

# Job growth not the only factor in reducing poverty in large metro areas

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A new study suggests that it may be easier for people living in small metropolitan areas to get out of poverty than it is for those living in large metro areas. The study by researchers at Ohio State University and Oklahoma State University found that despite an increase in the number of jobs created during the 1990s, many people living in large metro areas across the United States failed to find jobs.

In contrast, many people who lived in smaller metro areas found jobs despite significantly less job growth over the same period of time. As a result, poverty levels in many large metropolitan areas stayed the same or slightly decreased, while poverty rates decreased in smaller metro areas.

The findings, which were compiled with data from the 2000 U.S. Census, suggest that job growth is not the only factor controlling job attainment and poverty rates. Many barriers limit how effective job growth can be in helping the poor living in large cities.

"Job growth matters, but only if you could get it where jobs are needed the most. We found that jobs had a bigger impact on reducing poverty in smaller metropolitan areas because if you live in a small area, you can get to where the jobs are. But if you live in Columbus or Cleveland or New York or Atlanta, it is going to be harder to get to the jobs," Mark Partridge said.

Partridge is a professor of agriculture, environmental and developmental economics at Ohio State. Partridge conducted the study with Dan

Rickman, an economist at Oklahoma State University, to find why poverty rates in the United States stayed the same in many large cities despite increased job growth over the last 30 years.

The pair studied poverty rates and job growth in more than 300 metro areas in the United States. Metro areas with populations ranging from below 350,000 (small) to more than 1.5 million (large) were included in the study. The results were recently published in the journal *Growth and Change*.

Partridge and Rickman found that a 10 percent increase in job growth over five years reduced poverty in large and small metro areas differently. In the central county of a small metro area, job growth produced a drop in poverty rates one and a half times more than large metro areas with the same job growth. Likewise, the outer counties of a small metro area experienced a reduction in poverty three times that of large metro areas.

The results suggest that many barriers in large metro areas are inhibiting poor people from landing jobs. Problems finding reliable transportation can prevent the poor who live in the inner city from finding employment, Partridge said. New jobs are often created in the suburbs, but many large cities around the United States do not have reliable public transportation systems, limiting how far some people can travel to find work.

More importantly, the wage for someone who travels to the suburbs from the inner city may not always cover the costs of commuting. These limitations often leave those in poverty few options for work.

"Many lower-skilled workers are single mothers with children who don't have reliable transportation. Their kids get sick so they miss a couple of days of work and then they get fired. So finding ways of breaking down

this kind of barrier so they can work can really make a difference," he said.

In addition, if people within the same urban neighborhood only have access to jobs close to home, this limits knowledge of what types of jobs are available in the suburbs. People within the neighborhood will then have fewer friends and relatives who work outside the city, hindering their ability to make connections with those who have knowledge and access to jobs, Partridge said.

"You tend to find out about jobs from your friends, coworkers, and neighbors. But if you live in an area that is downtown and the jobs are being created out in the suburbs, it will be more difficult to find out what jobs are available," he said.

Compared to people living in smaller metro areas, people living in the center of large metro areas are more dependent on nearby job growth and affected less by overall job growth in the entire metro area. Partridge said many people in large cities cannot afford to move to the suburbs or across town to where the jobs are located.

"In some suburbs, there are particular kinds of zoning that make it difficult to create affordable housing. Lot size requirements and zoning that keeps out apartments puts limits on where people can move if they have limited resources. All of these three barriers -- public transportation, information about new jobs, and housing barriers -- keep the people from low-income households from getting the jobs that are available far from home," he said.

In spite of these barriers, there are steps that state and local governments can take to help combat poverty. While creating better transportation systems can be one solution, it is often very costly and takes years to implement. Governments can also encourage job growth in areas where

there is a need to work, but it takes time to see real results. Instead, governments should look to target the long-term causes of poverty and train adolescents with the skills they will need in work and in life, Partridge said.

Source: Ohio State University

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