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Racial and Ethnic Diversity Goes Local: Charting Change in American Communities Over Three Decades

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Summary

During the last three decades, the United States has become more racially and ethnically diverse. We examine this trend at the local level, where the consequences of increased diversity for the economy, education, and politics regularly prompt debate, if not rancor. Decennial census and ACS data spanning the 1980-2010 period allow us to determine (a) the pervasiveness of diversity across America, focusing on metropolitan, micropolitan, and rural areas and places, and (b) the community characteristics that correlate with diversity.

We find that almost all communities—whether large immigrant gateways or small towns in the nation's heartland—have grown more diverse. However, the data show a wide range of diversity profiles, from predominantly white communities (a shrinking number) to minority-majority and no-majority ones (an increasing number). The pace of local diversity gains, as well as shifts in racial-ethnic composition, has similarly varied.

While surging Hispanic and Asian populations often drive these patterns, other groups, including African immigrants, Native Americans, and multi-racial individuals, contribute to the distinctive mixes evident from one community to the next.

As for the correlates of diversity, communities with large populations, abundant rental housing, and a range of jobs are more diverse. So are those where the government and/or the military is a key employer. Locationally, diversity tends to be higher in coastal regions and along the southern border.

In short, a growing number of Americans now live in communities where multiple groups—Hispanics, blacks, and Asians as well as whites—are present in significant proportions.

Key Findings

The United States, once ‘white-dominant,’ is increasingly multi-hued, multi-lingual, multi-ethnic. Over the last three decades, immigrants from Latin America, Asia, and elsewhere have expanded the population of minority residents beyond African Americans. If this trend continues, the United States will eventually have as many ‘minority’ as ‘non-minority’ residents. ‘Majority-minority’ communities already exist, not just in California, Hawaii, and the Southwest but closer to the heartland as minority group members gravitate toward new destinations.

This brief traces the evolution of America into a diverse society, with a special focus on the local scene. It puts a mirror to the changing face of our metropolitan, micropolitan, and rural communities, showing which ones have grown more diverse from 1980 through 2010 and pinpointing key community characteristics that correlate with diversity. The following insights emerge:

- Virtually all types of communities have become more racially and ethnically diverse since 1980. However, they vary in the magnitude of diversity, its composition, and its pace.
- Burgeoning Hispanic and Asian populations have contributed to a major transformation, reducing the number of all-white places and increasing the number of minority-majority and no-majority ones.
- As of 2010, the most diverse communities in the U.S. are disproportionately western, southern, and coastal metropolitan areas and their principal cities and suburbs. Diversity rankings (from top to bottom) have remained quite stable over time.
- Other than location, the community characteristics related to diversity are (a) large total and foreign-born populations; (b) high rental occupancy, as a community needs a supply of rental housing to accommodate newcomers; (c) a range of occupational options, including entry-level jobs; and (d) a low minority-to-white income ratio.
- ‘Company towns’—where the company is the government and/or the military—are also diverse. Retirement and education enclaves do not show the same correlation with community racial-ethnic diversity.

Introduction

In 1900, only one in eight residents of the United States claimed non-European origins. Today three in ten do, and by mid-century people of color are projected to equal non-Hispanic whites in number (Passel and Cohn 2008; U.S. Census Bureau 2004). Several demographic processes fuel this increase, including minority populations' higher fertility rates, youthful age structures, intermarriage (and the ensuing multiracial offspring), and shifts in racial-ethnic identity, as well as a steady stream of immigrants (Lee and Bean 2010). Most immigrants to the U.S. come from Latin America and Asia (Greico et al. 2012), although the current recession has slowed immigration from Mexico. Interestingly, the United States, with roughly 14% 'migrant stock' (foreign-born residents), ranks behind Singapore (40%), Saudi Arabia (28%), Australia (22%) Canada (21%), Spain (15%), and many other countries (United Nations 2009).

Academicians and policy-makers are pondering the impact of this rising diversity on American society. For the economy, are immigrant workers displacing natives from jobs and driving down wages? Has an influx of entrepreneurs (and consumers) revived center cities? How has diversity reshaped our music, literature, art, and cuisine? Does increasing diversity foster inter-group conflict and cultural fragmentation? Education, electoral politics, healthcare – how have they changed? (See, e.g., Bean and Stevens 2003; Clark 1998; Huntington 2004; Lindsay and Singer 2003; Putnam 2007; Smith and Edmonston 1997; White and Glick 2009.)

Diversity, of course, manifests itself locally, not just nationally. How diverse are America's communities? Over one-half of all blacks still reside in the South and Hispanics and Asians remain over-represented in traditional gateway metropolises in California, Florida, New York, and Texas. Yet members of these minority groups are also moving to new destinations, altering the composition of once-homogeneous cities, suburbs, and small towns (Berube 2003; Frey 2003, 2011; Lichter and Johnson 2006, 2009; Massey 2008). Today more white Americans live, work, and shop in diverse communities than three decades ago, but some whites rarely encounter persons of other races in their daily lives.

Here we ask two basic questions about the evolution of the racial and ethnic landscape since 1980. First, *how widespread is the trend toward greater diversity at the local level?* On the one hand, we might expect ‘convergence.’ If upward social mobility and acculturation spur wider dispersion of minority groups, as they pursue opportunities across all types of communities in all regions, we should see relatively uniform gains in diversity and shifts toward similar racial-ethnic structures. On the other hand, we might expect ‘divergence’ if whites’ aversion to non-whites and each group’s preference to live close together foster demographic ‘balkanization’ among localities (Frey 1995).

Second, *which communities have experienced the greatest diversification, and why?* We estimate descriptive regression models to determine whether indicators of minority group standing in a community, such as the minority-to-white income ratio or a large foreign-born population, are associated with a more balanced racial-ethnic composition (i.e., greater diversity). A community’s size and location, its housing and occupational opportunities, and its functional specialization—as a government, military, higher education, or retirement center—are evaluated as additional correlates of diversity.

We address these guiding questions with summary file data from the 1980 through 2010 decennial censuses and the 2006-2010 American Community Survey (ACS). Unlike past research, most of which is heavily focused on metropolitan regions, our analysis investigates diversity in a greater range of areas including metropolitan, micropolitan, and rural areas and their constituent places. We also refine the conceptualization and measurement of diversity, measuring both its overall magnitude or level and its underlying racial-ethnic structure.

Measuring Diversity

Racial and ethnic diversity is sometimes confused with residential segregation. The latter reflects the extent to which members of two or more groups reside in different neighborhoods within a larger community. Segregation remains high in much of the country (Iceland 2009; Logan and Stults 2011). Diversity, by contrast, refers to the number of racial-ethnic groups in the community population and the sizes of the groups relative to each other. Intuitively, a population consisting of many groups of equal size

would be highly diverse (Pielou 1977; White 1986). To capture the magnitude of diversity, we rely on the *entropy index*, symbolized by *E*. This index gauges how uniformly members of a population are spread. An *E* value of 0 signifies complete homogeneity or no diversity; all population members belong to a single racial-ethnic group. An *E* of 100 indicates maximum heterogeneity: all groups represent equal proportions of the population.¹

Though useful, the entropy index neglects a community's *racial-ethnic structure*, i.e., the specific groups present. Taking structure into account becomes important when one realizes that, based on the evenness criterion alone, a hypothetical place with equal numbers (thirds) of white, Asian, and Hispanic residents would be considered identical to a place where Hispanics, blacks, and Native Americans each constitute a third of the population. In short, the two places would have the same *E* scores despite very different compositions. To overcome this limitation, we supplement *E* with pie charts, bar graphs, and a 'majority rule' typology (described in a later section) for summarizing the group percentages that underlie its values.

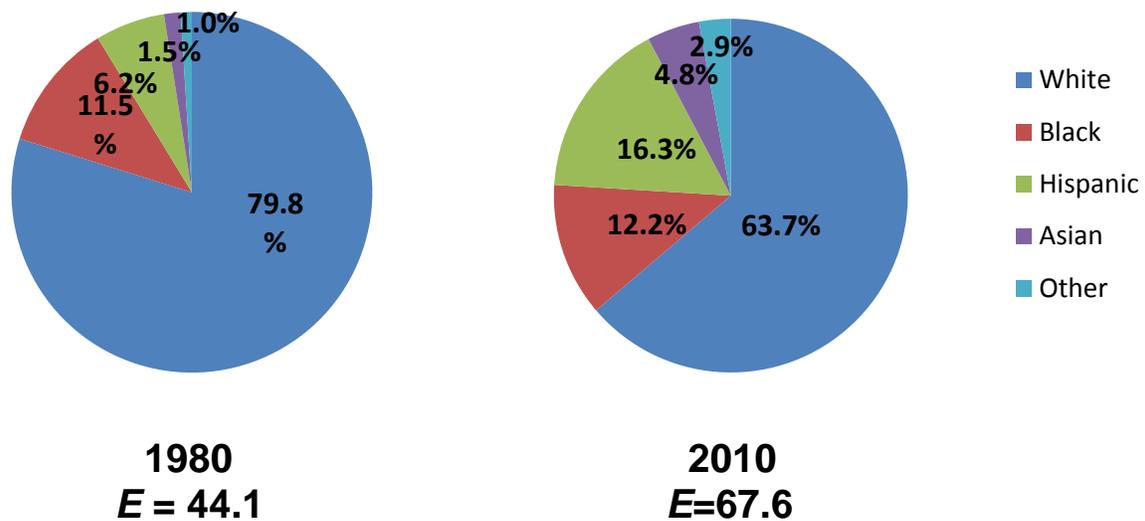
How Many Groups?

The crosstabulation of race and Hispanic origin in the census summary files yields six broad panethnic categories that are comparable from 1980 through 2010: (1) non-Hispanic whites, (2) non-Hispanic blacks, (3) non-Hispanic Asians and Pacific Islanders (hereafter Asians), (4) non-Hispanic American Indians and Alaska Natives (hereafter Native Americans), (5) non-Hispanics of other races (other and multi-race individuals), and (6) Hispanics of any race. Because of the small numbers of Native Americans and non-Hispanics of other races (the fourth and fifth categories), it is tempting to delete them from the analysis. However, these groups constitute non-trivial components of community populations in certain parts of the country (e.g., Hawaii and Alaska). Dropping them would also violate the principle of full population coverage.

As a compromise, we create a combined 'other' category made up of non-Hispanic Native Americans, members of other races, and multi-racial persons. Thus, all diversity measures in this report

recognize five exhaustive and mutually exclusive groups: Hispanics of any race and non-Hispanic whites, blacks, Asians, and ‘others’. Census data show that the magnitude of five-group diversity has climbed markedly for the nation as a whole during the study period, from an E of 44.1 in 1980 to 67.6 in 2010.² The specific group shares on which these E scores rest are depicted in the pie charts in Figure 1. The charts highlight a pair of major shifts: Hispanics have replaced blacks as the second largest racial-ethnic group in the U.S., and the proportion of Asians has tripled since 1980. Figure 1 also underscores how modest the ‘other’ (Native American, other race, multi-race) slice of the pie continues to be.

Figure 1. U.S. Racial-Ethnic Composition, 1980 and 2010



Kinds of Communities

Two classes of census geographic units approximate the notion of local community. *Areas*—metropolitan, micropolitan, and rural—correspond to the housing and labor markets where people live and work. We impose 2008 U.S. Office of Management and Budget geographic definitions on the areas, insuring comparable cases at all four time points. Metro areas (N = 366) contain at least one urbanized population of 50,000 or more, the central county or counties in which that population is located, and any surrounding counties that share strong commuting ties with the central county. Micropolitan areas (N =

574) are smaller, made up of at least one urban cluster with between 10,000 and 50,000 residents, the host core county, and any contiguous counties linked to the core via commuting (Frey et al. 2006). Rural areas (N = 1,357) are nonmetropolitan, nonmicropolitan counties.

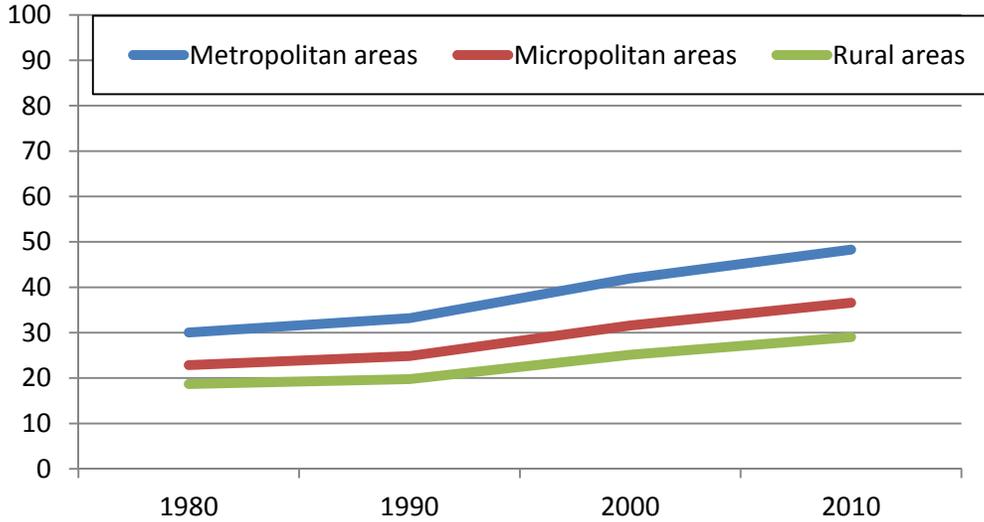
Places represent a second important class of community. Three-fourths of all places are incorporated municipalities (e.g., cities, suburbs, towns); many coincide with school districts. They are fiscally responsible for any consequences of diversity inside their boundaries. The Census Bureau also designates some unincorporated communities as places. Our analysis examines those places (incorporated and Census-designated) that have at least 1,000 residents in a given year. The sample of places meeting this size threshold has grown from 11,774 in 1980 to 15,042 in 2010.³ Because the community-centered approach taken here assumes that all places (and areas) are equally meaningful, we weight them equally.

Patterns over Time

The near-universal prevalence of the diversity trend across communities is impressive: 97.8% of all metro areas, 97.2% of all micro areas, and 95.6% of all rural counties have experienced an upward shift in their *E* scores from 1980 through 2010, the increases ranging from negligible to extreme. We find that metropolitan areas (mean 2010 *E* = 48.3) are the most racially and ethnically diverse units on average and rural areas (29.0) the least, with micropolitan areas (36.6) in between (Figure 2). The largest mean percentage changes in *E* over the thirty years are for metro (60.8%) and micro (60.2%) areas and the smallest for rural areas (55.2%). Since 2000, however, all three kinds of areas have diversified at the same speed (see the last two columns in the top panel of Table 1).

Diversity patterns differ by region as well as by type of area. Table 1 documents higher mean diversity magnitudes in Southern and Western metropolitan and micropolitan areas than in their Northeastern and Midwestern counterparts. These differences hold throughout the study period, although the gaps are narrowing. Northeastern and Midwestern micro and rural areas, historically quite homogeneous, have recorded bigger percentage gains in diversity from both 1980 and 2000 to the present.

Figure 2. Mean Diversity of Metro, Micro, and Rural Areas, 1980-2010



Among metro areas, those in the Northeast and Midwest once again experience the greatest diversity increases in percentage terms. Racial-ethnic diversity also increases with the population size of metropolitan areas (not shown). Depending on the year, mean *E* scores range from 46% to 52% higher in metropolises of 1 million or more residents than in metro areas with less than 250,000.

Table 1. Mean Diversity of Metropolitan, Micropolitan, and Rural Areas by Region, 1980-2010

	1980	1990	2000	2010	% Change 2000-2010	% Change 1980-2010
Total						
Metropolitan	30.0	33.2	41.9	48.3	15.2	60.8
Micropolitan	22.8	24.9	31.6	36.6	15.8	60.2
Rural	18.7	19.8	25.1	29.0	15.4	55.2
Northeast						
Metropolitan	19.9	24.8	33.9	41.7	23.1	109.3
Micropolitan	7.3	10.1	15.8	21.0	32.9	189.7
Rural	6.4	8.4	13.5	17.6	30.7	176.0
Midwest						
Metropolitan	20.7	23.7	32.6	39.7	21.9	92.2
Micropolitan	10.4	12.6	19.6	25.1	28.0	140.9
Rural	7.5	8.7	14.0	18.2	30.0	142.7
South						
Metropolitan	35.9	37.8	46.2	52.7	14.1	46.9
Micropolitan	33.3	34.3	40.7	45.4	11.3	36.2
Rural	29.4	29.6	34.9	38.5	10.1	31.1
West						
Metropolitan	35.6	40.2	49.3	53.6	8.8	50.6
Micropolitan	28.7	32.7	40.1	45.0	12.1	57.1
Rural	20.1	23.2	28.7	32.7	13.8	62.5

The five-group racial-ethnic structures underlying these diversity levels continue to be dominated by whites, who currently make up an average of 71.5% of metropolitan populations, 77.2% of micropolitan populations, and 80.7% of rural populations. The most significant change in composition since 1980 occurs for metro areas, where Hispanics have more than doubled their mean proportion (to 12.4%) and black and Asian shares have risen (Figure 3). Hispanic growth has also reshaped other kinds of communities. Hispanics now constitute 9.6% and 7.3% of the average micropolitan and rural area, respectively. The expansion of the ‘other’ group (comprising Native Americans, other races, and multi-racial people) in micropolitan and rural settings should not be overlooked, either. In short, some convergence toward a multi-group structure—and away from white homogeneity—is apparent.

For places (individual cities and towns, as distinct from areas), mean diversity has similarly risen during the three-decade span, from 20.1 to 37.1. Places with populations between 25,000 and 250,000 have shown the greatest gains: their *E* scores have risen by over 20 points and fall in the 50-65 range. Cities of 500,000 or more have a mean *E* that exceeds 70. In general, the average share that each minority group (except the ‘other’ category) constitutes of a place’s 2010 population increases as the size of the community increases. Hispanics are always the largest minority, followed in order by African Americans and Asians (Figure 4). Hispanics enjoy their most substantial edge over blacks in places that have between 50,000 and 250,000 residents. At the same time, white representation decreases as the population of a place rises. Indeed, whites are only a plurality rather than a majority in cities above 250,000.

A Decline in All-White Places

The decades since 1980 have witnessed the decline of all-white residential environments, where whites comprise 90% or more of the population. This trend has been documented for neighborhoods (Logan and Zhang 2011; Farrell and Lee 2011), but it is also occurring at the community level. A simple ‘majority rule’ typology allows us to show the shift away from all-white communities. In Table 2 we

Figure 3. Mean Racial-Ethnic Composition of Metro, Micro, and Rural Areas, 1980 and 2010

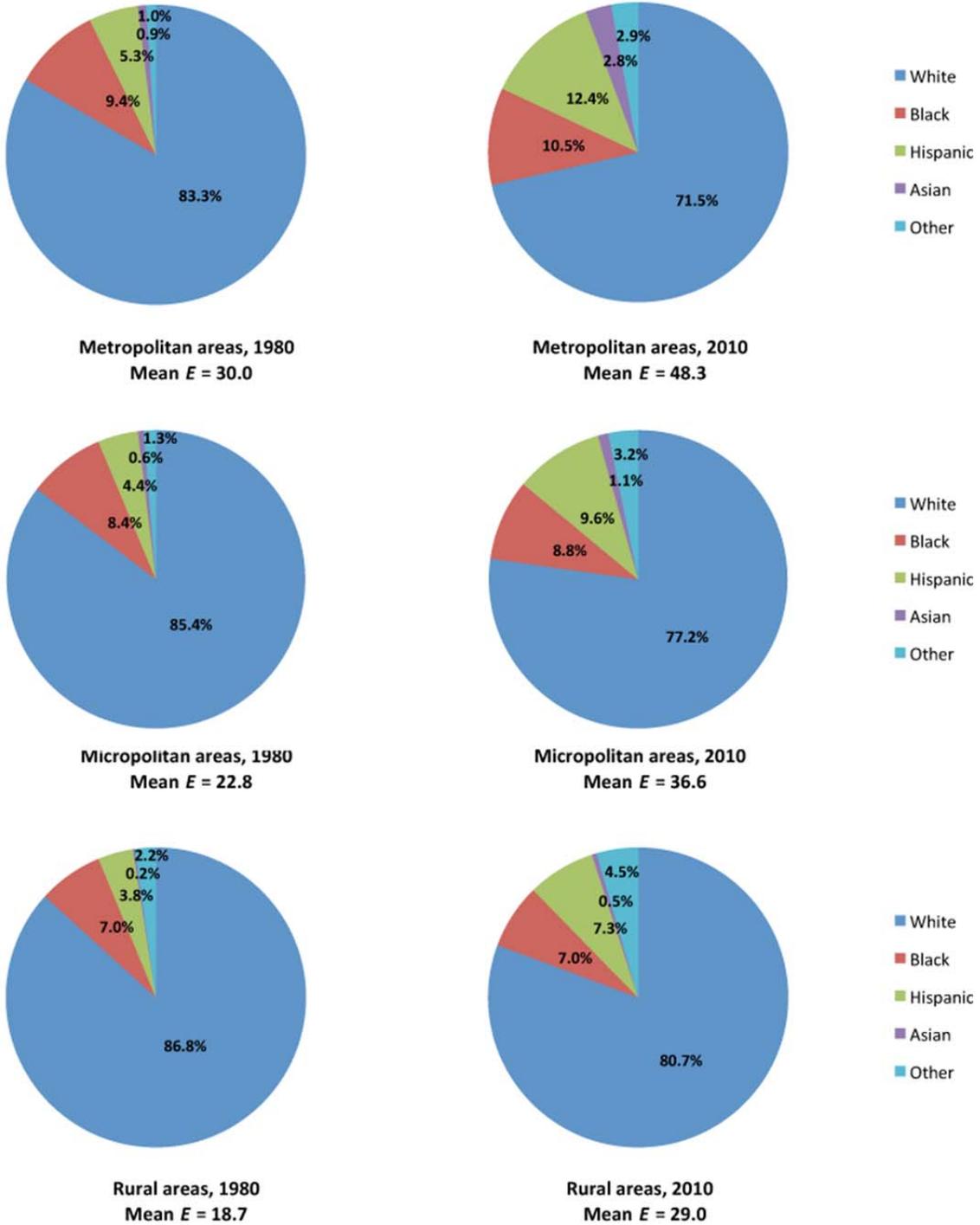
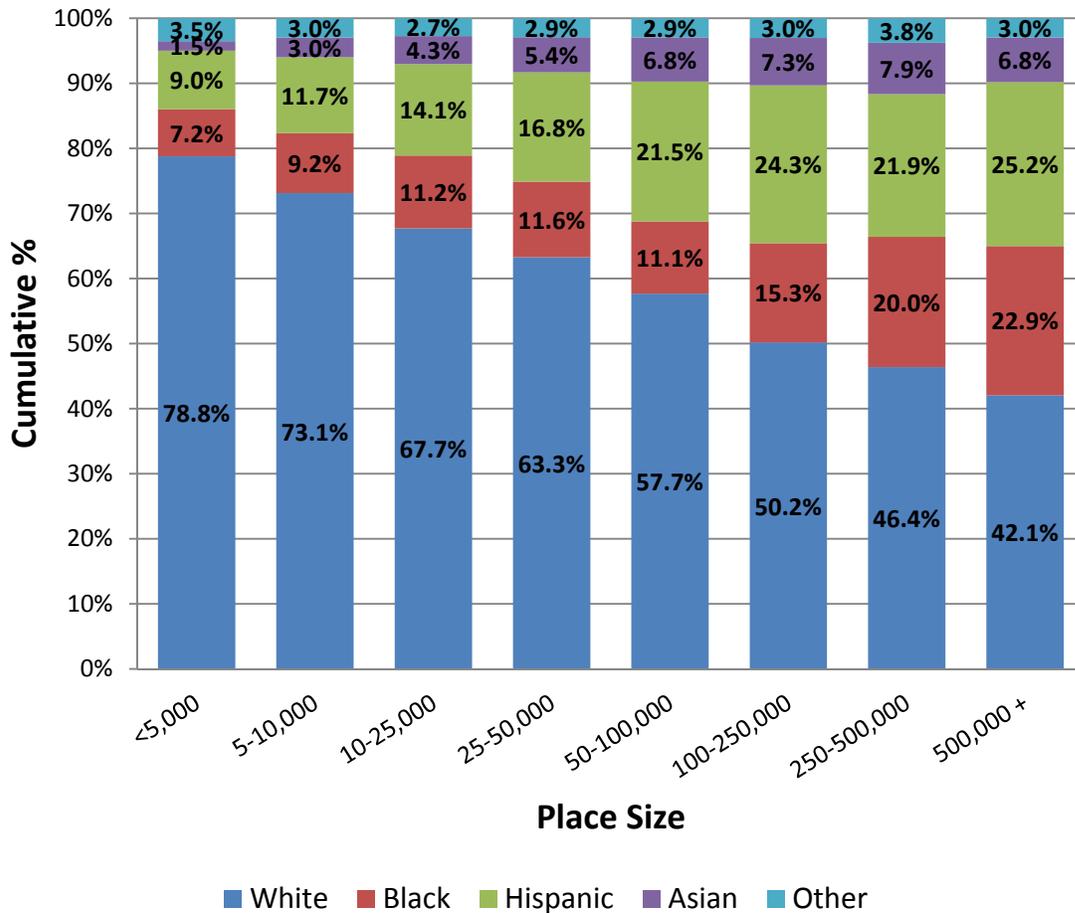


Figure 4. Mean Racial-Ethnic Composition of Places by Population Size, 2010



classify places into white, black, Hispanic, or Asian majority types depending on which group captures more than 50% of the population. We further divide white majority places into dominant (90%+ white) and shared (51-89% white) subtypes. Finally, in no-majority places three or four racial-ethnic groups are present but none achieves more than a plurality.

Table 2. Distribution and Diversity of Places by Racial-Ethnic Structure, 1980 and 2010

	% of places		Mean diversity	
	1980	2010	1980	2010
<u>All places</u>	100.0	100.0	20.1	37.1
White majority	93.4	82.6	18.4	33.4
Dominant	65.8	36.0	9.4	16.7
Shared	27.6	46.6	39.8	46.3
Black majority	2.8	4.7	41.5	47.4
Hispanic majority	2.0	5.3	39.8	42.7
Asian majority	.4	.3	56.6	68.4
Other majority	.3	.7	28.2	24.6
No majority	1.2	6.4	62.0	73.5
N of places	11,774	15,042		
<u>Metro places 10,000+</u>	100.0	100.0	29.2	51.3
White majority	92.1	72.6	27.2	46.7
Dominant	49.4	10.7	14.2	22.0
Shared	42.7	61.9	42.2	51.1
Black majority	2.5	4.8	46.5	51.0
Hispanic majority	2.6	7.9	45.7	47.6
Asian majority	.4	.8	62.1	66.9
Other majority	0	0	-	-
No majority	2.4	13.9	66.2	76.4
N of places	2,198	3,333		

Several lessons are apparent from the top panel of the table, which includes all places that meet our 1,000+ population size criterion in 1980 or 2010. First, white majority communities remain the norm, but white dominant (e.g., all-white) places are much less common now than in the past, decreasing from roughly two-thirds to one-third of the total over the last three decades. Second, the percentages of white shared, black majority, and Hispanic majority places have risen significantly, and these places all display mean diversity magnitudes in the medium range. Third, the share of no-majority places—the most diverse type of setting—has more than quintupled. Altogether, minority-majority and no-majority communities exhibit substantial gains both absolutely (from 776 to 2,611 places) and proportionally (from 6.7% to 17.4% of the sample) during the study period.

The same changes take an exaggerated form when we focus on metropolitan places of 10,000 or more (bottom panel of Table 2). In this subsample consisting of the principal cities and larger suburbs of

metro areas, the percentage of white dominant places drops from one-half to one-tenth between 1980 and 2010. By contrast, places in which whites account for less than half of the population (e.g., minority-majority and no-minority types) now constitute 27.4% of all metropolitan communities, up from 7.9% in 1980. Similar trends are evident for places in micropolitan and rural areas, which are headed in the same direction as their metropolitan counterparts but at a slower pace.

2010 Community Rankings

Aggregate diversity patterns mask striking contrasts among specific communities. Compare the top 25 and bottom 25 metropolitan areas based on their magnitudes of racial-ethnic diversity in 2010. California dominates: two Bay Area metropolises—Vallejo-Fairfield ($E = 89.3$) and San Francisco-Oakland-Fremont (85.3)—head the top 25 list (left half of Table 3), followed by eight other California metro areas. The traditional immigrant gateways (Los Angeles-Long Beach-Santa Ana, New York-Northern New Jersey-Long Island, Miami-Ft. Lauderdale-Pompano Beach, and Chicago-Naperville-Joliet) make the top 25, but so do newer destinations (e.g., Washington DC-Alexandria-Arlington, Las Vegas-Paradise, Atlanta-Sandy Springs-Marietta). Metro areas in the top 25 tend to be large and heavily concentrated in the West and South. All have E scores above 70.

In contrast, the bottom 25 (right half of the table) include smaller metropolitan areas located in the Midwest, the Northeast, and West Virginia. Parkersburg-Marietta-Vienna ($E = 13.6$) and Altoona (14.8) rank second and third lowest in diversity among all metro areas. Their populations are both over 97% white and 21 of the remaining 23 areas exceed the 91% white mark. Only two communities in the bottom 25 are exceptions: Laredo—the least diverse metropolis in the U.S.—and McAllen-Edinberg-Mission have large Hispanic populations (95.7% and 90.6%, respectively).

Table 3. Top and Bottom 25 Metropolitan Areas Ranked by Diversity, 2010

Top 25	Diversity	Bottom 25	Diversity
Vallejo-Fairfield, CA	89.3	Laredo, TX	12.9
San Francisco-Oakland-Fremont, CA	85.3	Parkersburg-Marietta-Vienna, WV-OH	13.6
Stockton, CA	82.4	Altoona, PA	14.8
Washington-Arlington-Alexandria, DC-VA-MD-WV	80.8	Kingsport-Bristol-Bristol, TN-VA	16.5
New York-Northern New Jersey-Long Island, NY-NJ-PA	80.5	Bangor, ME	17.1
San Jose-Sunnyvale-Santa Clara, CA	80.1	Wheeling, WV-OH	18.0
Las Vegas-Paradise, NV	79.8	Glens Falls, NY	18.2
Houston-Sugar Land-Baytown, TX	79.6	Huntington-Ashland, WV-KY-OH	18.2
Los Angeles-Long Beach-Santa Ana, CA	79.6	Johnstown, PA	20.1
Honolulu, HI	77.6	Weirton-Steubenville, WV-OH	20.3
Sacramento-Arden-Arcade-Roseville, CA	76.9	Portland-South Portland-Biddeford, ME	20.6
Trenton-Ewing, NJ	76.3	Bismarck, ND	20.8
San Diego-Carlsbad-San Marcos, CA	76.2	Eau Claire, WI	21.5
Dallas-Fort Worth-Arlington, TX	75.9	Dubuque, IA	21.9
Fayetteville, NC	75.3	Monroe, MI	22.4
Miami-Fort Lauderdale-Pompano Beach, FL	74.9	Coeur d'Alene, ID	22.5
Killeen-Temple-Fort Hood, TX	74.9	McAllen-Edinburg-Mission, TX	22.8
Orlando-Kissimmee, FL	73.9	Duluth, MN-WI	23.2
Lawton, OK	73.9	Williamsport, PA	23.3
Chicago-Naperville-Joliet, IL-IN-WI	73.7	Charleston, WV	23.3
Riverside-San Bernardino-Ontario, CA	73.5	Johnson City, TN	23.5
Fresno, CA	73.2	Fond du Lac, WI	23.5
Atlantic City-Hammonton, NJ	73.0	Burlington-South Burlington, VT	23.7
Yuba City, CA	73.0	La Crosse, WI-MN	23.8
Atlanta-Sandy Springs-Marietta, GA	72.9	Lewiston-Auburn, ME	23.9

Contrary to popular perception, high levels of diversity are not unique to metropolitan America. The 25 most diverse micropolitan areas have 2010 *E* values in the 63-83 range and are in the South and West. Hilo, Hawaii takes the top spot ($E = 83.7$). The 25 least diverse micro areas, with *E*s under 13, are almost all in the Midwest and the Northeast. More than half of these areas are in Pennsylvania, Ohio, or Indiana. St. Marys, PA, which is 98.1% white, ranks first in homogeneity ($E = 7.3$). At the other extreme, Hilo has a mix of whites (31.3%), Hispanics (11.6%), Asians (32.7%) and ‘others’ (24%, most of who self-identify as biracial or multi-racial).

Table 4 shifts the focus from areas to places. Among the 25 most diverse places listed in the left half of the table, over two-thirds have 50,000 or fewer residents. All are suburbs or principal cities of metropolitan areas, and all except one can be found in the West or South. In the table’s right half, the low *E* scores for the 25 least diverse places mean that a single racial-ethnic group—usually whites or Hispanics but in one case Native Americans (San Felipe Pueblo in New Mexico)—makes up at least 99% of the total community population. Low-diversity places are typically small and exhibit considerable variation in their locations.

Table 4. Top and Bottom 25 Places Ranked by Diversity, 2010

Top 25	Diversity	Region	Type	Pop size	Bottom 25	Diversity	Region	Type	Pop size
Suisun City, CA	95.4	West	Metro	28,111	Muniz, TX	1.0	South	Metro	1,370
Vallejo, CA	94.5	West	Metro	115,942	Central City, PA	1.6	Northeast	Micro	1,124
Rodeo, CA	92.7	West	Metro	8,679	Sullivan City, TX	1.7	South	Metro	4,002
Florin, CA	92.5	West	Metro	47,513	Mundys Corner, PA	1.8	Northeast	Metro	1,651
Oakland, CA	92.5	West	Metro	390,724	Friedens, PA	2.4	Northeast	Micro	1,523
Jersey City, NJ	92.4	Northeast	Metro	247,597	Paint, PA	2.4	Northeast	Micro	1,023
Makaha Valley, HI	92.3	West	Metro	1,341	Fort Loramie, OH	2.6	Midwest	Micro	1,478
Fairview, CA	92.0	West	Metro	10,003	Beaverdale, PA	2.7	Northeast	Metro	1,035
Fairfield, CA	91.9	West	Metro	105,321	Abram, TX	2.8	South	Metro	2,067
Iroquois Point, HI	91.6	West	Metro	3,374	Siesta Acres, TX	2.8	South	Micro	1,885
Tukwila, WA	91.5	West	Metro	19,107	Cameron Park, TX	2.9	South	Metro	6,963
Lorton, VA	91.4	South	Metro	18,610	El Cenizo, TX	3.0	South	Metro	3,273
Sacramento, CA	91.3	West	Metro	466,488	Agua Dulce, TX	3.1	South	Metro	3,014
Ocean Pointe, HI	90.8	West	Metro	8,361	Allison, IA	3.3	Midwest	Rural	1,029
SeaTac, WA	90.7	West	Metro	26,909	Colorado City, AZ	3.3	West	Metro	4,821
Stafford, TX	90.6	South	Metro	17,693	Davidsville, PA	3.3	Northeast	Micro	1,130
Bryn Mawr-Skyway, WA	90.5	West	Metro	15,645	Hildale, UT	3.4	West	Metro	2,726
Pinole, CA	90.5	West	Metro	18,390	Gideon, MO	3.4	Midwest	Rural	1,093
Germantown, MD	90.5	South	Metro	86,395	Lake View, IA	3.5	Midwest	Rural	1,142
Signal Hill, CA	90.1	West	Metro	11,016	Sheffield, PA	3.5	Northeast	Micro	1,132
Fruitridge Pocket, CA	89.9	West	Metro	5,800	South Alamo, TX	3.5	South	Metro	3,361
San Leandro, CA	89.7	West	Metro	84,950	Gnadenhutten, OH	3.7	Midwest	Micro	1,288
Boulevard Park, WA	89.6	West	Metro	5,287	San Felipe Pueblo, NM	3.7	West	Metro	2,404
Glenmont, MD	89.6	South	Metro	13,529	Gilbert Creek, WV	3.8	South	Rural	1,090
Elk Grove, CA	89.6	West	Metro	153,015	Earlston, PA	3.8	Northeast	Rural	1,122

The places in Table 4 represent the upper and lower portions of a hierarchy that has remained remarkably stable during recent decades. If we focus on those places that satisfy our size threshold (1,000+ residents) at all four time points, very little shifting is apparent between 2000 and 2010 in their rank with respect to the magnitude of racial-ethnic diversity (Spearman correlation = .92). A comparison of their 1980 and 2010 diversity ranks reveals an impressive degree of stability as well (Spearman correlation = .80). Thus, while the vast majority of places have experienced absolute diversity increases over time, changes in their relative positions—how they stack up against each other—are minimal.⁴

Correlates of Diversity

Which characteristics of these communities account for variation in racial-ethnic diversity at the beginning (1980) and end (2010) of the study period?⁵ Our purpose here is descriptive, to identify the cross-sectional correlates of diversity rather than to distinguish between cause and effect. We expect one potential correlate, the local ratio of minority-to-white income,⁶ to be positively related to diversity insofar as it signifies economic opportunities for all groups, a message that should prove attractive to minority residents. Whites' aversion to 'outsiders'—especially economically ambitious ones from abroad—also seems consistent with this positive relationship: if some white residents feel threatened by

income parity and move elsewhere, the proportional representation of the major panethnic groups should become more equal within the community. Similarly, a substantial share of foreign-born persons in the local population could blur the traditional white-black divide (facilitating the incorporation of multiple groups) or be perceived as culturally threatening (driving out whites). Either way, it will open the door to a more balanced racial-ethnic composition.⁷

Based on our earlier results, large areas and places should be more diverse than small ones given the former's visibility and the access they provide to critical masses of co-ethnics. Higher diversity is also predicted for communities in coastal and southern border states because of their economic vibrancy, their historical roles in racial-ethnic settlement, and their favorable locations relative to current immigrant countries of origin.⁸ Availability of rental housing (measured with the proportion of renter-occupied units) and a varied occupational structure (tapped by an entropy index reflecting the evenness of the distribution of employed persons across 13 census occupational categories) are likely to be associated with higher diversity as well. Minority newcomers' demand for housing may boost the supply of rental units. At the same time, these newcomers could be attracted to the entry-level jobs that are part of a mixed (i.e., occupationally diverse) local economy.

In terms of *functional specialization*, we anticipate greater diversity in communities dominated by institutions that value racial and ethnic equality (e.g., higher education, government, the military). Yet some forms of specialization probably discourage racial diversity rather than promote it. For example, diversity might be lower in retirement-specialized communities where elderly whites' preferences for racial homogeneity, coupled with expensive living costs, deter minority residents. The extent to which communities are government or military centers has been operationalized by summing standardized (Z) scores of the proportion of the employed civilian population in government and the proportion of the labor force in the military. Our measure of educational specialization is the ratio of persons enrolled in college to the population aged 18-29 years. Retirement specialization reflects the percentage of the population aged 65 and older.

We regress racial and ethnic diversity (tapped by the five-group entropy index) on the nine variables just described. Ordinary least squares (OLS) models are estimated for both 1980 and 2010, first for metropolitan areas (Table 5) and then for places of 10,000 or more residents (Table 6). What stands out initially is the consistency of the results. Regardless of year or community type, many of the same characteristics emerge as statistically significant correlates of high diversity. Across all models, diversity tends to be greater in communities that have large populations, are located in coastal or Southern border states, and feature a substantial foreign-born presence. More diverse communities are also marked by abundant rental housing and functional specialization as a center of government and military employment, though the latter characteristic falls short of significance in the metro area equation for 1980.

Table 5. Correlates of Metro Area Diversity, 2010 and 1980 (regression estimates)

	2010			1980		
	b	SE	Beta	b	SE	Beta
Minority/white income ^a	-24.97 **	3.87	-.222	-49.60 **	2.65	-.572
% foreign-born ^a	6.29 **	0.91	.316	3.88 **	0.63	.217
Population size ^a	2.97 **	0.59	.204	2.93 **	0.43	.201
Coastal/border state	5.12 **	1.23	.166	5.36 **	0.91	.175
% renter households	50.59 **	13.35	.181	21.82 *	10.40	.086
Occupational diversity	5.68	24.61	.009	49.35	29.55	.048
Government/military ^a	3.26 **	0.67	.179	1.16	0.63	.061
College enrollment ^a	-8.21 **	2.59	-.125	-6.29 **	1.05	-.175
Retirement ^a	-5.57 *	2.86	-.086	-8.58 **	1.66	-.162
Intercept	-24.71	26.59		-85.30 **	29.38	
R ² (adjusted)	0.625			0.765		
N of cases	366			366		

Note: ** p < .01; * p < .05

^a Logged

Despite this general consistency, the magnitude of some positive associations has changed over time. The percentage of foreign-born residents, for example, exhibits a stronger relationship with diversity in 2010 than 1980, perhaps for the substantive reasons mentioned a moment ago. But it is also apparent that the shifting origins of immigrants—most now come from Latin America and Asia—have increased the empirical overlap between foreign-born and minority status in recent decades. The positive connection between government/military specialization and community diversity has grown as well, during a period

featuring more stringent enforcement of equal opportunity laws in government employment and the transition to an all-volunteer (and more diverse) armed forces concentrated in fewer bases. By contrast, location in a coastal or border state, while still related to diversity, is not as important as it once was for places (Table 6), presumably due to the movement of immigrants and minorities to new destinations. Occupational diversity constitutes another positive but weakening correlate of diversity at the place level.

Table 6. Correlates of Place Diversity, 2010 and 1980 (regression estimates)^a

	2010			1980		
	b	SE	Beta	b	SE	Beta
Minority/white income ^b	-10.43 **	0.94	-.138	-19.56 **	1.11	-.273
% foreign-born ^b	8.94 **	0.27	.473	4.69 **	0.33	.257
Population size ^b	3.00 **	0.28	.135	4.18 **	0.33	.192
Coastal/border state	3.61 **	0.52	.095	8.13 **	0.57	.229
% renter households	15.79 **	1.70	.125	18.95 **	2.03	.151
Occupational diversity	13.51 **	3.83	.048	87.99 **	8.74	.172
Government/military ^b	5.55 **	0.33	.205	2.89 **	0.43	.114
College enrollment ^b	-0.48	0.64	-.009	-3.71 **	0.56	-.111
Retirement ^b	-5.75 *	0.50	-.139	-4.84 **	0.44	-.167
Intercept	6.62	4.28		-107.46 **	7.75	
R ² (adjusted)	.487			.487		
N of cases	3,871			2,651		

Note: ** p < .01; * p < .05

^a Sample is limited to places of 10,000 or more.

^b Logged.

Which community characteristics go hand in hand with a more homogeneous racial-ethnic profile? Contrary to our expectation, the strong negative coefficient for the minority-to-white income ratio in each equation of the two tables implies that residents of color are more economically successful in homogeneous communities. (Or, alternatively, that large numbers of minority workers in a diverse metro area or place drive down minority wages relative to those of whites.) Supplementary analysis, however, supports a somewhat different view: that the relationship between the income ratio and homogeneity depends on the specific minority groups that are overrepresented (Asians) and underrepresented (blacks) locally.⁹ The negative coefficient for educational specialization is also unexpected. Instead of the abstract promise of a level playing field, what may really matter about college towns is that their institutions of

higher learning remain out of reach for many African Americans and Hispanics, with reduced diversity the consequence. Finally, retirement-oriented communities exhibit the predicted lower levels of diversity.

Given the dearth of attention paid to the concomitants of racial-ethnic diversity, we believe that the nine variables included in the metro area and place regression equations provide a promising starting point. Together they pack statistical punch, explaining between one-half and three-fourths of the variance in diversity, and their signs are largely in the hypothesized directions. Even when we delete the foreign-born measure—which some might claim is too entwined with our diversity measure to be considered in the analysis—the results in Tables 5 and 6 hold up.¹⁰ These analytic details lend credence to the generality and robustness of the relationships described here.

Discussion

Our report highlights a remarkable increase in the magnitude of racial and ethnic diversity at the local level during the past 30 years. As anticipated by the convergence scenario, this trend is pervasive, affecting nearly all metropolitan, micropolitan, and rural areas and places. At the same time, considerable divergence occurs in the pace of change and in communities' composition. High-diversity areas and places tend to have sizeable populations, numerous foreign-born residents, a coastal or southern border location, a mix of housing and occupational options, functional specialization in government and military employment (but not in retirement or higher education), and a low minority-to-white income ratio. Aside from the income ratio coefficient, the regression results would seem to lend themselves to an optimistic interpretation: that larger, accessible, opportunity-rich communities appeal to a variety of racial-ethnic groups.

Sustained immigration from Latin America and Asia, coupled with the dispersion of minority groups—most notably Hispanics—beyond their traditional destinations, has spurred community diversity. Even if restrictive legislation turned off the immigration or domestic migration 'faucets' tomorrow, however, diversity would continue to climb, thanks to the momentum inherent in the higher fertility rates and younger age structures of some immigrant-infused groups (Johnson and Lichter 2008; but see Parrado

2011). Intermarriage, and the subsequent multi-racial children, will also foster diversity. Although the multi-racial population represents a minor fraction of the national population to date, and hence is de-emphasized here, that population has achieved prominence in a handful of places in Hawaii, Alaska, and other Western states (Lee and Bean 2010).

These forces do not mean that many communities will soon attain racial-ethnic structures reflecting the national proportions of the five major groups. Yet a decline in all-white cities, suburbs, and small towns is clearly underway. More Americans today, compared to their parents' generation, live in places where whites, Hispanics or blacks represent a modest majority and two or three other groups each enjoy a significant presence. No-majority places, the most diverse type of setting, are on the increase as well. Incumbent residents of diversifying communities often worry whether newcomers of a different race or ethnicity will harm local institutions (the economy, schools, social services, politics) and cultural cohesion, as reflected in common values, religious traditions, and language. Ideally, both newcomers and incumbents should support policies that incorporate all groups into the fabric of community life.

Whites' responses to diversity are of particular concern. Studies of racial residential preferences indicate that those whites who associate the presence of minorities with a reduced quality of life are prone either to exit diverse neighborhoods or not to move into them at all (Charles 2006; Ellen 2000; Krysan et al. 2009). Could this type of white avoidance, exacerbated by continued minority growth, portend a bleak prognosis for the racial and ethnic diversity of entire communities, not just neighborhoods? The increase in Hispanic and black majority places hints at potential departures from the diversity master trend. Moreover, a separate analysis identifies a few places that have already 'bucked the trend': they reached their peak diversity in 1980 or 1990 and have since become more homogeneous (Lee and Hughes 2012).

To conclude, the United States is growing more diverse, not just overall but at the community level. Immigrants from across the globe have fundamentally changed the demographic landscape. The number of all-white communities has shrunk; the number of communities with significant, varied racial-ethnic populations has risen. Even in rural areas, even in the heartland cities, diversity has increased,

though the most diverse communities continue to be in the West (especially California), the South, and along the coasts. Nationally, diversity is reshaping the contours of culture: our music, our theater, our arts, our cuisine. Locally, it is affecting economies, school systems, and political structures. Younger people who have grown up in diverse communities take this demographic profile as a given. But older whites who have watched the thirty-year increase find themselves having to adjust their notion of 'America,' sometimes reluctantly.

Endnotes

1. The entropy index is formally defined as follows:

$$E = \sum_{r=1}^n p_r \ln\left(\frac{1}{p_r}\right)$$

where p_r refers to racial-ethnic group r 's proportion of the population in a geographic unit and n indicates the number of groups under consideration. The maximum value of E (the natural log of n) occurs only when all groups are of equal size. Since there is no fixed upper bound, a population consisting of more equal-sized groups will produce a higher E score than one consisting of fewer equal-sized groups. An E of 0 (complete homogeneity) means that the population comprises a single group. Dividing E by its maximum value standardizes it to a 0-1 range. We have multiplied the standardized scores by 100 so that 0 equals the lowest level of diversity and 100 the highest.

2. The pattern remains the same if we compute the entropy index using only the four largest panethnic groups (Hispanics and non-Hispanic whites, blacks, and Asians), although the E scores are a few points higher. Likewise, when we successively add Native Americans and non-Hispanic persons of other races as separate groups, the corresponding E s parallel those for our five groups but at lower magnitudes. In short, the trend in diversity is not particularly sensitive to the number of panethnic categories used in its measurement

3. The fact that most places are governmental jurisdictions has prompted us to rely on the boundaries current at each time point rather than to hold them constant, as we do in the case of areas. Allowing boundaries to vary can be justified with an example. If a municipality annexes new land, any shifts in diversity would matter throughout the unit (in terms of policies, service provision, budget, etc.), not just inside its old or new territory.

4. The same conclusion applies to areas as well as places. For all metro areas, the Spearman correlation between their diversity (E) ranks in 1980 and 2010 is .88; for micro areas, the corresponding correlation is .88; and for rural areas, the correlation is .89.

5. We draw potential community-level correlates from the literature on racial residential segregation and attainment (Farley and Frey 1994; Iceland and Scopilliti 2008; Lee et al. 2008; Logan et al. 2004; Rosenbaum and Friedman 2008; South et al. 2008). These community characteristics have only occasionally been investigated in diversity research (see, e.g., Allen and Turner 1989; Farrell 2005; Hall and Lee 2010). Decennial census data are used to measure the characteristics in 1980. For 2010, we extract data on most of the characteristics from the American Community Survey (ACS) 2006-2010 five-year file.

6. We operationalize this variable somewhat differently at the two time points due to data constraints. In the ACS 2006-2010 file, the denominator refers to non-Hispanic white *household* income and the numerator to the household income of everybody else. However, the 1980 measure is based on white and non-white *family* income.

7. The relationship between community diversity and the percentage of foreign-born residents should be empirically substantial. However, it is not tautological, given the conceptual distinction between race and nativity. This point is illustrated by the fact that 13% of all immigrants to the U.S between 1980 and 2000

came from Europe. Also, a large foreign-born population can be associated with greater homogeneity rather than diversity (e.g., a continuing influx of Hispanics to a majority-Hispanic community).

8. In addition to these substantive justifications, we prefer the coastal-southern border measure over conventional census regions because it can be captured with a single dummy variable rather than the three required by Northeast, Midwest, South, and West categories. The coastal-border category consists of the Pacific Rim states (including Alaska and Hawaii), those that touch Mexico and the Gulf of Mexico, and those extending northward along the Atlantic seaboard from Florida to Massachusetts.

9. A comparison of metro areas and places in the top and bottom quartiles of the distributions for the minority-to-white income ratio confirms that those communities at the top have, on average, (a) a larger percentage of white residents, (b) far fewer black residents, and (c) a disproportionate share of Asians. This general pattern of findings holds in both 2010 and 1980.

10. With the foreign-born measure deleted, government/military specialization becomes significant in the 1980 metro area model, as does educational specialization (college enrollment) in the 2010 place model. Only in the 2010 place model does a variable (occupational diversity) drop to non-significance. All other correlates of diversity retain their signs and significance levels. Explained variance is reduced by a nontrivial increment in 1980 for both the metro and place equations (to adjusted R^2 's of .567 and .344, respectively).

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