humanitarian purposes. Rather, there is a need now for linked policies that improve agricultural production on the one hand, and, urban economies on the other. Especially in places such as Asia and Africa, it is essential that rural populations be stabilized so that the migration pressures on cities can be relieved. Yet development that is led simply by global capital investment will not consider such non-profit making moves. As the climate change crisis accelerates, these underdeveloped countries, that are also present regions of warfare and societal despair, will reach a monumental humanitarian event that will affect people's well-being around the world.

STUDY QUESTIONS

- The global economic system is increasingly important to the developing nations. Discuss the relationship between the two.
- How are multicentric metropolitan regions connected to other multicentric metropolitan regions in the global capitalist system? What does this tell us about the relationship between global capitalism, the state, and the real estate sector?
- List and describe the unique spatial patterns in the developing world. According to the sociospatial approach, what are the causes of these distinctive spatial patterns?
- Use the sociospatial approach to explain the different roles the state plays in urbanization in China and India. Is the state the reason why slums are so prevalent in India and not in China? Why or why not?
- China has charted a new course for economic growth and management of urban growth. How was this accomplished? What are the consequences for the development of the urban system?
- What are some of the important differences in urban development in Latin America, Asia, and Africa? What factors might account for these differences? Which theoretical model (dependency theory, modernization theory, world systems theory, or the sociospatial model) might best explain these differences?
- Is Dubai an outlier in urbanization in the developing world or is it a model of future urbanization for developing nations? Explain your reasoning.

CHAPTER 8

URBAN SOCIAL PROBLEMS

Racism, Poverty, Affordable Housing, Crime, and Public Health

Was there ever a time when America didn't suffer from urban social problems? Just like the industrialized capitalist countries of Europe in the 1800s, all but the wealthy experienced a very low quality of life with the advent of capitalism. Early photographic images of American cities at the turn of the last century feature overcrowding: immense traffic jams of primitive Model-T automobiles mixed in with horse-drawn carts, tenements teeming with immigrants, and crowds of children swarming across city streets. Until after World War II, city life in the United States was plagued by public health crises such as high rates of tuberculosis and syphilis, cholera outbreaks, high infant mortality rates, alcoholism, domestic violence, street gang activity, and crime. For much of our history, then, city life has been virtually synonymous with social problems. Yet we know now that these same problems—crime, disease, family breakup—are experienced everywhere.

Until recently, urban problems were city problems. That is no longer the case as the issues once associated with the large, compact settlement form are found throughout the metropolitan population. Nevertheless, the association of the city with social problems is so strong that, despite subsequent research showing that this perception of the city is inaccurate, people in the United States still rank small- and medium-size cities or suburbs as providing the highest quality of life and remain overwhelmingly interested in living in the suburbs, especially for couples with small children. Indeed, our twenty-first-century social problems of poverty, unemployment and underemployment, foreclosures and homelessness, chronic health problems, environmental issues, and racism and gender discrimination are not confined to the city.

This chapter applies the sociospatial approach to social problems. Using sociospatial thinking, the uniquely urban aspects of these problems are the concentrated nature of metropolitan space and the range of changes in compositional factors. We differ from the sociologists of the early Chicago School who believed that the move to the city was accompanied by social disorganization and how an individual's fate lay in the particular combination of adverse life decisions, personal circumstances, and individual encounters with the more structural social factors, such as lack of adequate education, racism, or poverty. As we shall demonstrate, our approach emphasizes the lack of power that most people possess over adverse circumstances. One purpose of our discussion is to explore whether or not large cities in particular and metropolitan regions in general possess unique features that might propagate specifically "urban" problems.

THE SOCIOSPATIAL APPROACH TO SOCIAL PROBLEMS

Social problems are the unwanted conditions that are out of a person's control and have negative consequences on their life chances. Personal problems are different from social problems because personal problems are problems that are caused by individual actions and decisions. Racism, poverty, the lack of affordable housing, polluted air, and crime are social problems because individual actions cannot solve the problem or overcome the social problem's effect on opportunities throughout the life course.

Social problems are ubiquitous across the metropolitan areas of the United States. Cities do not have an exclusive hold on divorce or domestic violence, and suburbs are now almost as likely as cities to be afflicted with family disorganization, deviant subcultures, drug use, and gang activity (Barbanel, 1992). Many suburban areas have crime rates comparable to those of the central city. There are majority black and racially segregated suburbs across the nation. The majority of poor people live in the suburbs. As the suburban settlement spaces have matured, differences in poverty levels, crime rates, and other measures of social disorganization between cities and suburbs have declined.

We know from our earlier explorations of the sociospatial approach that the spatial environment plays an important role in human interaction. The *social background factors* associated with population groups are also important. The variety of lifestyles found across urban and suburban settlement spaces result from social factors such as race, class, and gender. Social problems in particular are caused by poverty, racial exclusion, gender discrimination, and the severe patterns of economic uneven development within settlement space that results in differential access to resources. Spatial forms exert an independent causal effect on social problems. Environments intensify or dissipate these compositional effects of uneven development. In short, life chances result from an interaction between social factors and spatial organization.

Cities are not unique in having acute social problems, but the spatial nature of large cities and densely populated suburbs makes the uneven development resulting from the inequities of race, class, gender, and age particularly severe. According to the sociospatial approach, the following factors are the most significant.

First, the principal effect of the city as a built environment is that it concentrates people and resources (Engels, 1973 [1845]; Lefebvre, 1991). Thus, social problems such as drugs and poverty have a greater impact in large central cities and densely populated suburbs than in less dense areas. In confined urban space under the jurisdiction of a single municipal government or a racially segregated neighborhood, it is the sheer numbers, such as the frequency of murders and other forms of violent crime that turn social problems into grave concerns.

Second, over the years urban populations have been disproportionately affected by the internationalization of the capitalist economies. For example, large metropolitan regions such as Los Angeles or New York or Houston are the destinations of choice for most immigrants from poorer nations who have left their countries in search of a better life. With the flow of immigrants come specific problems, such as the need for bilingual education, which affects these areas more than other places, such as the need for multilingual teachers in some areas. Changes in the global cycles of economic investment also affect metropolitan regions because of the scale of activities in the largest places. For example, the American economy shed 8.8 million jobs from the start of the Great Recession in December 2007 through February 2010 (US Bureau of Labor Statistics, 2017). Although starting out like previous recessions in the first nine months, job losses averaged an astounding 712,000 per month from October 2008 through March 2009. This was the worst six months of job losses since the end of World War II in 1945. However, the Great Recession's effect on the labor market was geographically uneven. The unemployment rate in Nevada, Florida, and Arizona increased over 10%, while North Dakota and Alaska actually saw their unemployed level decrease (Connaughton and Madsen, 2012).

Finally, social problems are caused by the spatial distribution of resources, which may be accentuated in dense, built environments. For example, large cities are major centers of the global economy. Extreme wealth is created within their boundaries, and the signs of that money are highly visible in the city, such as expensive restaurants, upscale department stores, luxury housing, and limousines. Close by and within the same concentrated space within the city are people who suffer the most terrible consequences of abject poverty, such as homelessness, malnutrition, and chronic unemployment. Because this contrast is so visible in the public spaces of large cities, the issue of uneven development is particularly oppressive to inhabitants.

RESIDENTIAL SEGREGATION

The most powerful indicator of systemic racism in the United States is residential segregation. Systemic racism explains the central role of racial oppression in maintaining the racial and wealth hierarchy in America (Feagin, 2006). In the socio-spatial framework, residential segregation involves the concentration of population and resources within a specific settlement space. This leads to high levels of social isolation, as well as creates pockets of crime and police violence. African Americans, who have been systemically discriminated against in employment and in the housing market, have felt the most extreme and continuing effects of racism. Homeownership is the primary mechanism for ordinary Americans to build wealth and transfer wealth from one generation to the next. As a consequence, racism constrains black social mobility more than social class. Middle-class blacks are more likely to live in a bad neighborhood than are poor whites (Eligon and Gebeloff, 2016).

The classic study of segregation is by the Taeubers (1965). They compiled statistics on American cities with regard to the relative locations of whites and blacks. To measure segregation, they constructed a very useful concept, an "index of segregation." If a city had a 30% African American population as a whole, they expected, in the absence of segregation, that the black population would be evenly distributed across space. The index of segregation refers to the percentage of African Americans who would have to move in order for all neighborhoods to reflect the 30% black composition of the entire city. If a neighborhood were 90% black, 67% of the black population would have to move, resulting in an index of 0.67.

On the basis of the Taeubers' study, all US cities were discovered to be highly segregated, that is, with indexes above 0.50 for African Americans. The Taeubers replicated their study in the 1970s and found little change in the degree of black population clustering. Some of the most segregated cities during the 1970s were Detroit, Chicago, Buffalo, New York, Cleveland, and Birmingham, Alabama.

Some have argued that not all of the segregation observed in American cities is the consequence of involuntary segregation. Yet, voluntary segregation accompanies class segregation in the black community, as upper-class blacks tend to live on the periphery of black neighborhoods. Nevertheless, we know that the urban ghettos were created by a form of racism and violence designed to prevent blacks from moving into "white" settlement spaces, including federal housing policies that concentrated public housing in the inner city while subsidizing "white flight" to the suburbs through construction of the interstate highway system and discrimination in home mortgage loans.

Real estate agents and property managers are just two social actors perpetuating residential segregation. Bullard and Feagin (1991) discussed various techniques

used by housing-related institutions to prevent blacks from locating where they prefer, thereby fostering involuntary segregation. Rental and real estate agents used a variety of methods to prevent blacks from locating in white-owned areas. One mechanism is called "steering." When an African American couple comes to a rental or real estate agent, the agent will steer the couple to areas of the city populated by blacks. Agents may also simply refuse to divulge the existence of housing opportunities in white areas. Despite gains in family income earnings by a growing number of middle-class blacks, racial segregation remains a fact of life for the majority of African Americans.

Banking has played an important part in maintaining racial segregation since the civil rights era. When it comes to lending money, banks generally divide the population into the prime or subprime market. The subprime market pays a higher interest rate based on the greater likelihood of defaulting on the loan. Up until 1980s, black-owned banks specialized in lending money to blacks that white-owned banks defined as too risky. White-owned banks refused to lend money in areas that were predominately black or likely to deteriorate. Because of banking deregulation in the early 1980s that eliminated federal usury caps and Ronald Reagan's racist move to eliminate race as a criteria for federal Small Business Administration (SBA) support, many black-owned banks became loan servicing centers and real estate loan associations specializing in subprime lending. By 1998, 51% of the total dollar amount of subprime loans and 58% of subprime refinancing were in predominately black neighborhoods. Subsequent financial deregulation stemming from the 2000 Financial Modernization Act tacked on predatory lending practices to subprime lending. Predatory lending refers to the loan center securing the first lien on a home as part of the refinancing and tacking on high refinancing fees, and in many cases, unnecessary fees, like credit insurance, to the value of the loan. Unsurprisingly, the Great Recession in 2007 hit blacks the hardest, as black median net worth was $11,000 in 2014. It was $141,900 for whites (see Hohle, 2018:97–103).

Hypersegregation

Since the time of the Taeubers' study, researchers of spatial segregation have developed more precise measures of population clustering. The most sophisticated of these studies combine several different measures to arrive at overall estimates of segregation. They found that black people not only continue to be segregated in significant numbers within central cities, but their exclusion is now extreme. Those that remain ghettoized are extremely isolated because for decades all Americans—black, white, Hispanic—with the means and opportunity to move away from such areas have done so. Consequently, rather than social conditions improving for poor African Americans, their extreme segregation in our nation's cities is now described as "hypersegregation." Douglas Massey and Nancy Denton (1993), for example, used five different measures of population clustering in their study of the causes and consequences of racial segregation in Chicago and other cities while discovering the deteriorating conditions of hypersegregation.

1. *Unevenness:* African Americans may be distributed so that they are overrepresented in some areas and underrepresented in other areas.
2. *Isolation:* African Americans may be distributed so that they have little interaction with other groups.
3. *Clustered:* Black neighborhoods may be tightly clustered to form one contiguous enclave, or they may be scattered about in checkerboard fashion.
4. *Concentrated:* Black neighborhoods may be concentrated within a very small area, or they may be settled sparsely throughout the urban environment.
5. *Centralized:* Black neighborhoods may be spatially centralized around the urban core or spread out along the periphery.

These five dimensions define geographic traits that social scientists think of when they consider segregation. A high score on any single dimension is serious because it removes African Americans from full participation in urban society and limits their access to benefits. As segregation accumulates across multiple dimensions, however, its effects intensify. Economic downturns have historically been "confined to poor black neighborhoods" where the negative effects stemming from the loss of businesses and rising unemployment are "amplified" relative to white neighborhoods (Massey and Denton, 1993:126). The indices of unevenness and isolation alone we have discussed so far cannot capture this multidimensional layering of segregation and therefore understates its severity in American society. Not only are African Americans more segregated than other groups on any single dimension of segregation, but they are also more segregated on all dimensions simultaneously, and as an important subset of US metropolitan areas, African Americans are highly segregated on at least four of the five dimensions at once, an extreme isolating pattern that they call hypersegregation.

In 2010, about one-third of all black people in the United States lived under conditions of intense racial segregation. Although the number of hypersegregated metropolitan areas declined between 1970 and 2010, the degree of hypersegregation within the multicentered region barely changed at all (Massey and Tannen, 2015). African Americans are unambiguously among the nation's most spatially isolated and geographically secluded people, suffering extreme segregation across multiple dimensions simultaneously. No other group in the contemporary United States comes close to this level of isolation within urban society. US Hispanics, for example, are never highly segregated on more than three dimensions simultaneously, and in forty-five of the sixty metropolitan areas examined, they were

highly segregated on only one dimension. Moreover, the large Hispanic community in Miami (the third largest in the country) is not highly segregated on any dimension at all. Despite their immigrant origins, Spanish language, and high poverty rates, Hispanics are considerably more integrated in American society than are blacks (Massey and Denton, 1993:74–77).

African Americans in metropolitan areas live within large, contiguous settlements of densely inhabited neighborhoods that are packed tightly around the urban core. In plain terms, they live in ghettos. Since the 1980s, changes in the capitalist economy and the spatial concentration of resources have produced a rising black middle class and transformed the black ghetto. Wilson (1996) defined the original black ghetto as the communal ghetto because it was one race and a mixture of social classes. The communal ghetto gave way to the one race/one class hyperghetto (Wacquant, 1999). In today's hypersegregated ghetto, blacks are not only unlikely to come into contact with whites within the particular neighborhood where they live, they are unlikely to see a white face if they went over to the next neighborhood. This is segregation to an extreme and it characterizes American cities.

RACIAL SEGREGATION IN THE SUBURBS

Today's suburbs are more racially diverse than ever before, and yet, they are still racially segregated. In 2010, suburbia was about as diverse as central cities were in 1980. The good news is that they are not as segregated as central cities. The average black suburbanite lives in a neighborhood that is about 36% black and 45% white, while the average black city resident lived in a neighborhood that is about 60% black in 2010 (Lichter et al., 2016). The bad news is that the suburbs are still racially segregated in spite of increased diversity and a rising black and Hispanic middle classes. The interesting thing about suburban segregation is that it shows how social class matters much less than skin color in determining where we live. Blacks and Hispanics with incomes above $75,000 a year are more likely to live in a higher poverty neighborhood than whites who earn less than $40,000 a year (Logan, 2014). Lower-income whites live in neighborhoods with a lower poverty level (7%) than affluent blacks (11.4%) and Hispanics (12%) do. This challenged much of what urban sociologists have historically understood about isolation, in that the income levels for whites, blacks, and Asians do not explain where we live. In fact, the probability of a suburban Asian, black, or Hispanic resident coming into contact with their white suburban counterparts has actually declined since 1980. The question is why? And what does this tell us about the significance of racism in the multicentric region?

The image of the all-white suburbs was something developers cultivated to sell houses to the growing white middle-class families in the late 1940s and early

1950s. Developers insisted that these suburban developments remained all white to protect property values. Abraham Levitt, the main developer behind the first mass suburban developments, called "Levittowns" on Long Island and outside Philadelphia, had a clause in the purchasing agreement that the house could not be sold to or rented to non-whites. The Myers were the first black family to move into a Levittown house in 1957. The racial covenant clause was indicative of the myriad of government regulations and strategies used by real estate agents to prevent blacks from moving outside the large city even if they can afford to do so. The initial strategy to maintain racial segregation was how planners and developers embedded racism in "exclusionary zoning." Exclusionary zoning means expanding low-density land use by increasing the minimum square footage for a new house, banning multi-family homes, and specifying minimum lot sizes for single-family homes to inflate the costs (Gottdiener, 1977; Ihlanfeldt, 2004:255). However, the relationship between social class and isolation fell apart during the 2000s. In turn, the "place stratification" perspective (Crowder et al., 2012; Lichter et al., 2015), a hypothesis that states that when whites share social space with African Americans that whites will develop strategies to reinforce segregated settlement spaces across the metropolitan region, has replaced the assimilation models that predicted a decrease in segregation as blacks and Hispanics achieved middle-class status. In other words, how whites define spaces as "white spaces" is the primary variable explaining segregation. Therefore, exclusionary zoning becomes more important because, as Ihlanfeldt explained, "It has been found that neighborhood median income increases property value while racial diversity reduces property value. The evidence provided demonstrates that there is a cash payoff to suburban property owners from excluding from their community low-income and minority households" (2004:255). The privatization of white spaces through homeowners associations and the gated communities are examples of exclusionary zoning to reproduce racial segregation across the multicentric metropolitan region.

Racial segregation in the suburbs is stratified by their inner versus outer location within the metropolitan region. The outer suburbs are almost exclusively comprised of affluent whites. Not only do the older inner location suburbs have smaller houses and lot sizes, and thus tend to be less expensive, they also butt up against the exurban fringe, which are predominantly white neighborhoods, and act as a buffer between differential white groups. As a result, an overall locational pattern has emerged with minority communities fragmenting into irregular enclaves throughout the area rather than being confined to specific ghettos. While affordable housing and mixed communities are not increasingly present, strict ghettoization is giving way to a more dispersed, regional array. Thus research shows that there is an exclusionary and discriminatory dynamic operating at the multicentered metro regional scale rather than the simple dichotomy of city versus suburb that characterized earlier perspectives on race and income segregation. This distinction, the regional metro dynamic rather than the city/suburb dichotomy, is critically important for understanding contemporary social problems and their inherent spatial dimensions.

Hispanic suburbanization has primarily taken place in the Sun Belt. In contrast to African Americans, Hispanics have used socioeconomic gains in the 2000s to indirectly desegregate the low status suburban white neighborhoods (Massey and Tannen, 2018). Hispanic suburbanization is driven by the availability of low cost housing, especially in the Sun Belt, and specifically areas with cheap land, housing, and rents (Howell and Timberlake, 2014). Whereas the second circuit of capital combined with exclusionary zoning kept minorities out of the suburbs, now areas outside the historical central city have all matured and display similar patterns of spatial segregation while real estate continues to operate in a discriminatory fashion regionally. For this reason Hispanics in periphery suburbs are segregated away from affluent whites, however, they still live close enough to more affluent communities in order to provide low paying service sector workers. Thus, suburbanization is also a case of the production of space, only in this instance it represents the reproduction of ethnic segregation while maintaining a low-wage labor force. Hispanic isolation, racism, and discrimination remains region wide (Feagin and Cobas, 2014).

Although Asians are less likely to be segregated from whites than other racial groups, Asians are still likely to cluster in suburban ethnic settlement space. Wei Li (2008) dubbed the rise of ethnic settlement spaces in suburbia as "ethnoburbs." Ethnoburbs are areas where there is a sizable concentration of a minority group in a residential location or business district, but not enough to comprise a majority of residents in a given settlement space. By 2000, the majority of all immigrants, that is 52% of those living in metropolitan areas, lived in the suburbs. For example, in the San Gabriel Valley, a suburb of Los Angeles, Monterey Park became a majority Asian suburb in 1990 while Rosemead (29.2%), Alhambra (31.9%), and South Pasadena (15.7%) became Asian ethnoburbs in 2000 (Li, 2008; Oh and Chung, 2014). The Asian ethnoburb represents a historical shift in settlement space away from "Chinatowns." While this has been mainly due to the socioeconomic gains, it should be noted that the old Chinatowns within historical inner cities were predominately made up of immigrants while Asian ethnoburbs are comprised of US-born Asian Americans.

At the end of the last century, a growing number of black people have returned to the south, thereby reversing decades of movement north. Among all ethnic-racial groups, blacks were more likely than any other to move to the south. According to a report by the Brookings Institution (2004), the south outscored net gains of African American migrants from all three of the other regions of the United States during the late 1990s, reversing a thirty-five-year trend. Of the ten states that suffered the greatest net loss of blacks between 1965 and 1970, five ranked among the top ten states for attracting African Americans between 1995 and 2000. Southern metropolitan areas, particularly Atlanta, have been the main destination for black out-migration from the northern and western United States. Between 2005 and 2010, the New York, Chicago, Los Angeles, San Francisco, Philadelphia, and Detroit experienced the greatest out-migration of African Americans, while Atlanta, Dallas, Houston, Miami, and Washington, DC experienced black population gains (*USA Today*, 2015). Most importantly, college-educated individuals led the new African American immigration into the south.

In sum, it is clear that the major determinant of racial segregation is not a person's income, social class, or length of time spent in the United States (as suggested by the assimilation model) but rather racial background. African Americans confront the highest levels of segregation while Asian Americans have the lowest levels. We should never underestimate the impact of systemic racism on the metropolitan region. Over the past 150 years, elite whites have applied a litany of *du jure* and *de facto* practices to ensure that whites live separately from blacks: Jim Crow Laws, racial zoning ordinances, redlining, redrawing school district boundaries, the subprime lending market, predatory lending, discrimination in hiring, and the withdrawal of the labor market from black areas. Since neighborhoods and settlement spaces are segregated by race, ethnicity, and class, and the history of American racism created a concentration of black and poor within a defined geographic space, social problems of inadequate housing, and police brutality have become disproportionately African American urban problems.

POVERTY

Poverty can be considered an urban problem because of its concentration in specific settlement spaces, as the sociospatial perspective suggests, although the range of poverty rates for metropolitan regions in the United States is quite broad. In 2016 the federal government issued guidelines that defined poverty for a family of four as living at or below $24,492 in yearly income. It was $12,228 for an individual (US Bureau of the Census, 2017). It is difficult to figure how a family of four can manage living $5,000 above the poverty line let alone below the poverty line, particularly for those living in urban areas with high rents and food costs. In the aftermath of the Great Recession in the early twenty-first century and a long and uneven recovery continuing in 2019, the percentage of Americans living in poverty fell from 15.3% in 2010 to 12.7% in 2016. Poverty is caused by the uneven development of the economy. In the 1950s, despite growing affluence and the greatest economic expansion in history, large numbers, virtually one out of five or 20%, of Americans were poor, with some living in appalling conditions

(Harrington, 1962). At the time, it was recognized that there were poor people in rural areas as well as urban places. As a result of government antipoverty programs such as the War on Poverty, the poverty rate declined to about 12.1% in the early 1970s. Beginning in the mid-1970s and continuing throughout the 1980s, however, the rate rose again unevenly and reached levels comparable to Depression-era statistics. Once again, in the 1980s, it was noted that roughly 20% of the total population was living at or below the poverty line (Wilson, 1987), which is the same percentage that Harrington found in the 1960s.

The demographic profile of the poor is cause for alarm. The percentage of all children under eighteen years old living in poverty was 18% in 2016, down from 21.8% in 2012. This high figure is astounding for an affluent, developed country like the United States. Furthermore, poverty is not randomly distributed throughout the population. In 2016, whites (8.8%) were far less likely to live in poverty than blacks (22%), Asians (10.1%), and Hispanics (19.4%). The concentration of minority populations in urban settlement spaces confounds the social problems caused by poverty.

The Deconcentration of Poverty and Suburbia

Poverty has never been an exclusive feature of cities. Up until the mid-1960s, the rural family dominated our public image of the person or family living in poverty. What caused that change? The mechanization of agriculture and introduction of industrial grade pesticides drastically reduced the need for agricultural labor starting in the 1940s, prompting a mass migration from rural to urban areas, mainly rural to suburban. Today, the majority of all persons living in poverty reside in the suburbs (Allard and Paisner, 2016; Raphael and Stoll, 2010). But so do the majority of non-poor. This should not be surprising for two reasons. First, the vast majority of Americans live in the suburbs, so there will be an obvious uptick in the number and proportion of suburban residents living in poverty over time. However, the proportion of suburban poor has outpaced the growth of the suburbs. Suburban poverty increased by a whopping 96.3% from 1990 to 2014 (Allard and Paisner, 2016). The second is that poor people have always lived in the suburbs. In 1970, 27% of the poor lived in cities and 24% of the poor lived in suburbs of major metropolitan areas. By 2000, it was 30% city and 30% suburb (Kneebone and Berube, 2014). The salient power of racism makes suburban poverty invisible because suburban poverty is increasingly white poverty. As we discussed above, developers pitched suburbia as white spaces free of racial minorities and the poor, and threaten racial integration as something that will drive down property values. But, growth in the suburban areas of the MCMR has done nothing to alleviate white poverty there.

The rise of suburban poverty illustrates the deconcentration of poverty across the MCMR. One question we need to answer is why has poverty spread across metropolitan regions? This is primarily due to the economic effects of global capitalism and the second circuit of real estate investing that have both helped to create region-wide uneven spatial development and usher in unprecedented levels of social and economic inequality. The rise of suburban corporate office complexes has created an accompanied set of low-skilled and low paying jobs, such as secretaries, file clerks, baristas, fast food workers, janitors, and receptionists, in and around the developments. The older suburbs closest to the historical inner city are the closest and cheapest places to the suburban labor markets. Wherever the influx of affluent residents has taken over inner city neighborhoods, they have driven up rents beyond the means of ordinary Americans, causing members of the working class living around the poverty line to congregate either in the inner ring suburbs or in rural areas.

The longer term economic restructuring associated with neoliberal austerity policies dismantling the welfare state has ushered in the highest levels of economic inequality since 1917 (Saez, 2009). Whereas the mechanization of agriculture decreased the need for manual farm labor, economic restructuring via automation and computation, combined with the lack of unions, has decreased wages for working people. In turn, the burden of the housing crisis and Great Recession of 2007 has fallen most heavily on the working class, not on corporate executives or fully employed professionals. Consequently, the income inequality gap has widened considerably. On the eve of the Great Recession, "income inequality in the United States [was] at an all-time high, surpassing even levels seen during the Great Depression" (Saez, 2009). Since 2000, the top 1% of American wage earners has doubled its share of wages. The top 10% of employed people pulled in almost 50% of all earned wages in 2007. The median net worth of upper income families grew from $740,100 in 2007 to $810,800 in 2016—the highest levels since the Federal Reserve started collecting this data (Kochhar and Cilluffo, 2017). In contrast, lower-income families' net worth fell from $18,500 in 2007 to $10,800 in 2016. According to the World Bank, 3.2 million Americans live in a state of absolute poverty, below $1.90 a day, and 5.3 million Americans live below $4 a day (Deaton, 2018). The pattern is global. In 2017, 82% of all wealth in the world went to the top 1%.

The restructuring of the American economy due to the present phase of global capitalism has created what many economists call a jobless recovery. It has especially hit middle-aged men and women without college degrees the hardest. Furthermore, statistics on job loss indicate that the phenomenon is greater in many of our largest multicentered metropolitan regions (not just cities). For example, much has been made of the decline in the official unemployment rate since 2008, but structural employment remained essentially the same. Whereas the unemployment rate, also referred to as cyclical unemployment, captures the number of people

actively looking for work, structural unemployment captures the long-term unemployment due to the disappearance of entire job sectors or outdated skills. Structural unemployment has a spatial component, as occupations that were clustered in regions, such as automotive work in Michigan or textiles in Massachusetts, did not return. Whereas economic growth accompanies the creation of low-wage jobs, job loss has negative ripple effects on the economy that bring other jobs into jeopardy within communities. Thus economic crises are amplified in settlement spaces with an existing concentration of the poor and unemployed.

The deconcentration of poverty has created a series of new urban problems. Residents living in poverty in the suburbs face a different set of problems than their impoverished city counterparts. One problem is the lack of available social services. Even though the state and county governments administer social services, these government offices are centralized in the city centers. This requires poor suburban residents to travel much greater distances—a problem exacerbated by the inadequate public transportation options in suburban areas. Another negative effect of the deconcentration of and increase in poverty and unemployment is that it affects the housing market making it less attractive for second circuit entrepreneurs to invest in unevenly developed poorer areas. Consequently, the issues of poverty, income inequality, and unemployment are compounded and mixed in with the country's equally large problem of affordable housing.

THE HOUSING CRISES: BUBBLES, BUSTS, AND AFFORDABLE HOUSING

Family well-being in the United States depends to a great extent on where one's home is located. Differences in wealth and the location of the family home determine the opportunities available to individuals. Where one lives determines the quality of the school one attends, the safety of the local streets, and how much one's property will increase in value. Over the years, the cost of well-situated housing, either owned or rented, has increased substantially as a percentage of income. Consequently, attractive neighborhoods have become beyond the reach of many people.

As Lefebvre has argued, the second circuit of investing, namely real estate, is as likely to go through boom-and-bust cycles as any other aspect of capitalism, although, as he maintained, the two circuits are not always in sync. Since the 1980s, real estate and banking interests in the United States pushed the development of housing for the affluent to unprecedented levels. Although little affordable housing was constructed, banks found new ways of placing people into units when they could not afford the expensive housing that was being built. Subprime, i.e, below the prevailing interest rate, and adjustable rate mortgages were the

The rise of suburban poverty illustrates the deconcentration of poverty across the MCMR. One question we need to answer is why has poverty spread across metropolitan regions? This is primarily due to the economic effects of global capitalism and the second circuit of real estate investing that have both helped to create region-wide uneven spatial development and usher in unprecedented levels of social and economic inequality. The rise of suburban corporate office complexes has created an accompanied set of low-skilled and low paying jobs, such as secretaries, file clerks, baristas, fast food workers, janitors, and receptionists, in and around the developments. The older suburbs closest to the historical inner city are the closest and cheapest places to the suburban labor markets. Wherever the influx of affluent residents has taken over inner city neighborhoods, they have driven up rents beyond the means of ordinary Americans, causing members of the working class living around the poverty line to congregate either in the inner ring suburbs or in rural areas.

The longer term economic restructuring associated with neoliberal austerity policies dismantling the welfare state has ushered in the highest levels of economic inequality since 1917 (Saez, 2009). Whereas the mechanization of agriculture decreased the need for manual farm labor, economic restructuring via automation and computation, combined with the lack of unions, has decreased wages for working people. In turn, the burden of the housing crisis and Great Recession of 2007 has fallen most heavily on the working class, not on corporate executives or fully employed professionals. Consequently, the income inequality gap has widened considerably. On the eve of the Great Recession, "income inequality in the United States [was] at an all-time high, surpassing even levels seen during the Great Depression" (Saez, 2009). Since 2000, the top 1% of American wage earners has doubled its share of wages. The top 10% of employed people pulled in almost 50% of all earned wages in 2007. The median net worth of upper income families grew from $740,100 in 2007 to $810,800 in 2016—the highest levels since the Federal Reserve started collecting this data (Kochhar and Cilluffo, 2017). In contrast, lower-income families' net worth fell from $18,500 in 2007 to $10,800 in 2016. According to the World Bank, 3.2 million Americans live in a state of absolute poverty, below $1.90 a day, and 5.3 million Americans live below $4 a day (Deaton, 2018). The pattern is global. In 2017, 82% of all wealth in the world went to the top 1%.

The restructuring of the American economy due to the present phase of global capitalism has created what many economists call a jobless recovery. It has especially hit middle-aged men and women without college degrees the hardest. Furthermore, statistics on job loss indicate that the phenomenon is greater in many of our largest multicentered metropolitan regions (not just cities). For example, much has been made of the decline in the official unemployment rate since 2008, but structural employment remained essentially the same. Whereas the unemployment rate, also referred to as cyclical unemployment, captures the number of people actively looking for work, structural unemployment captures the long-term unemployment due to the disappearance of entire job sectors or outdated skills. Structural unemployment has a spatial component, as occupations that were clustered in regions, such as automotive work in Michigan or textiles in Massachusetts, did not return. Whereas economic growth accompanies the creation of low-wage jobs, job loss has negative ripple effects on the economy that bring other jobs into jeopardy within communities. Thus economic crises are amplified in settlement spaces with an existing concentration of the poor and unemployed.

The deconcentration of poverty has created a series of new urban problems. Residents living in poverty in the suburbs face a different set of problems than their impoverished city counterparts. One problem is the lack of available social services. Even though the state and county governments administer social services, these government offices are centralized in the city centers. This requires poor suburban residents to travel much greater distances—a problem exacerbated by the inadequate public transportation options in suburban areas. Another negative effect of the deconcentration of and increase in poverty and unemployment is that it affects the housing market making it less attractive for second circuit entrepreneurs to invest in unevenly developed poorer areas. Consequently, the issues of poverty, income inequality, and unemployment are compounded and mixed in with the country's equally large problem of affordable housing.

THE HOUSING CRISES: BUBBLES, BUSTS, AND AFFORDABLE HOUSING

Family well-being in the United States depends to a great extent on where one's home is located. Differences in wealth and the location of the family home determine the opportunities available to individuals. Where one lives determines the quality of the school one attends, the safety of the local streets, and how much one's property will increase in value. Over the years, the cost of well-situated housing, either owned or rented, has increased substantially as a percentage of income. Consequently, attractive neighborhoods have become beyond the reach of many people.

As Lefebvre has argued, the second circuit of investing, namely real estate, is as likely to go through boom-and-bust cycles as any other aspect of capitalism, although, as he maintained, the two circuits are not always in sync. Since the 1980s, real estate and banking interests in the United States pushed the development of housing for the affluent to unprecedented levels. Although little affordable housing was constructed, banks found new ways of placing people into units when they could not afford the expensive housing that was being built. Subprime, i.e, below the prevailing interest rate, and adjustable rate mortgages were the principal tools used to keep profits up by tapping into a new market consisting of poorer people who could not afford new housing, but were sold it anyway due to relaxed government regulations that passed into policy during the turn of the last century. Investment banks cleverly engineered entirely new ways of packaging risky home loans into "assets" commonly called "mortgage backed derivatives" that were bought and sold on the global market. The value of these "subprime" derivatives was assured only for as long as the prices of housing continued to rise.

When the speculative bubble—the nation's housing market—began to burst in 2007, mortgage performance, especially on subprime loans with adjustable rates, eroded badly. An increasing number of owners had difficulty keeping current on their payments. Lenders responded by tightening underwriting standards and demanding a higher risk premium, accelerating the ongoing slide in sales and starts (Joint Center for Housing Studies, 2008). The national median single-family home price fell in nominal terms for the first time in forty years of record keeping, leaving several million homeowners with properties worth less than their mortgages. Thus, creating the threat of personal bankruptcy. Compounding this problem of excess supply, current foreclosure rates were so high that banks retained excess liabilities (called "toxic assets") and they remained in crisis facing business bankruptcy as well. In short, when the bubble burst, due to the absence of effective banking and real estate regulation, American capitalism was threatened with failure because dollar value was, itself, in such decline.

There was ample time for a suitable correction, in 2008, if the government under President George W. Bush had paid any attention. It seems astounding now that no one in authority, either in the United States or other industrialized countries, exercised their power to offset such housing speculation. It is even more astounding that no effective oversight was initiated when not long ago the United States, under President Ronald Reagan during the 1980s, lost billions of dollars in a similar real estate banking speculation—the Savings and Loan scandal. The warning signs were already there over a decade ago, when bank mortgage lending was deregulated by the federal government and all the watchdogs of land and bank investing somehow went to sleep while obscene profits and bonuses were being made and paid in these industries. By 2009, in response to the crisis, the US government provided trillions of dollars funded by taxes as a means of preventing the collapse of these same businesses, who were judged "too big to fail," but when repeated appeals had been made to provide adequate housing for all Americans over the years, the response was always indifference. Thus, it is extremely important to note that the Great Recession of the early twenty-first century derived from society's failure over many decades to provide for affordable housing, instead of allowing real estate interests to be de-regulated so that finance and banking profits could go out of control until the bubble burst.

Affordable Housing

The affordable housing crisis refers to the inability of lower and middle-income people to secure market rate rents, flats, or homes that they can afford. The US government defines spending 30% of your monthly income on housing as the threshold of affordability. Affordable housing should not be confused with the conditions of absolute poverty, defined as living on a dollar a day, that leaves one homeless or living in dilapidated housing in slums. The problem of affordable housing is also different from living below the poverty line in developed nations that grants one access to public or subsidized housing. In this regard, affordable housing is a relative term that varies by location, but is a growing problem of all metropolitan regions across the globe.

Since 1965, the cost of housing has risen more rapidly than income. As a result, millions of people either could not afford single-family homeownership or were forced to devote a major part of their income to housing. In the mid-1950s, an average thirty-year-old worker could purchase a median-priced house for just 14% of his or her gross earnings. Thirty years later, it would take 44% of that worker's income to purchase the same house (Levy, 1987). Shannon et al. (1991) illustrated the rapid increase in housing prices. In 1970, the median monthly rent in the United States was $108; by 1985, it was three times as high ($350). The median sales price of new homes increased by a factor of four, from $23,000 in 1970 to more than $92,000 in 1986, and more than doubling again to $236,000 in 2017. Price increases were most rapid on both the East and West Coasts, becoming almost prohibitively high in coastal cities like New York, Seattle, and San Francisco.

The United States has always had an affordable housing crisis because the country has persisted in relying on the private market to supply most of its housing needs, which it can never do. Although the state has the capacity to fund public housing, there is not the willingness at the federal or state level to invest in it or to force the real estate industry to take less profits and build places that people can afford. The historical reliance on the private market to supply the nation's housing needs has led to ill advised policy, like housing vouchers. Housing vouchers are public subsidies given to private landlords to subsidize rather than cover the costs of rent. What they have done is actually drive up the costs of rents, as landlords willing to take vouchers increase the rent above the value of the vouchers, to the highest amounts that they can squeeze from poor tenants. As Desmond noted in *Evicted* (2017), the difference in rent in the worst and best neighborhoods in Milwaukee, Wisconsin was $270 a month. The realities of residential segregation leave even fewer available housing options for people of color, so that they have little choice but to accept any form of shelter where elites allow them to live. In contrast, whites are more likely to face a problem known as down renting: when people rent cheaper units that they can afford, in turn, leaving even few affordable housing units available for middle and working-class residents.

Homelessness

Homelessness is a term that captures a wide range of individuals and families who are without a place to live for many different reasons. When we think of homelessness, we tend to think of the visible homeless who live on the streets, bounce from shelter to shelter, and rely on various charities for food and clothing. Some days or nights they may have enough money for a room in a single-room-occupancy (SRO) hotel. The visible homeless stick out because many suffer from mental illness or some form of addiction and reflect the stereotype of "the bum." However, children are more likely than any other demographic to be homeless. These children are homeless because they ran away from an abusive home or they live with their mother, who may have also fled from an abusive home, or because of the combination of the time and affordability of childcare and gender discrimination in the workplace regarding wages, so single parents cannot afford rent and also work. There are also the "couch homeless": individuals and families who temporarily stay at the homes of family members and friends. They are part of the invisible homeless. They are invisible because they are not on the streets. They are also invisible because they don't appear on official Point in Time homeless counts, taken each year during the last week of January, which allow communities to receive the paltry amount of available federal money to deal with the problem of homelessness. The official homeless count for 2017 was 553,742 individuals, 65% of which were staying in temporary and emergency shelters (US Department of Housing and Urban Development, 2017), but many agree the number is much higher.

While homelessness is related to the issue of affordable housing, it is not directly related (Flanagan, 1990; Leshner, 1992). Economic restructuring has caused job loss and community decline. In many cases, a loss of income results in an inability to afford housing, and for some families, even rental housing can be hard to obtain with limited financial means, especially when landlords also demand two months security in order to move in. But declines in welfare funding have been a principal cause of homelessness. Fiscal austerity and cutbacks in the federal budget have limited the ability of local communities to support people in need. Thus, because of cutbacks to federal and state social welfare programs, under neoliberal federal policies, that have become worse during the Trump administration, combined with the current high rates of inequality, the continual problem of housing foreclosures, homelessness will remain an urban social problem. This terrible plight has put an immense strain on school districts that struggle with a

government mandated requirement that all American children, whether living in a home or not, are entitled to an education.

Homelessness is also caused by the inequities of the second circuit of capital, a matter of land-use issues connected with gentrification, displacement, and the cultural imaginings of what the city should be. Because the real estate market functions both to drive up the cost of shelter and to foster speculation, units may either be too expensive to rent or own or simply be held vacant as a tax loss. The urbanist Carolyn Adams terms this condition one of "maladjustment" in a real estate market that favors the owners of property, rather than a shortage of housing, because in the United States many housing units remain available. As she noted, "large numbers of housing units stand vacant, awaiting demolition or renovation" (1986:528). Talmadge Wright noted that the "problem" of homelessness in American cities is especially challenging because the homeless, city officials, and other groups have very different visions of how urban space should be used. For low-income persons who cannot afford housing, vacant buildings may be seen as squatter properties. But for most people—including public officials and developers—urban space does not include a place for the homeless (Wright, 1998). This attitude has resulted in the "militarization" of urban space, including such things as concertina wire around dumpsters behind grocery stores and restaurants to prevent homeless persons from obtaining leftover food; park benches with spikes specifically designed to prevent people from sleeping; and sprinkler systems in public parks that are turned on during evening hours to prevent homeless persons from sleeping on the ground (Davis, 1990).

In sum, our housing problems represent the fundamental contradictions of our capitalist system that Friedrich Engels noted in the large cities of England as far back as the late 1800s. Homelessness combines aspects of economic crisis, poverty, and the failures of US health and housing policies. One factor is the country's inability to provide an adequate supply of affordable housing to all workers. Like the proverbial butterfly that flaps its wings in the equatorial tropics and triggers a world ecological crisis through a series of globally linked events, the scarcity of affordable housing contributes to the economic turmoil and the current situation of an unaffordable urban life, when minimally regulated banks and the second circuit of capital remain solely devoted to maximizing profit.

The affordable housing crisis in America is its most pressing economic problem. Under the stage of competitive capitalism, businesses that failed were swallowed up by better endowed companies or disappeared, thereby making capitalism, itself, more efficient. Exemplified by President Trump, the second circuit of capital in real estate, under present business and bankruptcy laws, allows companies to fail, go bankrupt and return again, just as present laws enable owners of capital to spin off myriad shell corporations to cover their tax obligations. Trump's real estate businesses are exclusively located in luxury properties