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Hispanic Concentrated Poverty in Traditional and New Destinations, 2010–2014

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Abstract

This paper examines patterns of Hispanic concentrated poverty in traditional, new, and minor destinations. Using data from 2010 to 2014 from the American Community Survey, we find that without controlling for group characteristics, Hispanics experience a lower level of concentrated poverty in new destinations compared to traditional gateways. Metropolitan level factors explain this difference, including ethnic residential segregation, the Hispanic poverty rate, and the percentage of Hispanics who are foreign born. Overall, this study sheds new light on the Hispanic geographic dispersal in the United States and offers support for the argument that the Hispanic settlement into new destinations is associated with lower levels of concentrated poverty.

Keywords

Concentrated Poverty; New Destinations; Hispanics; Immigration

The poverty rate in the U.S. is at one of its highest levels since the early 1990s (DeNavas-Walt and Proctor, 2015). Similarly, the number of poor people living in high-poverty neighborhoods, often referred to as *concentrated poverty*, has also increased in recent years (Jargowsky, 2013). The Great Recession exacerbated both of these trends, as rising poverty can put more people at risk of living in high-poverty neighborhoods. In these neighborhoods,

¹A sensitivity analysis was conducted with 30 percent and 20 percent thresholds, yielding similar results.

²Poverty calculations use only the population within each tract for which the poverty status is determined. The poverty status is not determined, for example for institutionalized persons or people in college dormitories. This population differs slightly from the total population in many tracts.

³Our segregation measures are based on the ACS data from 2010–2014. Segregation measures based on ACS data have to be viewed with caution (Napierala and Denton, 2017). For a sensitivity analysis we used segregation estimates of Hispanics and non-Hispanic Whites from the Diversity and Disparities webpage (<https://s4.ad.brown.edu/projects/diversity/index.htm>) for the year 2010 that are based on data from the decennial census. The interpretation of the descriptive results as well as of the regression models do not change depending on which segregation indices are used.

⁴One of the Hispanic new destinations was identified as an outlier due to a very high value of Hispanic concentrated poverty and had to be excluded from the analysis. All of the following results are, therefore, based on 317 metropolitan areas instead of 318.

⁵Additional models show that the effect of Hispanic poverty differs between destinations: Hispanic poverty has a positive effect on concentrated poverty, but less so in new and minor gateways compared to established ones. In contrast, the effects of segregation and foreign born do not differ between destination types.

poor individuals not only have to cope with their own poverty but additionally with the concentration of poverty and disadvantage around them. This can have an immense impact on their lives through, for example, the lower quality of education and public services, unemployment, and increased exposure to crime and violence in these high-poverty neighborhoods (Mouw, 2000; Mayer, 2002; Orfield and Lee, 2005; Peterson and Krivo, 2005; Jargowsky, 2013).

Most immigrant and minority groups in the U.S., including Hispanics, have a higher risk of being poor and of living in high-poverty neighborhoods than native non-Hispanic Whites. Jargowsky (2013) shows, for example, that while non-Hispanic Whites made up 20 percent of the residents in high-poverty neighborhoods (those with poverty rates over 40 percent) in 2000, Hispanics made up more than 30 percent of such residents. Similarly, in 2005–2009, 12 percent of Whites and 26 percent of all poor Whites lived in high-poverty places while the respective figures for Hispanics were 24 and 33 percent (Lichter, Parisi, and Taquino, 2012).

During the 1990s, Hispanics started to move out of their traditional gateways and settle in new destinations for a variety of reasons, including the search for better opportunities in areas experiencing job growth (Crowley and Lichter, 2009). At the same time, Hispanics concentrated poverty declined slightly in the 1990s before rising once again in the 2000s (Lichter, Parisi, and Taquino, 2012). Our main objective in this paper is to understand whether and how the Hispanic dispersion to new areas of the country has affected the likelihood that poor Hispanics live in high-poverty neighborhoods. Several factors might contribute to a difference in Hispanic concentrated poverty rates between new and traditional destinations. This study focuses on the role of socio-demographic factors in particular. Among these are the level of overall Hispanic poverty, the level of ethnic segregation of Hispanics from non-Hispanic Whites, and the share of the Hispanic population that is foreign born. All three of these aspects are likely to differ between new and traditional Hispanic destinations. Additionally, each one of them is associated with the concentration of poverty. Higher poverty levels, for example, put more people at risk to live in concentrated poverty neighborhoods (Wagmiller, 2011; Lichter et al., 2012), and high levels of racial or ethnic segregation also lead to higher neighborhood poverty levels (Massey and Denton, 1993; Massey and Fischer, 2000; Quillian, 2012). Therefore, we will focus on differences in metropolitan Hispanic concentrated poverty between old and new destinations. Concentrated poverty will be measured on the neighborhood level using census tracts. We seek to answer the following two specific questions: 1) How do patterns of Hispanic concentrated poverty differ in new destinations versus traditional gateways? 2) Do the aspects of residential segregation, Hispanic poverty, and the proportion of foreign-born Hispanics help account for between-destination variation in Hispanic concentrated poverty?

Although the Hispanic population has grown rapidly and is now the largest minority group in the U.S., only a few studies have examined concentrated poverty among Hispanics. Additionally, the few existing studies present primarily descriptive findings. Our study adds to the current literature on Hispanic concentrated poverty in several ways. First, we use the newest data available from the American Community Survey (2010–2014) which allows us to evaluate recent trends in the geographic distribution of Hispanic concentrated poverty.

Second, we examine differences in concentrated poverty in metropolitan traditional and new destinations – a topic that needs greater scrutiny because of the rapid growth in the Hispanic population in new destinations. Third, we employ multivariate analyses to examine factors associated with geographic differences, including ethnic residential segregation, nativity, and overall levels of poverty. Finally, we examine concentrated poverty across a wide variety of metropolitan areas in the United States.

This paper is organized as follows. The next section is separated in three parts. The first part briefly describes the geographic dispersal of Hispanics from traditional destination regions, states, and cities in the U.S. to new gateways in different parts of the country. This is followed by an overview of factors that are likely to contribute to differences in Hispanic concentrated poverty between new and traditional destinations, especially focusing on the influence of Hispanic poverty rates, ethnic segregation, and the share who are foreign born. The third part describes our hypotheses. The following section presents the data, variables, and methods used in this paper. We then present a series of analyses and end with our conclusion and discussion of the results.

Background

The Hispanic Dispersal from Traditional to New Gateways

Before the 1930s, Mexican immigrants were concentrated in only a handful of states (Tienda and Mitchell, 2006a). The majority of Mexican immigrants settled in Texas, California, and Arizona where significant Mexican-American communities were already located (Massey and Capoferro, 2008). Illinois grew as a destination after the Second World War (Massey and Capoferro, 2008). Beginning in the 1950s, Puerto Ricans, who are U.S. citizens at birth, left the island in significant numbers and settled mainly in the New York City area (Tienda and Mitchell, 2006a). Many Cubans fled Cuba after Castro took power in 1959 and settled mainly in Miami (Tienda and Mitchell, 2006a). Even with some diffusion, about 80 percent of the U.S. Mexican population still lived in California and Texas in 1970 (Massey and Capoferro, 2008). Beginning in about 1980 these two states also became the main entry and destination places for Salvadorans and Guatemalans (Tienda and Mitchell, 2006a). Florida, New York, and New Jersey were typical gateway cities for other Central and South American immigrants (Tienda and Mitchell, 2006a).

Starting in the late 1980s domestic Hispanic migration emerged out of these traditional gateways into a broader array of states (Frey, 2015). This diffusion of Hispanics to new destinations within the United States is “perhaps the most significant trend in U.S. population redistribution over the past quarter century” (Lichter and Johnson, 2009: 497). This trend has been accompanied by a new pattern of Latin American immigration to the United States: many Hispanic immigrants move to these new destination areas directly or after a very short stay in established gateways (Light and von Scheven, 2008; Lichter and Johnson, 2009). Hispanic immigration destinations spread nationwide, but most of the new destinations are in the South and Midwest and include states like North Carolina and Georgia (Crowley and Lichter, 2009; Frey, 2015). While the U.S. Hispanic population rose by about 60 percent in the 1990s, the Hispanic population in the Midwest, South, and also

some parts of the Northeast doubled (Crowley and Lichter, 2009). This movement propelled the growth in ethnic diversity in these new destinations (Tienda and Mitchell, 2006a).

New metropolitan destinations in which the Latino population is growing very fast include Atlanta, Charlotte and Raleigh-Durham, Detroit, Columbus (Ohio), and Minneapolis. Other new destinations with significant, if somewhat slower growth, include many metro areas in the Northeast or Midwest such as Philadelphia, Boston, and St. Louis (Flippen, 2010). While new Hispanic destinations also include small-sized metropolitan areas (Kandel and Cromartie, 2004; Lichter and Johnson, 2009) and numerous non-metropolitan counties (Kandel and Cromartie, 2004; Lichter and Johnson, 2006; Flippen, 2010), we will focus our analysis on new and traditional metropolitan area destinations. This ensures that we are using the correct comparison group, i.e. that we are comparing Hispanic concentrated poverty rates in new metropolitan destinations with Hispanic concentrated poverty rates in traditional metropolitan destinations. Neighborhood-level settlement processes might differ in small town and rural areas, and these are thus not in the scope of our current analysis.

Various push and pull factors are likely spurring the Hispanic migration to new destinations. Push factors are those that dissuade new immigrants from settling in traditional gateways and that also propel migrants living already in these traditional regions to move to different destinations. The first of three major push factors discussed in the literature is changing labor demand. Bad labor market conditions, such as the saturation of the local labor markets with immigrant workers, pushed Hispanics out of their traditional gateways (Crowley, Lichter, and Qian, 2006; Crowley and Lichter, 2009). The economic recession of the early 1990s hit California, one of the major traditional gateway states for Hispanics, harder than other states (Massey and Capoferro, 2008). This reduced the attraction of metropolitan areas in California as immigrant destinations and also pushed Hispanics who were already living in these areas out of them (Massey and Capoferro, 2008). The political environment in traditional gateways also turned unfavorable for Hispanics, as exemplified by the passage of Proposition 187 in California in 1994 that denied undocumented immigrants access to various social programs, and this may have contributed to Hispanic outmigration (Crowley and Lichter, 2009). A second factor is the militarization of parts of the Mexican-U.S. border. This led to a change in the port-of-entry for many immigrants from Mexico and likely contributed further to the geographic dispersal away from traditional gateways (Durand, Massey, and Capoferro, 2005; Massey and Capoferro, 2008; Crowley and Lichter, 2009). The third factor is the passage of the Immigration Reform and Control Act (IRCA) in 1986, which, among other things, allowed more than 3 million undocumented immigrants to become legal U.S. citizens (Massey and Capoferro, 2008). The legalizations had two direct effects for migrants: first, they had more opportunities to work in their local labor markets. This sudden increase in available workers coupled with the struggles of the economic recession made California unattractive for many new migrants (Massey and Capoferro, 2008). Additionally, being legal citizens of the United States provided Hispanics with the freedom to move freely within the country (Durand et al., 2005; Massey and Capoferro, 2008). While this aspect is neither a push nor a pull factor, in combination with the push factors it facilitated the geographic dispersal of Hispanics in the United States.

While bad economic conditions are a push factor for Hispanics to not settle in traditional gateways or to leave them, good economic conditions are pull factors that attract immigrants to new destinations. New places offer low-skilled and low-wage job opportunities not only for foreign-born but also for native-born migrants (Crowley and Lichter, 2009; Frey, 2015). Employment growth has often been higher in new destinations compared to traditional gateways (Massey and Capoferro, 2008), offering employment opportunities, often in construction or manufacturing, with financially stable and secure positions (Crowley et al., 2006). Therefore, other parts of the country are more attractive to live for migrants, and so drawing movers to new destinations. In addition to migration to new gateways, natural increase also explains some of the Hispanic population growth in these new destinations (Johnson and Lichter, 2008).

Hispanics in Traditional and New Destinations

Because of recent migration patterns and differential economic growth, it is likely that the socio-demographic makeup of the Hispanic population differs between traditional and new gateways. The geographic dispersal might “be reshaping the social and economic experiences of the Hispanics who settle in the new destinations.” (Tienda and Mitchell, 2006a: 65). For example, because Hispanics might be attracted by better labor markets in new destinations and pushed away by saturated labor markets in traditional gateways, they might have higher employment rates and higher earnings in new destination areas. On the other hand, because many of the jobs in new destinations are for low-skill workers and are located in areas with low costs of living and low wages, they might attract less educated and more recent immigrants. The population composition as well as other micro- and macro-level patterns are important predictors for poverty concentration. This section reviews relevant studies that focus on both individual- and contextual level differences across destination types to get a better understanding of how levels of Hispanic concentrated poverty might differ across these areas. We focus on three aspects that likely are especially important for understanding patterns of concentrated poverty: overall poverty rates, racial and ethnic residential segregation, and the proportion of Hispanics who are foreign-born.

First, higher poverty rates are associated with higher concentration of poverty (Kneebone, Nadeau, and Berube, 2011; Iceland and Hernandez 2016). This is not surprising, as higher metropolitan area poverty rates would likely yield more higher-poverty neighborhoods and thus put more people at risk of living in such neighborhoods. Empirical studies find that Hispanic households in the bottom quintile of the income distribution have a higher exposure to neighborhood poverty compared to Hispanic households in higher income quintiles (Intrator, Tannen, and Massey, 2016). Additionally, studies show that poor individuals and families are more likely to move into high- or concentrated poverty neighborhoods than the non-poor (Wagmiller, 2011; Lichter et al., 2012). Even so, it should be noted that higher poverty rates alone would not explain the full variation in concentrated poverty across areas, as concentrated poverty also depends on the spatial distribution or income segregation of people across neighborhoods. For example, two metro areas might have identical poverty rates, but one might have very little concentrated poverty if the poor are fairly evenly distributed across neighborhoods, while the other might have high levels of concentrated poverty if the poor population is clustered in a small number of neighborhoods.

Some research finds that income segregation is important in two different ways: first, income segregation within one racial group, and second, income segregation between racial groups both affect interactively the concentration of poverty (Quillian, 2012).

This leads to a second factor, racial and ethnic residential segregation, which has long been connected to rates of concentrated poverty (Massey and Denton, 1993; Massey and Fischer, 2000; Quillian, 2012). Specifically, Massey and Denton (1993) have described how such segregation prevents Blacks from living in broader array of White, non-poor neighborhoods. Using simulations, the authors show that given higher poverty rates for Blacks than for Whites, the neighborhood poverty rate of Blacks increases with higher racial segregation while the neighborhood rate of Whites decreases (Massey and Denton, 1993: 120–121). The same logic can of course be extended to Hispanic-White segregation, where highly segregated Hispanics might live in mainly poor, ethnic communities. Thus, to the extent that levels of ethnic segregation differ across destination types, they may help explain differences in concentrated poverty across them as well. Studies find that racial and ethnic segregation also influences the effect of income on the concentration of poverty, in that the effect of income becomes stronger the more segregated an areas is (Massey and Fischer, 2000).

In general, Hispanics in the U.S. are moderately segregated from non-Hispanic Whites in both old and new destinations. The differences in segregation of Hispanics in new versus traditional destinations tend to be modest, and can vary by group, areas being considered, and whether indexes are weighted by metropolitan area size or not. So the findings are very mixed on this topic: some studies report higher residential segregation of Hispanics from non-Hispanic Whites in new immigrant destinations compared to traditional ones (Kandel and Cromartie, 2004; Lichter, et al., 2010; Hall, 2013; Lichter et al., 2015), while other studies find lower levels of segregation for Hispanics in new destinations compared with Hispanics in traditional gateways (Tienda and Mitchell, 2006b; Park and Iceland, 2011). We will calculate segregation for both destination types using the latest data available and examine if it helps explain the variation in Hispanic concentrated poverty across destination types.

Third, empirical studies have found that a higher percentage of the Hispanic population is foreign born in new destinations than in traditional gateways (Johnson and Lichter, 2008). This could produce differences in concentrated poverty across the two types of areas. On the one hand, foreign-born Hispanics in new destinations are mostly very recent immigrants (Kandel and Cromartie, 2004; Kandel, et al., 2011), and the foreign born are disadvantaged along a number of characteristics. For example, recent Hispanic immigrants have lower English-language proficiency, are more likely to be poor, less likely to own homes, and are less likely to be U.S. citizens (Kandel and Cromartie, 2004; Donato, et al., 2007; Jargowsky, 2009; Kandel, et al., 2011; Crowley, Lichter, and Turner, 2015). The foreign born are also more residentially segregated from whites, and this might increase concentrated poverty.

On the other hand, poor immigrants are not necessarily more likely to live in high poverty areas than poor native born minority group members. Poor immigrants are even less concentrated in many areas than the native-born poor (Jargowsky, 2009). For example, poor and non-poor immigrants may share many of the same neighborhoods due to their ethnic

networks and recent immigration history. As Jargowsky (2009: 1148) notes, “The reality is complex. Immigrants in general experience more concentration of poverty than non-Hispanic whites, but much less than do minority groups who constitute the bulk of the native-born poor in most urban areas.”

In summary, Hispanic dispersal from traditional gateways to new destinations has received a lot of attention in the literature. So have general patterns and trends in concentrated poverty. However, no previous studies have examined differences in Hispanic concentrated poverty by destination type. Thus, we fill this omission by examining the difference in the concentration of poverty of Hispanics between settlement in traditional and new destinations. We use the newest data available (American Community Survey 2010–2014) that allow us to look at recent trends in Hispanic dispersion across the country. Additionally, by employing multivariate analyses we move beyond simple descriptive work and look at the influence of Hispanic poverty levels, residential segregation, as well as the proportion of Hispanics who are foreign born on Hispanic concentrated poverty in metropolitan areas.

Hypotheses

The existing literature suggests that there might be different patterns of Hispanic concentrated poverty in established and new Hispanic destinations. Based on the findings that new destinations have higher Hispanic poverty rates, a greater concentration of Hispanics who are foreign born, and perhaps higher levels of ethnic residential segregation (though the literature on this point is mixed), we hypothesize, that:

H1: Hispanic concentrated poverty is higher in new destinations than in traditional gateways.

Additionally, we assume that possible differences in the concentration of poverty can be largely explained by characteristics associated with the different destination types. Specifically, we think that the levels of Hispanic overall poverty, Hispanic residential segregation from non-Hispanic Whites, and the proportion of Hispanics who are foreign born are the main factors that drive differences in concentrated poverty for Hispanics in traditional compared to new destinations. Therefore, our second hypothesis is:

H2: If we observe differences in Hispanic concentrated poverty between new destinations and traditional gateways, these can be largely explained by differences in the levels of ethnic segregation, Hispanic poverty, and the share of foreign born.

Data and Methods

The data for this project come from the American Community Survey (ACS), which replaced the decennial census long form after 2000. We use the newest five-year estimate that covers the time period from 2010 to 2014, and which provides geographically-referenced information down to the neighborhood level. The ACS is an ongoing, nationally representative survey of the American population that contains sociodemographic information like gender, age, race, ethnicity, poverty, and place of birth. Like previous studies, we calculate concentrated poverty at the census tract level and then combine the numbers within each metropolitan area. Tracts as defined by the Census Bureau, are

designed to represent neighborhoods, and have on average 4,000 people (U.S. Census, 2002). Although census tracts are not a perfect operationalization of the neighborhood, it is a common way to define neighborhoods in the United States (see for example Jargowsky, 2009). Additionally, studies show that a major part of segregation of the poor occurs at the tract level (Fischer et al., 2004), which makes this geographical area important for our study. The tracts are then grouped into metropolitan areas and divisions, which are the focus of our study and the level of analysis. Metropolitan areas include at least one urban area and have a population of 50,000 or more—there are 401 of them.

Independent Variable: Identifying Established and New Hispanic Destinations

To identify established and new Hispanic destinations we use data from the 1980, 1990, and 2000 Census. Following Hall (2013), we categorize all metropolitan areas into three different destination types: established, new, and minor destinations. *Established* destinations include all metropolitan areas where the share of Hispanics in 1980 exceeded the average share of Hispanics across all metropolitan areas in that year and where the absolute number of Hispanics in 1980 was higher than the metropolitan average of it. *New* Hispanic destinations include all non-established metropolitan areas in which either the Hispanic growth rate from 1980 or from 1990 was at least twice as high as the average growth rate across the same time period, or in which the share of Hispanics in 1990 or in 2000 exceeded the average share of Hispanics across all metropolitan areas during the time period. *Minor* destinations refer to all remaining metropolitan areas that were neither grouped as established or new. Because many less populated areas in the U.S. were not divided into census tracts in 1980, some metropolitan areas have missing values on certain variables. All of these metros were omitted from our analysis, yielding a total of 360 metropolitan areas and divisions. Of these, 41 are established Hispanic metropolitan areas, 92 are new destinations, and 227 are minor ones. We will focus mainly on the difference between established and new destinations—as these contain the highest proportion of Hispanics—though we include minor destinations in the analyses as well. To make sure that all of our variables that will be included in the models are reliable, we restrict the analysis to metropolitan areas in which at least 4,000 Hispanics are residing. This decreases our sample again from 360 to 318 metropolitan areas and divisions. The decrease is however, mostly due to areas that were categorized as minor areas. Because we will focus on the comparison between established and new metropolitan areas, this restriction will not strongly influence our results. In the end, we have 41 areas coded as established, 89 as new, and 188 as minor Hispanic destinations.

Figure 1 shows the location of Hispanic destinations in the U.S. Consistent with other studies of Hispanic immigrant destinations, many of the established gateways in this study are in California, Texas, Arizona, and New Mexico. The four biggest established metropolitan area gateways are New York-Jersey City-White Plains (NY-NJ), Los Angeles-Long Beach-Glendale (CA), Chicago-Naperville-Arlington Heights (IL), and Houston-The Woodlands-Sugar Land (TX). New Hispanic destinations are found in a wider range of states all over the country, but especially in North and South Carolina and Georgia. While the majority of established gateways (24 out of 41) are located in the West of the U.S., more than half of the new destinations (45 out of 89) are located in the South.

Dependent Variable: Hispanic Concentrated Poverty

Our dependent variable is Hispanic concentrated poverty. Concentrated poverty refers to the percentage of poor people who live in a neighborhood with a very high poverty rate. High-poverty tracts are defined as tracts in which at least 40 percent of the population is poor as defined by the federal poverty measure. [1] This is a typical approach to define concentrated poverty in past research (see for example Jargowsky, 1997, 2009; Kneebone, Nadeau, and Berube, 2011). We then determine the percentage of the poor Hispanic population within a metropolitan area or metropolitan division that lives in a high-poverty neighborhood. This serves as our dependent variable. [2]

Mediator Variables

We use three mediator variables in our study that are sought to explain the relationship between destination type and concentrated poverty. These are ethnic residential segregation, Hispanic poverty rates, and the share of Hispanics who are foreign born. In this paper, we use the dissimilarity index (D), the most commonly used segregation index, which measures the evenness of two groups – whether these two groups have the same relative number in each unit as in the whole area. The measure takes values between 0 and 1, with higher values indicating higher levels of segregation. D can be interpreted as the proportion of either group that would have to move in order to have the same ratio in each unit as in the whole area. In our analysis, D measures the residential segregation between Hispanics and non-Hispanic Whites. If one area has for example a value of $D = 0.3$, this could be interpreted as the share of Hispanics or non-Hispanic Whites that have to move to reach an even distribution of the two groups across all neighborhoods in one metropolitan area. Because the dissimilarity index is less reliable when groups are very small (Iceland, Weinberg, and Steinmetz, 2002; Hall, 2013), we restrict the analysis to metropolitan areas in which at least 4,000 Hispanics are residing. As mentioned above, this leads to 318 metropolitan areas used in the analysis. [3]

Our analysis also includes independent variables for the percentage of the Hispanic population that is foreign born and the Hispanic poverty rate in each metropolitan area. As discussed previously, these might help mediate the relationship between Hispanic destination type and level of concentrated poverty and are thus key variables in the models.

Control Variables

Finally, the analysis includes additional metropolitan area control variables, including total population (in 10,000s), total size of the Hispanic population (in 10,000s), percentage of the Hispanic population with less than a high school degree, percentage of the overall population with less than a high school degree, the Hispanic unemployment rate, and the percentage of people that are under the age of 35. We will also control for the region in which the principal city of the metropolitan area is located. We differentiate between the West, Midwest, Northeast, and South.

Methodological Procedure

We begin the analysis by showing descriptive statistics for all of our variables. To examine the relationship between Hispanic destination types and concentrated poverty, we then

estimate three ordinary least square (OLS) regressions to test our hypotheses. The first model only includes the destination type dummy variables. In the second model, all control variables are introduced. The third model additionally adds the mediator variables to assess if they are able to explain the association between Hispanic destination type and Hispanic concentrated poverty.

Results

Table 1 shows unweighted descriptive statistics of the variables in our analysis by type of metropolitan area. The overall mean of Hispanic concentrated poverty (not reported in Table 1) is 0.187, which means that on average 18.7 percent of all poor Hispanics in the included metropolitan areas live in tracts in which at least 40 percent of the population are poor. The values differ between the different destination types. Contrary to our first hypothesis, poverty is especially concentrated among Hispanics in established destinations, with on average 21.9 percent of all poor Hispanics living in high-poverty neighborhoods. In contrast, on average 14.9 percent of all poor Hispanics in new destinations live in these neighborhoods. [4] The number for minor destinations, 19.5 percent, falls between these two values. Although, the results do not mirror the hypothesized relationship between Hispanic concentrated poverty and Hispanic destination type, the descriptive table makes clear that a difference exists in the Hispanic concentration of poverty between the two destinations types.

As described above, findings about racial and ethnic segregation in new and established destinations are inconsistent across studies. Our data show that the average dissimilarity scores between Hispanics and non-Hispanic Whites are fairly similar across the different destination types, ranging from a low of .392 in minor areas to a high of 0.459 in established destinations, with a mean of .427 in new destinations. Without controlling for any other factors, Hispanics seem to be more segregated in established gateways than in their new destinations. Differences between the destination types also exist for the share of Hispanics that are foreign born. In established gateways on average 30.8 percent of the Hispanic population is foreign born, while 36.2 percent of the Hispanic population is foreign born in new destinations. The difference in segregation and share of foreign born between the two destinations types is not very big. The difference for the Hispanic poverty rate is even smaller with .245 in established destinations and .276 in new destinations. In the following analysis we will determine if these mediators help explain the difference in Hispanic concentrated poverty between new and traditional destinations.

With regards to the control variables, we see that the total metro population as well as the total Hispanic population within the metro area is larger in established destinations than in new ones. This is not surprising, since new Hispanic destinations also include numerous small-sized metropolitan cities (Kandel and Cromartie, 2004; Lichter and Johnson, 2009). The percentage of the Hispanic population with a low educational level is higher in new destinations (40.7 percent) than in established gateways (35.2 percent). The association is reversed for the percentage of the overall population with less than a high school degree (19.1 percent in established and 15.1 percent in new destinations) and that is under the age

of 35 (50.3 percent in established and 47.6 percent in new destinations). The Hispanic unemployment rate is very similar in all three types of destinations.

Having examined these bivariate associations, we now turn to the results of the nested OLS models, which are reported in Table 2. Model 1 in Table 2 shows the coefficients for the two dummy variables for the type of metropolitan area. The reference category for the destination type are traditional destinations in all three models. The coefficient for new destinations is small but statistically significant at the 5 percent level. As seen before in Table 1, in contrast to what was hypothesized, the coefficient indicates that there is less Hispanic concentrated poverty in new destinations compared to traditional gateways. On average, not controlling for any other factors, the concentration of poverty is 6.9 percentage points higher in traditional gateways. The constant shows that on average around 21.9 percent of all poor Hispanics in traditional gateways are residing in a high-poverty neighborhood. Minor destinations fall between these two and additional analyses show that they are not significantly different from either of them. It should be noted that the value of the adjusted R^2 is only 0.0178, meaning that only 1.78 percent of the variance of the dependent variable is explained with this model.

Model 2 includes the independent dummy variables and additionally all control variables. The model is significant and the adjusted R^2 increases to 0.2024, meaning that over 20 percent of the variance of the dependent variable is explained by the variables included in this model. Most importantly, the relationship between Hispanic concentrated poverty and destination type cannot be explained by the control variables. Although holding several metropolitan level factors constant, new destinations still show a lower level of concentrated poverty than established destinations. The variables of the total population, the total Hispanic population in the metropolitan area and the percentage of the Hispanic population with a low educational level are all not significantly related to Hispanic concentration of poverty. All of the other control variables show a significant association with our dependent variable. The coefficients are all positive, indicating that a higher share of the population with lower educational achievements, a higher Hispanic unemployment rate, and a higher percentage of the population that is under the age of 35 are all associated with higher Hispanic concentrated poverty in metropolitan areas. Additionally, Hispanic concentrated poverty is higher in the Northeast, the Midwest as well as in the South compared to the West.

In the last model we additionally include our three mediator variables, residential segregation, the percentage of Hispanics who are foreign born, and the Hispanic poverty rate, to see whether these three variables are able to explain the difference in Hispanic concentrated poverty between new and traditional gateways. Model 3 shows the results. All three of our mediator variables are highly significant. The coefficient for segregation between Hispanic and non-Hispanic Whites is positive, as expected, indicating that higher segregation is associated with higher levels of concentrated poverty. We also find that the Hispanic poverty rate is positively associated with concentrated poverty. High group poverty rates typically mean that more neighborhoods surpass the high poverty threshold (40 percent), which in turn puts more people at risk at living in these disadvantaged environments. [5] We also find that a higher percentage of foreign born Hispanics is

negatively associated with concentrated poverty. While this initially seems counterintuitive, it could indicate that, once we control for overall levels of Hispanic poverty and ethnic segregation between Hispanics and whites (both variables are positively associated with the percent foreign born variable), poor foreign born Hispanics themselves are not particularly likely to congregate in high poverty neighborhoods. This is consistent with findings by Jargowsky (2009), described earlier. For example, the foreign born population is at least somewhat heterogeneous in their socioeconomic status, and perhaps minority neighborhoods with this SES mix produces the negative association between percent foreign born and Hispanic concentrated poverty we see in the table (holding other factors constant). All of the regional controls become nonsignificant once we include the mediator variables. The same is true for the Hispanic unemployment rate. The share of young people as well as the percentage of the population with a low educational level remain significant and positive. Interestingly, the percentage of the Hispanic population with low education turns negative and significant, meaning that the higher the share of the Hispanic population with a low educational level the lower Hispanic concentrated poverty. The adjusted R^2 increases from 0.2024 in Model 2 to 0.5024 in Model 3, indicating the importance of the three mediator variables for Hispanic concentrated poverty.

In summary, the bivariate model predicts significant differences in the concentration of Hispanic poverty between new and traditional destinations. We find that, contrary to hypothesis 1, new destinations tend to have lower levels of Hispanic concentrated poverty than traditional destinations. However, we do find support for our second hypothesis, which predicts that any difference in Hispanic concentrated poverty between new and traditional gateways should be reduced when controlling for other factors, like ethnic residential segregation and the Hispanic poverty rate.

Conclusion and Discussion

The dispersal of Hispanics from their traditional gateway cities and states to new destinations represents a major demographic phenomenon during the last quarter century in the United States. While many Hispanic immigrants are still moving to established gateways, a growing number move to new destinations that are located in different regions, states, and metropolitan areas throughout the country. While the existing literature discusses the different causes for this new migration pattern, and the characteristics of the population in different destinations, no study has yet examined the extent to which concentrated poverty differs across them and tried to explain why. This is an important omission given the increase in concentrated poverty since 2000, including among Hispanics, and the negative effects of concentrated poverty on the development and well-being of children and their families.

There are reasons to believe that concentrated poverty differs across area type. Hispanics in new destinations are more likely to be foreign-born and poorer, and these characteristics might be positively associated with concentrated poverty. Residential segregation, tightly connected to the concentration of poverty, might be higher in new destinations, though the empirical literature yields mixed findings on this issue. All these factors are expected to predict levels of Hispanic concentrated poverty across destination type.

Using data from the 2010 to 2014 American Community Survey on all metropolitan areas and divisions in which at least 4,000 Hispanics resided, we found that, in contrast to our first hypothesis, the concentration of poverty of Hispanics is significantly lower in new destinations compared to traditional gateways. However, in line with our second hypothesis, this difference between new and traditional destinations becomes nonsignificant when controlling for additional variables.

We found that Hispanic concentrated poverty was indeed associated with a number of factors we considered, including Hispanic segregation from non-Hispanic Whites, the percentage of Hispanics who are foreign born, and the Hispanic poverty rate. Many studies have shown a connection between segregation and concentrated poverty (Massey and Denton, 1993; Quillian, 2012), so it is not surprising that we also found that segregation is positively associated with Hispanic concentrated poverty. Also not surprising was the significant positive effect of the Hispanic poverty rate. High levels of poverty often increases the number of high poverty neighborhoods in a metropolitan area, which in turn puts more people at risk of living in these disadvantaged areas.

We also found that concentrated poverty was lower in areas where a greater percentage of Hispanics are foreign born. This finding is on the face of it a bit puzzling, as the foreign born Hispanic population tends to be poorer and more ethnically segregated than the native born Hispanic population on average. But since our models control for both Hispanic poverty and segregation, there seems to be another mechanism at work. Our findings on this issue are actually in line with those of Jargowsky (2009), who noted the effect of immigration on inner-city poor neighborhoods is ambiguous: “The immigrant poor are less concentrated than the native-born poor, and when the two settlement patterns are overlaid, as they often are, the measured level of the concentration of poverty is actually reduced. In other words, while immigration undoubtedly raises poverty rates in some areas, it also tends to reduce poverty rates in many of the poorest inner-city communities.” While Jargowsky did not focus on concentrated poverty in new and traditional destinations, and was speaking about the immigrant population more generally, we can infer from our findings that once we control for poverty, poor foreign born Hispanics are not particularly more likely to live in high poverty areas than native-born Hispanics. Instead, they might live in many of the same neighborhoods as non-poor Hispanics who are drawn to the same neighborhoods by shared ethnic networks.

In addition to the explicit associations of our mediator variables with Hispanic concentrated poverty, we also found that some control variables are important mediators of the relationship between destination type and Hispanic concentrated poverty. The share of the population under the age of 35 as well as the share of the population with a low educational level are both positively related to Hispanic concentrated poverty. In contrast, the percentage of low educated Hispanics influences Hispanic concentrated poverty negatively. Therefore, we can conclude that while our mediator variables are essential for explaining concentrated poverty, also other variables play a crucial part in it and future research should look more closely at these and examine their exact role.

In conclusion, our findings shed light on how concentrated poverty varies across Hispanic immigrant destinations. They show that specific factors, like ethnic residential segregation and nativity, lead to a lower concentration of poverty for Hispanics in new destinations, even as overall Hispanic poverty rates are higher in such places. However, our study is not without limitations. While we focused on concentrated poverty in metropolitan areas, future work should examine such patterns in smaller areas, such as micropolitan areas and perhaps even nonmetropolitan counties.

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Figure 1.
Location of established, new, and minor Hispanic metropolitan destinations in the U.S.

Table 1

Descriptive Statistics by Type of Metropolitan Area

	Established Gateways (N=41)				New Destinations (N=88)				Minor Metropolitan Areas (N=188)			
	Mean	STD	Min	Max	Mean	STD	Min	Max	Mean	Max	Min	Max
Hispanic Con. Pov.	0.219	0.160	0	0.615	0.149	0.124	0	0.540	0.195	0.160	0	0.615
Segregation	0.459	0.080	0.320	0.628	0.427	0.088	0.209	0.618	0.392	0.091	0.214	0.653
% Hispanic Foreign Born	0.308	0.117	0.063	0.653	0.362	0.125	0.080	0.563	0.289	0.106	0.039	0.532
Hisp. Poverty Rate	0.245	0.057	0.126	0.376	0.276	0.076	0.113	0.498	0.271	0.066	0.062	0.452
Total Population (in 10,000)	224.1	283.9	14.6	1412.6	58.7	79.9	5.5	545.5	60.1	70.8	7.9	461.9
Hispanics (in 10,000)	78.9	96.7	6.8	480.0	9.94	13.05	.518	59.7	4.1	6.6	0.4	64.9
% Hispanic Low Education	0.352	0.088	0.093	0.519	0.407	0.105	0.152	0.614	0.299	0.091	0.100	0.553
% Low Education	0.191	0.079	0.093	0.378	0.151	0.055	0.060	0.320	0.110	0.033	0.046	0.250
Unemployment Rate Hispanic	0.116	0.031	0.066	0.200	0.106	0.033	0.046	0.197	0.109	0.038	0.020	0.208
% Under 35 Years	0.503	0.043	0.392	0.595	0.476	0.048	0.358	0.621	0.469	0.053	0.263	0.667
Region	Value	N	%				N	%			N	%
	1 – Northeast	2	4.9				9	10.2			31	16.5
	2 – Midwest	2	4.9				8	9.1			65	34.6
	3 – South	12	29.3				45	51.1			70	37.2
	4 – West	25	61.0				26	29.6			22	11.7

Source: Census 1980, 1990, 2000 and ACS 2010–2014, own calculations

Table 2

Nested OLS Regressions on Hispanic Concentrated Poverty

	Model 1	Model 2	Model 3
New Destination	-0.069* (0.029)	-0.066* (0.033)	-0.027 (0.027)
Minor Destination	-0.024 (0.026)	-0.017 (0.034)	-0.003 (0.028)
Segregation			0.521*** (0.102)
% Hispanic Foreign Born			-0.276*** (0.076)
Hispanic Poverty Rate			1.336*** (0.114)
Total Population		0.000 (0.000)	0.000 (0.000)
Hispanics		-0.000 (0.000)	-0.000 (0.000)
% Hispanic Low Educ.		0.102 (0.097)	-0.440*** (0.108)
% Low Education		0.467* (0.221)	0.564** (0.175)
Hispanic Unemployment Rate		1.023*** (0.251)	-0.036 (0.214)
% Under Age 35		0.679*** (0.164)	0.477*** (0.133)
Region (<i>Ref. = West</i>)			
Northeast		0.151*** (0.029)	0.001 (0.028)
Midwest		0.101*** (0.025)	0.029 (0.021)
South		0.062** (0.023)	-0.007 (0.020)
Constant	0.219*** (0.024)	-0.384*** (0.099)	-0.450*** (0.085)
N	317	317	317
Prob > F	0.0221	0.0000	0.0000
Adj. R ²	0.0178	0.2024	0.5024

*
p < .05,**
p < .01,***
p < .001, standard errors in parentheses

Source: Census 1980, 1990, 2000 and ACS 2010–2014, own calculations