unique set of supports (e.g., ESL courses, legal representation, culturally competent healthcare)

- **Potential Approach: Broad and Deep**
  - — Raise awareness and build understanding of the issue
  - — Advocate and convene to spur policies that support poor suburban immigrants
  - — Build non-profit capacity to address the needs of local immigrants
  - — Support the civic infrastructure necessary for communities to self-organize

Illustrative Scenarios for Impact Vision of Scale

Affected Populations	*Possible Solution Spaces*	*Vision of Scale*
• **~4 million individuals live in concentrated poverty in the suburbs** — This includes all low-income individuals living in areas where over 20% of residents fall below the federal poverty line • **~0.5 million individuals live in suburban poverty in the 3 MSAs with the highest rate of concentrated suburban poverty**	Convening and national awareness efforts	• **Impact:** National change in awareness; Increase in funding flows to key regions • **Assumes:** $10 million allocated to raising awareness and convening
	Build self-sustaining networks of local non-profits to share best practices	• **Impact:** Improve the local capacity of service providers in 3 MSAs **Assumes:** $10 million allocated to local network building across 3 MSAs
	Create evidence for impact by replicating effective urban models in the suburban setting	• **Impact:** Potential to serve 10,000-200,000 individuals • **Assumes:** $5 million allocated to ramp-up costs across 3 MSAs; $7.5 million/year allocated across 3 MSAs; $450-5,000/person total program costs*
• **~2.5 million immigrants** live in poverty the suburbs • **~1 million immigrants** live in suburban poverty in the 3 MSAs with the most immigrants living in suburban poverty	Broad national awareness and convening efforts	• **Impact:** National change in awareness ; Increase in funding flows to key regions • **Assumes:** $10 million allocated to raising awareness and convening
	National and regional advocacy efforts	• **Impact:** National and regional changes in policy could provide a broad impact to between **.5 million and 1.5 million** poor immigrants living in the suburbs • **Assumes:** $20 million allocated to advocacy efforts
	Scale effective models within and across suburbs	• **Impact:** Potential to serve 10,000- 650,000 individuals • **Assumes:** $5 million total allocated to ramp-up costs across 3 MSAs; $6.5 million/year allocated across 3 MSAs; $100-5,000/person total program costs**

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Appendix

Appendix Outline

Content in the Appendix	Slide Number	Summary of Content
Examples of Goals and Impacts for Other Poverty Initiatives	40	• Provides examples of the program/initiative goals, budget, and impact for three efforts to address poverty: the Ford Foundation's Metropolitan Opportunity Program, Promise Neighborhoods' Nurse-Family Partnership, and the Harlem Children's Zone.

Examples of Goals and Impacts for Other Initiatives

Initiative	Budget	Impact
***Ford Foundation:* Metropolitan Opportunity Program** • Program designed to take a metro-regional approach to strengthening metropolitan areas; while suburbs are intentionally in the scope of this work, suburban poverty is not the explicit focus	• Five year, $200 million effort, promoting a new metropolitan approach that interweaves housing, transportation and land-use policy for economic growth • $145M has been given since 2009. Most work is metro-regional; 20-25% focuses specifically on suburbs	• Number Impacted not available.
***Promise Neighborhoods:* Nurse-Family Partnership (NFP)** • Community health program designed specifically for low-income, first-time mothers • Enrolled mothers are paired with an NFP-trained registered nurse who conducts regularly scheduled home visits from pregnancy through age 2	• NFP annual budget: $12M • Cost incurred by affiliates to deliver services: $117M — Program cost: $4,950 per family served (includes $450 NFP central operations and $4,500 for affiliate service delivery) Note: Promise Neighborhoods' "fully loaded" annual budget is $130M	• **Annual served**: Approximately 26,000 families enrolled/year • **Total served:** Approximately 172,000 families (since replication began in 1996)
Harlem Children's Zone (HCZ) • An interlocking network of programs aimed at helping children break free of the cycle of generational poverty • HCZ's "pipeline to success" targets a 97 block zone in Central Harlem with education, social-service, and community building programs	• Annual budget**:** $110M • Program cost**:** $5,000 per person per year — This cost does not include public funding of $12.5K/student received for students at HCZ schools	• **Annual served:** Approximately 22,000 people reached at various levels

*All funding and budget numbers are approximate.