

Fewer Americans Living In Middle-Class Areas As Country Divides Between Rich, Poor: Study



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In the latest sign of a deteriorating middle class, growing number of Americans are living either in poor or affluent neighborhoods, not somewhere in between, a new study finds.

Thirty-one percent of households lived in either affluent or poor neighborhoods in 2007, according to a study by Stanford University researchers that analyzes Census data in 117 metropolitan areas. That's more than double the 15 percent that lived in affluent or poor neighborhoods in 1970.

Income segregation surged between 2000 and 2007 among black and Hispanic families, the study found. In addition, income segregation among black and Hispanic families rose much more between 1970 and 2007.

Sean Reardon, one of the authors of the study, told *The New York Times* that the findings indicate that the next generation of poor Americans will increasingly limit access to high-performing schools and support networks. And if the pattern holds true, affluent Americans may be less likely to interact with lower- and middle-income Americans, which could make them hesitant to support policies that benefit the larger public.

The findings underscore other studies indicating that income inequality has been on the rise for decades and that the gap between the rich and the poor is manifesting itself in America's

neighborhoods. The top one percent of earners in America saw their incomes grow 275 percent between 1979 and 2007, according to the Congressional Budget Office. During the same period the bottom fifth of earners only saw a 20 percent spike in income.

In addition, the number of Americans living in areas of extreme poverty rose by one-third between 2000 and the second half of the decade, according to a study from the Brookings Institution.

And the boost in poverty isn't limited to the nation's cities. The number of Americans living in poverty in the suburbs increased by 53 percent between 2000 and 2010, according to a different Brookings analysis. That's compared to a 23 percent spike among city-dwellers during the same period.

The erosion of an American middle class could have dire consequences for the U.S. economy, experts say. Robert Kaplan, a former vice chairman of Goldman Sachs, told the *Lawrence Journal-World* that the country will continue to see volatility until the status of the middle class is secure. A September study from the International Monetary Fund found that greater income equality positively correlates with economic growth.

Most Americans say they believe the growing wealth gap is a problem. Nearly three-quarters of respondents in a poll conducted by The Hill last month said they think income inequality is an issue for the U.S.

For some, income inequality isn't an issue. Texas Governor Rick Perry, a Republican candidate for president, told *The NYT* last month that he doesn't care if his flat tax proposal leads to increased income inequality.