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Poverty in Metropolitan Areas of the U.S.: Causes and Consequences

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Abstract:

This paper re-examines the determinants of poverty using a pooled data set of 331 U.S. Metropolitan Statistical Areas (MSAs) measured over four decennial censuses from 1970 to 2000. Our principal conclusions are that the determinants of poverty that we have identified are relatively stable predictors of poverty levels, but that results for first differences are sensitive to the time period of estimation. We also examine whether poverty as an initial condition has an effect on future growth in incomes and/or employment, and our tentative conclusion is that a higher level of existing poverty is indeed a detriment to future growth.

JEL Codes: E32, I32

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