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Author(s): Morton D. Winsberg

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Income Polarization Between the Central Cities and Suburbs of U.S. Metropolises, 1950–1980

By MORTON D. WINSBERG*

ABSTRACT. Through an examination between 1950 and 1980 of *household income* in *central cities* and *suburbs* of the 37 largest *Metropolitan Statistical Areas* of the *United States* it was found that considerable *polarization* of household income groups had occurred. By 1980 the median share of the *poorest* within the total households of the central cities had risen to well over double the share of the group in the total households of the suburbs. The share of the *wealthiest* households in the total for the suburbs rose to double that of that group's share of the total central cities households. No generalizations could be made which would explain the degree nor the rate of polarization, though a number of socioeconomic variables were tested.

I

Introduction

SOCIOECONOMIC POLARIZATION, here defined as the concentration of groups of diverse social and/or economic backgrounds in distinct parts of the city, is one of the most severe problems associated with urbanization in the United States.¹ As a consequence of Federal housing policies, as well as those of the banks and home construction industry and of the land tenure and property tax systems, most post World War II homes were built in suburbs.² As our large metropolitan areas attracted the poor, first from the rural South, but more recently from nations within Latin America and the Far East, their central cities often came to provide them residence while the suburbs generally attracted the more affluent.

This spatial inequity has frequently weakened the tax base of central cities, making them less desirable places in which to live and work, while the tax base of most suburban communities has become stronger and services for their residents better.³ National programs have been designed to reduce the gap in income between the poor and affluent neighborhoods of cities. Thus, we have revenue sharing, Urban Development Action Grants, school busing, efforts to construct public housing in the suburbs, and more recently the Reagan Administration proposed "Enterprise Zones," which would be given certain tax advantages to attract industry back to those parts of the city where unemployment is high.⁴

* [Morton D. Winsberg, Ph.D., is professor of geography, Florida State University, Tallahassee, FL 32306-2050.]

The concentration of the poor in the central cities and the migration of the more affluent to the suburbs has been well documented for individual cities.⁵ No study, however, has attempted to quantify for a large group of cities the difference between the degree of concentration of both the poor and the wealthy between the central cities and their suburbs. This study calculates the differences in their concentrations between 1950 and 1980, the most recent year that the U.S. Bureau of the Census assessed levels of household income. Once calculated, a search was made for common factors which would explain variation in the 30-year polarization rate among the nation's largest Metropolitan Statistical Areas (MSAs).

II

Methodology and Data

FOR THIS STUDY the 37 largest MSAs were selected, those with populations of one million or more in 1980. Each census since 1950 has reported household

Table 1

MEDIAN PERCENTAGE OF TOTAL HOUSEHOLDS IN THE CENTRAL CITIES AND SUBURBS AND MEDIAN PERCENTAGE

DIFFERENCES BETWEEN THEM OF 37 LARGE U.S. MSAs WITHIN SEVEN INCOME CATEGORIES: 1950-1980

1950					1960				
	Central City	Suburbs	Median Perc. Diff.		Central City	Suburbs	Median Perc. Diff.		
\$ 9335 or less	26.2%	21.4%	- .19%	\$ 7630 or less	9.4%	5.7%	-.27%		
9336 - 14005	25.6	22.3	-.14	7631 - 15264	16.8	10.4	-.24		
14006 - 23345	24.9	27.9	+.12	15265 - 22898	22.9	21.5	-.7		
23346 - 28015	11.9	14.0	+.17	22899 - 30532	19.8	23.2	+.13		
28016 - 32685	4.1	4.6	+.16	30533 - 38166	12.1	15.6	+.15		
32686 - 46695	4.5	5.2	+.11	38167 - 57251	11.6	15.5	+.23		
46696 or more	2.9	3.7	+.23	57252 or more	5.9	6.9	+.29		
1970					1980				
	Central City	Suburbs	Median Perc. Diff.		Central City	Suburbs	Median Perc. Diff.		
\$ 9108 or less	5.6%	3.3%	-.44%	\$ 7685 or less	19.6%	7.9%	-.48%		
9109 - 15182	14.3	8.8	-.37	7686 - 15368	18.3	10.8	-.36		
15183 - 21256	11.9	8.8	-.25	15369 - 23053	15.9	21.7	-.22		
21257 - 30366	20.7	19.7	-.7	23054 - 30738	13.3	13.3	-.3		
30367 - 36440	12.4	14.0	+.15	30739 - 38423	10.6	13.8	+.22		
36441 - 45554	13.9	17.1	+.21	38424 - 53793	13.3	20.6	+.54		
45555 or more	20.9	26.6	+.37	53794 or more	10.4	20.7	+.71		

Income categories adjusted to the value of the 1986 dollar

Percentage Difference = $\frac{\text{Share of households in suburban total}}{\text{Share of households in central city total}} - 100$

income and it was possible to differentiate those households of the central city from the suburbs. The central cities and suburbs are here defined as they were in each census. There were, however, 15 categories of income in the 1950 and 1970 censuses, 13 in that of 1960 and 9 in that of 1980. Also, the value of the dollar has fallen since 1950. To resolve these problems the income categories

of each year were converted to the value of the 1986 dollar and collapsed into seven nearly equal categories. The percentage of households within the central cities and suburbs of the 37 MSAs were then calculated for each category of income and the median percentage determined. Degree of polarization was calculated by first determining for both the central cities and their suburbs the share within the total households of each of the seven income levels for the four censuses. The percentage difference between the share of each level of the central city and for that of the suburbs was then computed. For example, in the central city of Atlanta in 1980 the share of households in the lowest income level was 24.4 percent while the share of households in this group in the suburban total was 8.4 percent. The central city share was divided into that of the suburbs and the result subtracted from 100 ($-.66$). The rate of polarization was quantified by a polarization or disparity index, whereby the distance from 0 of the 1950 percentage difference was first calculated and then subtracted from that of 1980. Thus, for the lowest income category in Atlanta in 1950, the distance was 27 percentage points, and for 1980 it was 66 percentage points. The disparity index consequently was $+39$ ($66-27$).

III

Analysis

IT CAN BE SEEN from Table 1 that already in 1950 the median central city had a considerably higher percentage of poor households among its total than did the median suburban area, and the reverse was true for the wealthiest households. In each census period since 1950 the disparity in the shares of the poorest and wealthiest households between the central city and suburbs has risen.

By 1980 the share of poor households in the suburban total was less than half that of the poor households in the total of the central city. For the wealthiest households the percentages were reversed from that of the poorest. Their share in the total for the suburban households was double their share of the central city's total households. In the middle income level the trend over time has been for parity in the central city and the suburban percentages. Clearly, between 1950 and 1980, the median large MSA within the United States has had a polarization of poor and wealthy income groups between the central city and suburbs.

The greatest increase in polarization of the poor between the median central city and its suburbs took place during the 1960s. In that decade the median percentage difference of the share of households in the central city total, when compared with that of the suburban total, rose from $-.27$ percent in 1960 to $-.44$ percent in 1970. For the second and third lowest household income levels the increase was also high.

Table 2a

PERCENTAGE DIFFERENCE BETWEEN THE SHARE OF HOUSEHOLDS IN THE LOWEST INCOMECATEGORY OF THE CENTRAL-CITY AND SUBURBS OF 37 LARGE MSAs 1950-1980

	Percentage Difference				Disparity Index
	50	60	70	80	
Atlanta	- 27%	- 17%	- 56%	- 66%	+ 39
Anaheim	+ 11	- 14	- 17	- 25	+ 14
Baltimore	- 13	- 48	- 66	- 70	+ 57
Boston	- 25	- 47	- 54	- 52	+ 27
Buffalo	- 23	- 49	- 53	- 57	+ 34
Chicago	- 15	- 51	- 63	- 70	+ 55
Cincinnati	- 32	+ 7	- 48	- 46	+ 14
Cleveland	- 40	- 64	- 74	- 65	+ 25
Columbus	- 22	- 15	- 45	- 45	+ 23
Dallas-Ft. Worth	+ 2	+ 13	- 27	- 40	+ 38
Denver	- 22	- 27	- 44	- 53	+ 31
Detroit	- 22	- 51	- 60	- 64	+ 42
Fort Lauderdale	+ 34	+ 1	- 14	+ 27	- 7
Houston	- 19	+ 29	- 15	- 34	+ 15
Indianapolis	- 37	- 16	- 13	- 20	- 17
Kansas City	- 17	- 37	- 39	- 42	+ 25
Los Angeles	- 21	- 27	- 27	- 32	+ 11
Miami	- 14	- 32	- 44	- 41	+ 27
Milwaukee	- 35	- 36	- 53	- 53	+ 18
Minneapolis	- 30	- 23	- 26	- 62	+ 32
Newark	- 27	- 59	- 71	- 71	+ 44
New Orleans	- 24	- 32	- 58	- 48	+ 24
New York	- 28	- 50	- 58	- 65	+ 37
Philadelphia	- 18	- 45	- 61	- 60	+ 42
Phoenix	+ 10	+ 39	+ 2	- 8	- 2
Pittsburgh	- 28	- 32	- 40	- 48	+ 20
Portland	- 4	- 2	- 20	- 46	+ 42
Riverside	+ 24	+ 37	- 4	0	- 24
Sacramento	- 2	- 17	- 18	- 37	+ 35
St. Louis	- 15	- 43	- 56	- 59	+ 44
San Antonio	+ 67	- 2	- 29	- 44	- 23
San Diego	+ 14	+ 11	- 14	- 13	- 1
San Francisco	- 14	- 34	- 45	- 51	+ 37
San Jose	- 4	- 15	- 15	- 13	+ 9
Seattle	- 32	- 36	- 23	- 62	+ 30
Tampa	0	+ 4	- 31	- 29	+ 29
Washington	- 29	- 55	- 64	- 68	+ 39

Disparity Index = Difference from 0 in 1950 compared to that of 1980

Percentage Difference = $\frac{\text{Share of households in suburban total}}{\text{Share of households in central city total}} - 100$

This dramatic rise in the disparity of the shares of the poor between the central cities and their suburbs occurred at a time when there was, essentially, no growth in the number of households in the central cities of the nation's 37 largest metropolitan areas. Almost as many households left the central cities as were formed within them.

During the decade of the 1970s, one in which the total households in the central cities of the 37 SMAs studied rose 37 percent while there was a 61 percent increase in the number of households in their suburbs, the process of polarization of the poor between the two parts of the metropolitan areas slowed markedly. Actually, the percentage difference between the two shares of levels 2 and 3 declined slightly during the period.

The wealthy, who have been generally more successful in maintaining the

Table 2b

PERCENTAGE DIFFERENCE BETWEEN THE SHARE OF HOUSEHOLDS IN THE HIGHEST INCOMECATEGORY OF THE CENTRAL-CITY AND SUBURBS OF 37 LARGE MSAs 1950-1980

	Percentage Difference				Disparity Index
	50	60	70	80	
Atlanta	+138%	- 34%	+ 39%	+ 78%	- 60
Anaheim	+ 23	- 25	+ 41	+ 59	+ 36
Baltimore	+ 7	- 25	+ 41	+ 59	+ 36
Boston	+130	+155	+ 84	+138	+ 8
Buffalo	0	+ 51	+ 78	+104	+104
Chicago	+ 63	+ 90	+ 71	+114	+ 51
Cincinnati	- 16	- 56	+ 36	+ 62	+ 46
Cleveland	+418	+328	+130	+199	-219
Columbus	+221	+125	+ 58	+ 84	-137
Dallas-Ft. Worth	+ 52	- 30	- 4	+ 31	- 21
Denver	- 52	- 19	+ 21	+ 56	+ 4
Detroit	+ 26	+ 44	+ 66	+146	+120
Fort Lauderdale	- 75	+ 60	- 16	+ 1	+ 25
Houston	- 21	- 32	- 4	+ 46	+ 25
Indianapolis	+ 19	+ 39	- 12	+ 20	+ 1
Kansas City	+ 23	+ 36	+ 45	+ 65	+ 42
Los Angeles	+ 35	- 12	+ 4	+ 18	- 17
Miami	+120	+117	+107	+ 78	- 42
Milwaukee	+213	+160	+ 73	+126	- 87
Minneapolis	+ 52	+ 36	+ 31	+112	+ 60
Newark	+265	+304	+207	+320	+ 55
New Orleans	- 10	- 22	+ 22	- 1	- 9
New York	+117	+115	+ 78	+145	+ 28
Philadelphia	+ 91	+111	+ 78	+135	+ 44
Phoenix	- 34	+ 6	0	+ 8	- 26
Pittsburgh	- 58	- 2	+ 20	+ 60	+ 2
Portland	- 28	- 8	+ 13	+ 48	+ 20
Riverside	- 37	- 28	- 12	0	- 37
Sacramento	- 40	- 28	+ 11	+ 33	- 7
St. Louis	+111	+146	+ 99	+180	+ 69
San Antonio	+100	+164	+ 44	+ 71	- 29
San Diego	- 27	- 12	- 14	+ 3	- 24
San Francisco	+ 19	+ 19	+ 37	+ 76	+ 57
San Jose	+ 25	+ 85	+ 27	+ 18	- 7
Seattle	- 19	+ 5	+ 21	+ 82	+ 63
Tampa	+ 5	- 21	+ 10	+ 8	+ 3
Washington	+ 27	+ 23	+ 74	+ 84	+ 57

Disparity Index = Difference from 0 in 1950 compared to that of 1980

Percentage Difference = $\frac{\text{Share of households in suburban total}}{\text{Share of households in central city total}} - 100$

socioeconomic character of their central city neighborhoods than the middle class has been, did not begin a rapid movement to the suburbs until the 1970s. Not only was the increase between 1970 and 1980 in the median percentage difference greatest of any decade for those of the wealthiest income level, but also for those of the two income levels immediately beneath it. Such polarization of the more affluent families within the nation's largest MSAs during the decade is testimony to the economic vitality of their suburbs when contrasted with that within their central cities.

Among the individual MSAs in any census year there were great differences in the degree of polarization of both the poor and the wealthy between their central cities and their suburbs. This has brought about considerable variation in the rate of polarization of the two groups over time (Table 2a and 2b).

Between 1950 and 1980 the polarization of the poor in the central city, when compared with the suburbs, was greatest in Baltimore, followed by Chicago, Newark, St. Louis, Detroit, Philadelphia, Portland, Atlanta and Washington. Atlanta's and Washington's polarizations during the 30 year period would have been greater but for the fact that in 1950 the percentage of poor households in the total for the central city was already very high, when compared with that percentage for the suburbs. The MSAs with the smallest polarization of the poor between 1950 and 1980 were Riverside, followed by San Antonio, Indianapolis, Fort Lauderdale, Phoenix, San Diego, San Jose and Los Angeles.

When the group of MSAs with the highest disparity indexes are compared with those with the lowest, obvious differences are immediately discernible. Those MSAs with high polarization are commonly older, where large minority populations have arisen in their central cities, Portland being the notable exception. Those MSAs with low disparity indexes are usually associated with the Sunbelt and have experienced rapid population growth since 1950. Some have acquired large racial and ethnic minorities, but their poor households, whether consisting of racial or ethnic minorities, or non-Hispanic Whites, are much more evenly distributed between central city and suburbs.

Through regression analysis a search was made for socioeconomic variables to explain variation in the central city-suburbs polarization rate of the poor between MSAs. No one or combination of variables had any real explanatory power, a problem encountered by other researchers exploring the central city-suburb socioeconomic dichotomy.⁶ Among the variables tested were the percentage point difference between the minority share of the central city in 1950 when compared with that of 1980, percentage growth of households, both total and minority, within the central city as well as that of the suburbs between 1950 and 1980, and growth in construction of new housing in the central city during the thirty-year period. It would appear that polarization of the poor over time between the central city and the suburbs is primarily in response to a mix of variables unique to each MSA.

To explain variation in rate of polarization of the wealthy between the central city and the suburbs during the 30-year period is even more difficult than for the poor. Whereas it is quite clear that since 1950 the overwhelming majority of the 37 MSAs has had a higher percentage of wealthy households among the total within the suburbs than the percentage of the same income group among the total households of the central city, the trend over time was almost as frequently toward a decrease in the disparity index as toward an increase. The MSA with the greatest increase was Baltimore, followed by Detroit, Buffalo, St. Louis, Seattle, Minneapolis and San Francisco. The MSA which experienced the greatest

decrease in disparity between 1950 and 1980 was Cleveland, followed by Columbus, Milwaukee, Fort Lauderdale, Atlanta, Miami, Riverside and San Antonio.

No one important socioeconomic characteristic which could help explain the variation in disparity indexes is shared by even a simple majority of either group of MSAs. Those MSAs with greatest polarization of the wealthy between the central city and suburbs during the thirty-year period include several in which the minority population share of the total central city population increased greatly since 1950: Baltimore, Detroit and St. Louis. Also among the group, however, are Seattle, Minneapolis and San Francisco, where minority populations continue to be only a small share of the total population. Nor is there a close relation with the percentage increase over time of poor or wealthy households within the MSAs or their central cities and suburbs.

A decrease in polarization occurred in several MSAs in which in 1950 there already was an extremely high percentage of wealthy in the suburban population when compared with the share of that group in the central city population. This is especially true of Cleveland, Columbus and Milwaukee, and to a smaller extent Atlanta, Miami and San Antonio. Within these MSAs, in the years since 1950, the shares of the wealthy in the suburban population and that of the central city actually became better balanced. As with the MSAs which had high disparity indexes, those with low ones included cities where the share of minorities in the central city population greatly increased during the thirty-year period, but several where the increase was small. Some had large population growth, others small, while the same wide variation can be found in the growth of the number of poor households within them over time.

IV

Conclusion

BETWEEN 1950 AND 1980 federal efforts to improve the socioeconomic environment within the central cities of the nation's largest metropolitan areas did not compensate for its policies, as well as those of financial institutions and the construction industry, designed to stimulate middle and high income housing construction in the suburbs. By 1980 the share of the poorest households in the median central city of the nation's largest MSAs was far more than double the share of the poorest in the total suburban households, whereas the reverse was true of the share of the wealthy in the median central city. That share was only half that of the median suburban area.

There were, however, considerable differences in the rates of polarization between 1950 and 1980 of both the poor and the wealthy between the central

city and suburbs of the 37 MSAs examined. Despite exhaustive efforts through regression analysis to find one or more socioeconomic variables to account for this variation, no generalizations can be made. Each metropolitan area appears to have responded to different combinations of variables.

Since 1980 no major Federal programs have been initiated to redress the problems of income disparity between the central cities and the suburbs. Furthermore, there has been a reduction of funds for several existing programs designed to benefit the central cities, as well as the elimination of others. As those within the central cities climb the economic ladder, escape to the suburbs will continue to be the most attractive alternative for most. Those at the bottom will be left behind, and thus the process of polarization of both the rich and the poor will continue. In the absence of a strong national initiative to reverse the trend, the level at which stabilization will occur will depend on local factors within the individual metropolitan areas.⁷

Notes

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2. R. J. Checkoway, "Large Builders, Federal Housing Programs and Postwar Suburbanization," *International Journal of Urban and Regional Research* 4 (1984) pp. 21-45.

3. For recent works in which this theme has been developed see P. O. Muller, *Contemporary Suburban America* (Englewood Cliffs, N.J.: Prentice-Hall, 1981), pp. 28-42; R. J. Johnston, *The American Urban System: A Geographical Perspective* (London: Longmans, 1982). pp. 287-294; R. J. Johnston, *Residential Segregation, the State and Constitutional Conflict in American Urban Areas* (Orlando, Florida: Academic Press, 1984) pp. 3-38; J. M. Kelly, "The Case for Reform of the Real Property Tax," *American Journal of Economics and Sociology* 46 (January, 1987) p. 126.

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